

1 SENATE BILL NO. 23
2 INTRODUCED BY DRAKE

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR A
5 CYCLICAL PROGRAM FOR THE REVALUATION OF TAXABLE PROPERTY ON
6 A COUNTY-BY-COUNTY BASIS; PROVIDING FOR EQUALIZATION OF
7 VALUATION OF TAXABLE PROPERTY BETWEEN THE COUNTIES;
8 PROHIBITING THE ADOPTION OF OTHER PROGRAMS OF REVALUATION OF
9 TAXABLE PROPERTY; REPEALING SECTION 84-429.13, R.C.M. 1947;
10 AND PROVIDING AN EFFECTIVE DATE."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 Section 1. Periodic revaluation of taxable property.
14 The department of revenue shall administer and supervise a
15 program for the revaluation of all taxable property within
16 the state of Montana at least every four (4) years on a
17 county-by-county rotation basis. A comprehensive written
18 plan of rotation shall be promulgated by the department of
19 revenue fixing the order of rotation as between counties on
20 the basis of the last revaluation of taxable property in
21 each county prior to July 1, 1974, in order to adjust the
22 disparities therein between the counties. The plan of
23 rotation so adopted shall provide that no less than twenty
24 percent (20%) of the counties shall be revalued in one (1)
25 year. Such plan of rotation as promulgated shall thereafter

1 be followed. The department of revenue shall furnish a copy
2 of the plan and all amendments thereto to each county
3 assessor and the board of county commissioners in each
4 county.

5 Section 2. Equalization of valuation of taxable
6 property. The department of revenue shall promulgate a
7 comprehensive written plan for the equalization of taxable
8 property valuation for the property in those counties which
9 have not been revalued under the provisions of this act to
10 assure that the property in all counties is valued at all
11 times on a substantially uniform basis.

12 Section 3. Use of valuations. No program for the
13 revaluation of property shall be implemented for taxation in
14 any county, other than as prescribed in this act.

15 Section 4. This act is intended to be supplementary to
16 and is not intended to repeal section 84-429.12, R.C.M.
17 1947.

18 Section 5. If a part of this act is invalid, all valid
19 parts that are severable from the invalid part remain in
20 effect. If a part of this act is invalid in one (1) or more
21 of its applications the part remains in effect in all valid
22 applications that are severable from the invalid
23 applications.

24 Section 6. Section 84-429.13, R.C.M. 1947, is
25 repealed.

SB 23

1 Section 7. This act is effective on passage and
2 approval.

-End-

STATE OF MONTANA

REQUEST NO. 5-75

FISCAL NOTE

Form BD-15

In compliance with a written request received January 6, 19 75, there is hereby submitted a Fiscal Note for Senate Bill 23 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to provide for the revaluation of all taxable property within the State at least every four years on a county-by-county rotation basis. The act also provides for equalization of taxable property between counties and prohibits the implementation of any other revaluation program.

ASSUMPTIONS:

1. A plan will be devised whereby approximately 25% (14) of the counties of the state are revalued each year.
2. Revaluation will increase taxable value by 20%.
3. The 14 counties chosen during any given year will have no less than 15% nor no more than 30% of the total taxable value of the state among them.
4. Taxable value of the state will be \$1.26 billion in FY 76 and \$1.335 billion in FY 77 under present law.
5. The plan would not affect FY 76 tax collections since FY 76 levy will be set in August, 1975.
6. The plan adopted will require no additional expenditures.
7. Six mills will be levied for universities in FY 76 and FY 77. As high as eight mills may be required in FY 77 for public school permissive levy.

FISCAL IMPACT:

		<u>FY 77</u>	
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Increase</u>
1. Property tax collections assuming a 6 mill levy in FY 77 and a maximum 30% under assumption 3.	\$ 8,010,000	\$ 8,463,600	\$ 453,600
2. Property tax collections assuming a 14 mill levy in FY 77 and a maximum 30% under assumption 3.	\$18,690,000	\$19,748,400	\$1,058,400

CONCLUSION:

Enactment of Senate Bill 23 would have no impact in FY 76 but would increase state revenue in FY 77 by \$453,600 to \$1,058,400 depending on the millage requirement for state permissive school levy.

LOCAL IMPACT:

In counties where revaluation takes place, fixed mill levies such as the 40 mill school foundation levy will raise a proportionally greater amount of revenue. Depending on the revenue requirements of local governments in revalued counties, it is possible that overall mill levies may decrease.

Michael S. Bellows
 BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1/11/75

Approved by Committee
on Taxation

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CYCLICAL PROGRAM FOR THE REVALUATION OF TAXABLE PROPERTY ON
A-COUNTY-BY-COUNTY-BASIS,--PROVIDING--FOR--EQUALIZATION--OF
VALUATION---OF---TAXABLE---PROPERTY--BETWEEN--THE--COUNTIES,
PROHIBITING-THE-ADOPTION-OF-OTHER-PROGRAMS-OF-REVALUATION-OF
TAXABLE-PROPERTY,-REPEALING-SECTION-84-429.12,-R.C.M.-1947,
AND-PROVIDING-AN-EFFECTIVE-DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Periodic revaluation of taxable property.
The department of revenue shall administer and supervise a
program for the revaluation of all taxable property within
the state of Montana at least every four (4) years ~~on--a
county-by-county--rotation--basis.~~ A comprehensive written
plan of rotation shall be promulgated by the department of
revenue fixing the order of ~~rotation-as-between-counties~~
REVALUATION OF PROPERTY IN EACH COUNTY on the basis of the
last revaluation of taxable property in each county prior to
July 1, 1974, in order to adjust the disparities therein
between the counties. The plan of rotation so adopted shall
provide that ALL PROPERTY IN EACH COUNTY SHALL BE REVALUED
AT LEAST EVERY FIVE (5) YEARS OR THAT no less than twenty

percent (20%) of the ~~counties~~ PROPERTY IN EACH COUNTY shall
be revalued in ~~one-(1)~~ EACH year. ~~Such-plan-of-rotation-as
promulgated-shall-thereafter-be-followed.~~ The department of
revenue shall furnish a copy of the plan and all amendments
thereto to each county assessor and the board of county
commissioners in each county.

~~Section 2.--Equalization--of--valuation--of--taxable
property.--The--department--of--revenue--shall--promulgate--a
comprehensive-written-plan-for-the-equalization--of--taxable
property--valuation-for-the-property-in-these-counties-which
have-not-been-revalued-under-the-provisions-of-this--act--to
assure--that--the--property-in-all-counties-is-valued-at-all
times-on-a-substantially-uniform-basis.~~

Section 2. Use of valuations. No program for the
revaluation of property shall be implemented for taxation in
any county, other than as prescribed in this act.

Section 3. This act is intended to be supplementary to
and is not intended to repeal section 84-429.12, R.C.M.
1947.

Section 4. If a part of this act is invalid, all valid
parts that are severable from the invalid part remain in
effect. If a part of this act is invalid in one (1) or more
of its applications the part remains in effect in all valid
applications that are severable from the invalid
applications..

1 ~~Section 6, Section 84 429, 13, R.G.M., 1947, is~~
2 ~~repealed.~~
3 ~~Section 6, This act is effective on passage and~~
4 ~~approval.~~

~~-End-~~

SENATE BILL NO. 23
INTRODUCED BY DRAKE

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR A CYCLICAL PROGRAM FOR THE REVALUATION OF TAXABLE PROPERTY ; AND PROVIDING AN EFFECTIVE DATE ON--A--COUNTY-BY-COUNTY BASIS;--PROVIDING--FOR--EQUALIZATION-OF-VALUATION-OF-TAXABLE PROPERTY-BETWEEN-THE-COUNTIES;--PROHIBITING-THE--ADOPTION--OF OTHER-PROGRAMS-OF-REVALUATION-OF-TAXABLE-PROPERTY;--REPEALING SECTION--84-429-13;--R.C.M.-1947;--AND-PROVIDING-AN-EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Periodic revaluation of taxable property. The department of revenue shall administer and supervise a program for the revaluation of all taxable property within the state of Montana at least every ~~four~~ FIVE (5) years ~~on--a--county-by-county--rotation--basis~~. A comprehensive written plan of rotation shall be promulgated by the department of revenue fixing the order of ~~rotation--as between--counties~~ REVALUATION OF PROPERTY IN EACH COUNTY on the basis of the last revaluation of taxable property in each county prior to July 1, 1974, in order to adjust the disparities therein between the counties. The plan of rotation so adopted shall provide that ALL PROPERTY IN EACH

COUNTY SHALL BE REVALUED AT LEAST EVERY FIVE (5) YEARS OR THAT no less than twenty percent (20%) of the counties PROPERTY IN EACH COUNTY shall be revalued in ~~one--(1) EACH~~ year. ~~Such plan of rotation as promulgated shall thereafter be followed.~~ The department of revenue shall furnish a copy of the plan and all amendments thereto to each county assessor and the board of county commissioners in each county.

SECTION 2. EQUALIZATION OF INTERCOUNTY VALUATIONS. THE DEPARTMENT OF REVENUE SHALL MAKE AND ADOPT A COMPREHENSIVE WRITTEN PLAN FOR THE EQUALIZATION OF INTERCOUNTY TAXABLE VALUATIONS. SUCH PLAN SHALL REQUIRE THAT SUBSTANTIALLY ALL PROPERTY SUBJECT TO TAXATION IN MONTANA SHALL BE EQUALIZED IN VALUE DURING THE FIVE YEAR CYCLICAL REVALUATION HEREINBEFORE PROVIDED.

~~Section 2. Equalization of valuation of taxable property. The department of revenue shall promulgate a comprehensive written plan for the equalization of taxable property valuation for the property in those counties which have not been revalued under the provisions of this act to assure that the property in all counties is valued at all times on a substantially uniform basis.~~

Section 3. Use of valuations. No program for the revaluation of property shall be implemented for taxation in any county, other than as prescribed in this act.

1 Section 4. This act is intended to be supplementary to
2 and is not intended to repeal section 84-429.12, R.C.M.
3 1947.

4 Section 5. If a part of this act is invalid, all valid
5 parts that are severable from the invalid part remain in
6 effect. If a part of this act is invalid in one (1) or more
7 of its applications the part remains in effect in all valid
8 applications that are severable from the invalid
9 applications.

10 ~~Section 5. Section 84-429.12, R.C.M., 1947, is~~
11 ~~repealed.~~

12 ~~Section 6. This act is effective on passage and~~
13 ~~approval.~~

14 SECTION 6. EFFECTIVE DATE. THIS ACT IS EFFECTIVE UPON
15 PASSAGE AND APPROVAL.

-End-

HOUSE OF REPRESENTATIVES:

March 18, 1975

HOUSE COMMITTEE ON TAXATION AMENDMENT TO SENATE BILL 23

Amend in the third reading copy as follows:

1. Amend the title, page 1, lines 5 and 6.
Strike: "; AND PROVIDING AN EFFECTIVE DATE"
2. Amend page 2, section 2, line 9.
Following: "SECTION 2."
Strike: All remaining language of the section.
Insert: "THE SAME METHOD OF APPRAISAL AND ASSESSMENT
SHALL BE USED IN EACH COUNTY OF THE STATE TO THE END THAT
COMPARABLE PROPERTY WITH SIMILAR TRUE MARKET VALUES AND
SUBJECT TO TAXATION IN MONTANA SHALL HAVE SUBSTANTIALLY
EQUAL TAXABLE VALUES AT THE END OF EACH CYCLICAL
REVALUATION PROGRAM HEREINBEFORE PROVIDED."
3. Amend page 3, section 6, lines 14 and 15.
Strike: Section 6 in its entirety.

AS SO AMENDED
BE CONCURRED IN

1 SENATE BILL NO. 23

2 INTRODUCED BY DRAKE

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR A
5 CYCLICAL PROGRAM FOR THE REVALUATION OF TAXABLE PROPERTY ~~↑~~
6 ~~AND PROVIDING AN EFFECTIVE DATE ON A COUNTY-BY-COUNTY~~
7 ~~BASIS, PROVIDING FOR EQUALIZATION OF VALUATION OF TAXABLE~~
8 ~~PROPERTY BETWEEN THE COUNTIES, PROHIBITING THE ADOPTION OF~~
9 ~~OTHER PROGRAMS OF REVALUATION OF TAXABLE PROPERTY, REPEALING~~
10 ~~SECTION 4-429.13, R.C.M. 1947, AND PROVIDING AN EFFECTIVE~~
11 ~~DATE."~~

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13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 Section 1. Periodic revaluation of taxable property.
15 The department of revenue shall administer and supervise a
16 program for the revaluation of all taxable property within
17 the state of Montana at least every ~~four (4)~~ FIVE (5) years
18 ~~on a county-by-county rotation basis.~~ A comprehensive
19 written plan of rotation shall be promulgated by the
20 department of revenue fixing the order of ~~rotation as~~
21 ~~between counties~~ REVALUATION OF PROPERTY IN EACH COUNTY on
22 the basis of the last revaluation of taxable property in
23 each county prior to July 1, 1974, in order to adjust the
24 disparities therein between the counties. The plan of
25 rotation so adopted shall provide that ALL PROPERTY IN EACH

1 COUNTY SHALL BE REVALUED AT LEAST EVERY FIVE (5) YEARS OR
2 THAT no less than twenty percent (20%) of the ~~counties~~
3 PROPERTY IN EACH COUNTY shall be revalued in ~~one (1)~~ EACH
4 ~~year. Such plan of rotation as promulgated shall thereafter~~
5 ~~be followed.~~ The department of revenue shall furnish a copy
6 of the plan and all amendments thereto to each county
7 assessor and the board of county commissioners in each
8 county.

9 SECTION 2. EQUALIZATION OF INTERCOUNTY VALUATIONS.
10 THE DEPARTMENT OF REVENUE SHALL MAKE AND ADOPT A
11 COMPREHENSIVE WRITTEN PLAN FOR THE EQUALIZATION OF
12 INTERCOUNTY TAXABLE VALUATIONS. SUCH PLAN SHALL REQUIRE
13 THAT SUBSTANTIALLY ALL PROPERTY SUBJECT TO TAXATION IN
14 MONTANA SHALL BE EQUALIZED IN VALUE DURING THE FIVE-YEAR
15 CYCLICAL REVALUATION HEREBEFORE PROVIDED. THE SAME METHOD
16 OF APPRAISAL AND ASSESSMENT SHALL BE USED IN EACH COUNTY OF
17 THE STATE TO THE END THAT COMPARABLE PROPERTY WITH SIMILAR
18 TRUE MARKET VALUES AND SUBJECT TO TAXATION IN MONTANA SHALL
19 HAVE SUBSTANTIALLY EQUAL TAXABLE VALUES AT THE END OF EACH
20 CYCLICAL REVALUATION PROGRAM HEREBEFORE PROVIDED.

21 ~~Section 2. Equalization of valuation of taxable~~
22 ~~property. The department of revenue shall promulgate a~~
23 ~~comprehensive written plan for the equalization of taxable~~
24 ~~property valuation for the property in those counties which~~
25 ~~have not been revalued under the provisions of this act to~~

1 ~~assure--that--the--property--in--all--counties--is--valued--at--all~~
2 ~~times--on--a--substantially--uniform--basis.~~

3 Section 3. Use of valuations. No program for the
4 revaluation of property shall be implemented for taxation in
5 any county, other than as prescribed in this act.

6 Section 4. This act is intended to be supplementary to
7 and is not intended to repeal section 34-429.12, R.C.M.
8 1947.

9 Section 5. If a part of this act is invalid, all valid
10 parts that are severable from the invalid part remain in
11 effect. If a part of this act is invalid in one (1) or more
12 of its applications the part remains in effect in all valid
13 applications that are severable from the invalid
14 applications.

15 ~~Section--5.--Section---04-429.13,---RrCrMr---1947,---is~~
16 ~~repeated.~~

17 ~~Section--6.--This--act--is--effective--on--passage---and~~
18 ~~approval.~~

19 ~~SECTION-6.--EFFECTIVE-DATE.--THIS-ACT-IS-EFFECTIVE--UPON~~
20 ~~PASSAGE-AND-APPROVAL.~~

-End-