

CHAPTER NO. 210

HOUSE BILL NO. 796

INTRODUCED BY RAMIREZ, SIVERTSEN, FABREGA

IN THE HOUSE

February 14, 1979	Introduced and referred to Committee on Taxation.
March 13, 1979	Committee recommend bill do pass. Report adopted.
March 14, 1979	Printed and placed on members' desks.
March 15, 1979	Second reading, do pass.
March 16, 1979	Considered correctly engrossed.
March 17, 1979	Third reading, passed. Transmitted to second house.

IN THE SENATE

March 19, 1979	Introduced and referred to Committee on Taxation.
April 7, 1979	Committee recommend bill be concurred in as amended. Report adopted.
April 9, 1979	Second reading, concurred in.
April 11, 1979	Third reading, concurred in as amended.

IN THE HOUSE

April 12, 1979	Returned from second house. Concurred in as amended.
April 13, 1979	Second reading, amendments adopted.
April 16, 1979	Third reading, amendments adopted. Sent to enrolling.  Reported correctly enrolled.

1 ~~HOUSE~~ BILL NO. 296  
 2 INTRODUCED BY Ramona Dwyer  
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE  
 5 LAWS GOVERNING THE PROPERTY TAX APPRAISAL AND APPEAL  
 6 PROCESS; REQUIRING THE REVENUE OVERSIGHT COMMITTEE TO  
 7 CONSIDER DEPARTMENT OF REVENUE RULES GOVERNING APPRAISAL AND  
 8 ALLOWING IT TO POLL THE LEGISLATURE CONCERNING THESE RULES;  
 9 ESTABLISHING THE REVENUE OVERSIGHT COMMITTEE AS A PERMANENT  
 10 LEGISLATIVE COMMITTEE; REQUIRING THE STATE TAX APPEAL BOARD  
 11 TO ALLOW DIRECT APPEAL IN CERTAIN CASES; AND AMENDING  
 12 SECTIONS 15-2-201, 15-7-102, 15-7-103, MCA, AND SECTIONS 1  
 13 AND 4 OF CHAPTER 458, LAWS OF 1977."

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

16 Section 1. Section 15-7-103, MCA, is amended to read:

17 "15-7-103. Classification and appraisal -- general and  
 18 uniform methods. (1) It is the duty of the department of  
 19 revenue to implement the provisions of 15-7-101 through  
 20 15-7-103 by providing:

21 (a) for a general and uniform method of classifying  
 22 lands in the state for the purpose of securing an equitable  
 23 and uniform basis of assessment of said lands for taxation  
 24 purposes;

25 (b) for a general and uniform method of appraising

1 city and town lots;

2 (c) for a general and uniform method of appraising  
 3 rural and urban improvements;

4 (d) for a general and uniform method of appraising  
 5 timberlands.

6 (2) All lands shall be classified according to their  
 7 use or uses and graded within each class according to soil  
 8 and productive capacity. In such classification work, use  
 9 shall be made of soil surveys and maps and all other  
 10 pertinent available information.

11 (3) All lands must be classified by 40-acre tracts or  
 12 fractional lots.

13 (4) All agricultural lands must be classified and  
 14 appraised as agricultural lands without regard to the best  
 15 and highest value use of adjacent or neighboring lands.

16 (5) All property classified in 15-6-112 must be  
 17 appraised on its market value in the same year. The  
 18 department must publish a rule specifying the year used in  
 19 the appraisal."

20 Section 2. Section 1, Chapter 458, Laws of 1977, is  
 21 amended to read:

22 "Section 1. Revenue oversight committee -- manner of  
 23 appointment. (1) There is created a legislative revenue  
 24 oversight committee as a joint committee of the legislature  
 25 until adjournment of the 46th legislature. The committee

1 consists of four members of the senate taxation committee,  
 2 appointed by the chairman of that committee, four members of  
 3 the house of representatives taxation committee, appointed  
 4 by the the chairman of that committee, two senators  
 5 appointed the committee on committees, and two  
 6 representatives appointed by the speaker. No more than three  
 7 members from each house may be of the same political party.

8 (2) Appointments shall be made before the 90th  
 9 legislative day of a regular session for terms ending on the  
 10 day the next regular session adjourns. A vacancy shall be  
 11 filled as the original appointment was made."

12 Section 3. Section 4, Chapter 458, Laws of 1977, is  
 13 amended to read:

14 "Section 4. Committee duties. (1) The committee shall  
 15 make interim studies of the statewide reappraisal of real  
 16 property and its property tax consequences, the taxation of  
 17 financial institutions by methods which could replace the  
 18 bank shares tax, and the appropriate level of taxation of  
 19 the gross proceeds of metal mines. The committee may also  
 20 exercise continuing legislative oversight of the department  
 21 of revenue, including without limitation the review of:

- 22 (a) proposed and adopted rules;
- 23 (b) proposed budgets;
- 24 (c) proposed legislation;
- 25 (d) pending litigation; and

1 (e) major contracts and personnel actions of the  
 2 department.

3 ~~(2) The committee shall:~~

4 ~~(a) consider any method proposed in any rule published~~  
 5 ~~by the department of revenue to appraise real property to~~  
 6 ~~determine whether the method is general and uniform for~~  
 7 ~~similar types of property;~~

8 ~~(b) prepare written recommendations for the adoption,~~  
 9 ~~amendment, or rejection of the rule;~~

10 ~~(c) submit these recommendations to the department.~~

11 ~~(2)(3) The committee shall prepare a biennial critique~~  
 12 ~~of the department's activities, which shall be published by~~  
 13 ~~the department as an appendix to the biennial report of the~~  
 14 ~~department."~~

15 NEW SECTION. Section 4. Legislative consent to method  
 16 of appraisal -- poll. (1) If the legislature is not in  
 17 session, the committee may poll the members of the  
 18 legislature by mail to determine whether a proposed rule  
 19 the department of revenue concerning the method of  
 20 appraising real property is consistent with the intent of  
 21 the legislature in passing 15-7-103.

22 (2) The poll shall include an opportunity for the  
 23 department of revenue to present a written justification for  
 24 the rule to the members of the legislature.

25 NEW SECTION. Section 5. Evidentiary value of

1 legislative poll. (1) The results of a poll conducted by the  
2 committee are admissible in a court proceeding involving the  
3 validity of a rule.

4 (2) If the results of the poll show that the majority  
5 of the members of both houses find a rule contrary to the  
6 intent of the legislature, the rule shall be conclusively  
7 presumed to be contrary to the legislative intent in a court  
8 proceeding involving its validity.

9 Section 6. Section 15-7-102, MCA, is amended to read:  
10 "15-7-102. Notice of classification and appraisal to  
11 owners -- appeals. (1) It shall be the duty of the  
12 department of revenue to cause to be mailed to each owner a  
13 notice of the classification of the land owned by him and  
14 the appraisal of the improvements thereon.

15 (2) If the owner of any land and improvements be ~~is~~  
16 dissatisfied with the ~~appraisal or~~ classification of his  
17 land or ~~the appraisal of the~~ improvements, ~~he may submit~~  
18 ~~his objection in writing to the department's agent. The~~  
19 department shall give reasonable notice to such taxpayer of  
20 the time and place of hearing and hear any testimony or  
21 other evidence which the taxpayer may desire to produce at  
22 such time and afford the opportunity to other interested  
23 persons to produce evidence at such hearing. Thereafter,  
24 the department shall determine the true and correct  
25 ~~appraisal and~~ classification of such land or ~~appraisal of~~

1 such improvements and forthwith notify the taxpayer of its  
2 determination. ~~In the notification, the department must~~  
3 ~~state its reasons for revising the classification or~~  
4 ~~appraisal and when when so determined, the land shall be~~  
5 classified and improvements appraised in the manner ordered  
6 by the department.

7 ~~(2) Whether a hearing as provided in subsection (2) is~~  
8 ~~held or not, the department or its agent may not adjust an~~  
9 ~~appraisal or classification upon taxpayer's objection~~  
10 ~~unless:~~

11 ~~(a) the taxpayer has submitted his objection in~~  
12 ~~writing; and~~

13 ~~(b) the department or its agent has issued its reason~~  
14 ~~in writing for making the determination.~~

15 ~~(4) A taxpayer's written objection to a classification~~  
16 ~~or appraisal and the department's notification to the~~  
17 ~~taxpayer of its determination and the reason for that~~  
18 ~~determination are public records. Each county appraiser~~  
19 ~~shall make such records available for inspection during~~  
20 ~~regular office hours.~~

21 ~~(3)(2) If any property owner shall feel aggrieved at~~  
22 ~~the classification and/or the appraisal so made by the~~  
23 ~~department, he shall have the right to appeal to the county~~  
24 ~~tax appeal board and then to the state tax appeal board,~~  
25 ~~whose findings shall be final subject to the right of review~~

1 in the proper court or courts."

2 Section 7. Section 15-2-201, MCA, is amended to read:

3 \*15-2-201. Powers and duties. (1) It shall be the duty  
4 of the state tax appeal board to:

5 (a) prescribe rules for the tax appeal boards of the  
6 different counties in the performance of their duties and  
7 for this purpose may schedule meetings of county tax appeal  
8 boards, and it shall be the duty of all invited county tax  
9 appeal board members to attend if possible, and the cost of  
10 their attendance shall be paid from the appropriation of the  
11 state tax appeal board;

12 (b) hear appeals from decisions of the county tax  
13 appeal boards;

14 (c) hear appeals from decisions of the department of  
15 revenue in regard to business licenses, property  
16 assessments, taxes, and penalties; and

17 ~~(d) hear appeals from decisions of the department of~~  
18 ~~revenue or its agents as provided in [section 8].~~

19 (2) Oaths to witnesses in any investigation by the  
20 state tax appeal board may be administered by a member of  
21 the board or his agent. In case any witness shall fail to  
22 obey any summons to appear before said board or shall refuse  
23 to testify or answer any material questions or to produce  
24 records, books, papers, or documents when required to do so,  
25 such failure or refusal shall be reported to the attorney

1 general, who shall thereupon institute proceedings in the  
2 proper district court to punish the witness for such neglect  
3 or refusal. Any person who shall testify falsely in any  
4 material matter under consideration by the board shall be  
5 guilty of perjury and punished accordingly. Witnesses  
6 attending shall receive like compensation as witnesses in  
7 the district court. Such compensation shall be charged to  
8 the proper appropriation for the board.

9 (3) The state tax appeal board shall also have the  
10 duties of an appeal board relating to such other matters as  
11 may be provided by law."

12 NEW SECTION. Section 8. Direct appeal to state tax  
13 appeal board of certain cases involving property appraisal  
14 and classification. (1) The state tax appeal board shall  
15 allow direct appeals concerning the appraisal or  
16 classification of property if in hearing a taxpayer's appeal  
17 from a county tax appeal board's decision the board  
18 determines that, in its opinion, the method of appraising or  
19 classifying the taxpayer's property:

20 (a) was in violation of statutory requirements for  
21 general and uniform appraisal of similar property or other  
22 laws governing assessment and classification;

23 (b) created substantial discrepancies in the appraisal  
24 of similar property; and

25 (c) affected the appraisal or classification of

1 similar property throughout the state.

2 (2) After determining that the conditions listed in  
3 subsection (1) exist, the board shall:

4 (a) publish notice of the opportunity to appeal in one  
5 newspaper of general circulation in each county once each  
6 week for 3 weeks;

7 (b) for 30 days after the final publication of notice  
8 as provided in subsection (2)(a), allow taxpayers:

9 (i) to appeal directly to the board without appealing  
10 to the county tax appeal board or paying their taxes under  
11 protest; or

12 (ii) to join an appeal currently pending before the  
13 board on similar property.

-End-

## FISCAL NOTE

Form BD-15

In compliance with a written request received February 28, 19 79, there is hereby submitted a Fiscal Note for House Bill 796 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

This proposed bill generally revises the laws governing the property tax appraisal and appeal process; requiring the Revenue Oversight Committee to consider Department of Revenue rules governing appraisal and allowing it to poll the Legislature concerning these rules; establishing the Revenue Oversight Committee as a permanent legislative committee; requiring the State Tax Appeal Board to allow direct appeal in certain cases.

FISCAL IMPACT

While it is difficult to anticipate the number, and the effect, of property appraisal appeals associated with the proposed law, it is believed that the impact upon property tax collections and Department of Revenue expenditures would be minimal.

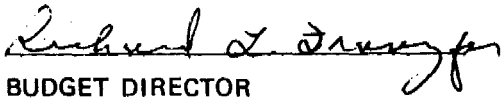
EFFECT ON LOCAL GOVERNMENT

Unable to estimate fiscal impact on local governments.

TECHNICAL NOTE

Proposed subsection (5) of section 15-7-103 involves the appraisal of certain real and personal property; this subject is currently being litigated. If the state wins its case, then there would be no fiscal impact associated with adoption of the proposed law.

(Prepared by the Department of Revenue)

  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 3/1/79

Approved by Committee  
on Taxation

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2 INTRODUCED BY Ramona Dineen Kelly  
3

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HB 796

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 2 INTRODUCED BY *Ramirez, Director*  
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11 ~~(2)(3) The committee shall prepare a biennial critique~~  
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13 ~~the department as an appendix to the biennial report of the~~  
14 ~~department."~~

15 **NEW SECTION.** Section 4. Legislative consent to method  
16 of appraisal -- poll. (1) If the legislature is not in  
17 session, the committee may poll the members of the  
18 legislature by mail to determine whether a proposed rule of  
19 the department of revenue concerning the method of  
20 appraising real property is consistent with the intent of  
21 the legislature in passing 15-7-103.

22 (2) The poll shall include an opportunity for the  
23 department of revenue to present a written justification for  
24 the rule to the members of the legislature.

25 **NEW SECTION.** Section 5. Evidentiary value of

1 legislative poll. (1) The results of a poll conducted by the  
2 committee are admissible in a court proceeding involving the  
3 validity of a rule.

4 (2) If the results of the poll show that the majority  
5 of the members of both houses find a rule contrary to the  
6 intent of the legislature, the rule shall be conclusively  
7 presumed to be contrary to the legislative intent in a court  
8 proceeding involving its validity.

9 Section 6. Section 15-7-102, MCA, is amended to read:

10 "15-7-102. Notice of classification and appraisal to  
11 owners -- appeals. (1) It shall be the duty of the  
12 department of revenue to cause to be mailed to each owner a  
13 notice of the classification of the land owned by him and  
14 the appraisal of the improvements thereon.

15 (2) If the owner of any land and improvements be ~~is~~  
16 dissatisfied with the ~~appraisal~~ or classification of his  
17 land or the ~~appraisal~~ of the improvements, the ~~he~~ may submit  
18 ~~his objection in writing to the department's agent. The~~  
19 department shall give reasonable notice to such taxpayer of  
20 the time and place of hearing and hear any testimony or  
21 other evidence which the taxpayer may desire to produce at  
22 such time and afford the opportunity to other interested  
23 persons to produce evidence at such hearing. Thereafter,  
24 the department shall determine the true and correct  
25 ~~appraisal and classification of such land or improvements~~

1 such improvements and forthwith notify the taxpayer of its  
2 determination. ~~In the notification, the department must~~  
3 ~~state its reasons for revising the classification or~~  
4 ~~appraisal, and when so determined, the land shall be~~  
5 classified and improvements appraised in the manner ordered  
6 by the department.

7 ~~(3) Whether a hearing as provided in subsection (2) is~~  
8 ~~held or not, the department or its agent may not adjust an~~  
9 ~~appraisal or classification upon taxpayer's objection~~  
10 ~~unless:~~

11 ~~(a) the taxpayer has submitted his objection in~~  
12 ~~writing; and~~

13 ~~(b) the department or its agent has issued its reason~~  
14 ~~in writing for making the determination.~~

15 ~~(4) A taxpayer's written objection to a classification~~  
16 ~~or appraisal and the department's notification to the~~  
17 ~~taxpayer of its determination and the reason for that~~  
18 ~~determination are public records. Each county appraiser~~  
19 ~~shall make such records available for inspection during~~  
20 ~~regular office hours.~~

21 ~~(3)(5) If any property owner shall feel aggrieved at~~  
22 ~~the classification and/or the appraisal so made by the~~  
23 ~~department, he shall have the right to appeal to the county~~  
24 ~~tax appeal board and then to the state tax appeal board,~~  
25 ~~whose findings shall be final subject to the right of review~~

1 in the proper court or courts."

2 Section 7. Section 15-2-201, MCA, is amended to read:

3 "15-2-201. Powers and duties. (1) It shall be the duty  
4 of the state tax appeal board to:

5 (a) prescribe rules for the tax appeal boards of the  
6 different counties in the performance of their duties and  
7 for this purpose may schedule meetings of county tax appeal  
8 boards, and it shall be the duty of all invited county tax  
9 appeal board members to attend if possible, and the cost of  
10 their attendance shall be paid from the appropriation of the  
11 state tax appeal board;

12 (b) hear appeals from decisions of the county tax  
13 appeal boards;

14 (c) hear appeals from decisions of the department of  
15 revenue in regard to business licenses, property  
16 assessments, taxes, and penalties; and

17 ~~(d) hear appeals from decisions of the department of  
18 revenue or its agents as provided in [section 8].~~

19 (2) Oaths to witnesses in any investigation by the  
20 state tax appeal board may be administered by a member of  
21 the board or his agent. In case any witness shall fail to  
22 obey any summons to appear before said board or shall refuse  
23 to testify or answer any material questions or to produce  
24 records, books, papers, or documents when required to do so,  
25 such failure or refusal shall be reported to the attorney

1 general, who shall thereupon institute proceedings in the  
2 proper district court to punish the witness for such neglect  
3 or refusal. Any person who shall testify falsely in any  
4 material matter under consideration by the board shall be  
5 guilty of perjury and punished accordingly. Witnesses  
6 attending shall receive like compensation as witnesses in  
7 the district court. Such compensation shall be charged to  
8 the proper appropriation for the board.

9 (3) The state tax appeal board shall also have the  
10 duties of an appeal board relating to such other matters as  
11 may be provided by law."

12 ~~NEW SECTION.~~ Section 8. Direct appeal to state tax  
13 appeal board of certain cases involving property appraisal  
14 and classification. (1) The state tax appeal board shall  
15 allow direct appeals concerning the appraisal or  
16 classification of property if in hearing a taxpayer's appeal  
17 from a county tax appeal board's decision the board  
18 determines that, in its opinion, the method of appraising or  
19 classifying the taxpayer's property:

20 (a) was in violation of statutory requirements for  
21 general and uniform appraisal of similar property or other  
22 laws governing assessment and classification;

23 (b) created substantial discrepancies in the appraisal  
24 of similar property; and

25 (c) affected the appraisal or classification of



1 similar property throughout the state.

2 (2) After determining that the conditions listed in  
3 subsection (1) exist, the board shall:

4 (a) publish notice of the opportunity to appeal in one  
5 newspaper of general circulation in each county once each  
6 week for 3 weeks;

7 (b) for 30 days after the final publication of notice  
8 as provided in subsection (2)(a), allow taxpayers:

9 (i) to appeal directly to the board without appealing  
10 to the county tax appeal board or paying their taxes under  
11 protest; or

12 (ii) to join an appeal currently pending before the  
13 board on similar property.

-End-

HOUSE BILL NO. 796

INTRODUCED BY RAMIREZ, SIVERTSEN, FABREGA

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE LAWS GOVERNING THE PROPERTY TAX APPRAISAL AND APPEAL PROCESS; REQUIRING THE REVENUE OVERSIGHT COMMITTEE TO CONSIDER DEPARTMENT OF REVENUE RULES GOVERNING APPRAISAL AND ALLOWING IT TO POLL THE LEGISLATURE CONCERNING THESE RULES; ESTABLISHING--THE-REVENUE-OVERSIGHT-COMMITTEE-AS-A-PERMANENT LEGISLATIVE-COMMITTEE--REQUIRING-THE-STATE-TAX-APPEAL--BOARD TO--ALLOW--DIRECT--APPEAL--IN--CERTAIN--CASES; AND AMENDING SECTIONS ~~15-2-201~~ 15-7-102, AND 15-7-103, MCA, AND SECTIONS ~~1-AND~~ SECTION 4 OF CHAPTER 458, LAWS OF 1977."

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

Section 1. Section 15-7-103, MCA, is amended to read:

"15-7-103. Classification and appraisal -- general and uniform methods. (1) It is the duty of the department of revenue to implement the provisions of 15-7-101 through 15-7-103 by providing:

(a) for a general and uniform method of classifying lands in the state for the purpose of securing an equitable and uniform basis of assessment of said lands for taxation purposes;

(b) for a general and uniform method of appraising

city and town lots;

(c) for a general and uniform method of appraising rural and urban improvements;

(d) for a general and uniform method of appraising timberlands.

(2) All lands shall be classified according to their use or uses and graded within each class according to soil and productive capacity. In such classification work, use shall be made of soil surveys and maps and all other pertinent available information.

(3) All lands must be classified by 40-acre tracts or fractional lots.

(4) All agricultural lands must be classified and appraised as agricultural lands without regard to the best and highest value use of adjacent or neighboring lands.

~~(5) At IN ANY PERIODIC REVALUATION OF TAXABLE PROPERTY COMPLETED UNDER THE PROVISIONS OF 15-7-111 AFTER JANUARY 1, 1979, ALL property classified in 15-6-112 must be appraised on its market value in the same year. The department must publish a rule specifying the year used in the appraisal.~~

~~Section 2--Section 1--Chapter 458, Laws of 1977, is amended to read:~~

~~"Section 1--Revenue oversight committee--manner of appointments--(1) There is created a legislative revenue~~

1 oversight committee as a joint committee of the legislature  
 2 until adjournment of the 46th legislature. The committee  
 3 consists of four members of the senate, taxation committee  
 4 appointed by the chairman of that committee, four members of  
 5 the house of representatives, taxation committee, appointed  
 6 by the chairman of that committee, two senators  
 7 appointed to the committee on committees, and two  
 8 representatives appointed by the speaker. No more than three  
 9 members from each house may be of the same political party.  
 10 ~~{2} Appointments shall be made before the 90th~~  
 11 ~~legislative day of a regular session for terms ending on the~~  
 12 ~~day the next regular session adjourns. A vacancy shall be~~  
 13 ~~filled as the original appointment was made."~~

14 Section 2. Section 4, Chapter 458, Laws of 1977, is  
 15 amended to read:

16 "Section 4. Committee duties. (1) The committee shall  
 17 make interim studies of the statewide reappraisal of real  
 18 property and its property tax consequences, the taxation of  
 19 financial institutions by methods which could replace the  
 20 bank shares tax, and the appropriate level of taxation of  
 21 the gross proceeds of metal mines. The committee may also  
 22 exercise continuing legislative oversight of the department  
 23 of revenue, including without limitation the review of:

- 24 (a) proposed and adopted rules;  
 25 (b) proposed budgets;

- 1 (c) proposed legislation;  
 2 (d) pending litigation; and  
 3 (e) major contracts and personnel actions of the  
 4 department.

5 {2} The committee shall:

6 (a) consider any method proposed in any rule published  
 7 by the department of revenue to appraise real property to  
 8 determine whether the method is general and uniform for  
 9 similar types of property;

10 (b) prepare written recommendations for the adoption,  
 11 amendment, or rejection of the rule;

12 (c) submit these recommendations to the department.

13 ~~{2}{1}~~ The committee shall prepare a biennial critique  
 14 of the department's activities, which shall be published by  
 15 the department as an appendix to the biennial report of the  
 16 department."

17 ~~NEW SECTION. Section 4. Legislative consent to method~~  
 18 ~~of appraisal. (1) If the legislature is not in~~  
 19 ~~session, the committee may poll the members of the~~  
 20 ~~legislature by mail to determine whether a proposed rule of~~  
 21 ~~the department of revenue concerning the method of~~  
 22 ~~appraising real property is consistent with the intent of~~  
 23 ~~the legislature in passing 15-7-103.~~

24 ~~{2} The poll shall include an opportunity for the~~  
 25 ~~department of revenue to present a written justification for~~

1 ~~the rule to the members of the legislature~~  
 2 ~~NEW SECTION: Section 5. Evidentiary value of~~  
 3 ~~legislative poll. (1) The results of a poll conducted by~~  
 4 ~~the committee are admissible in a court proceeding involving~~  
 5 ~~the validity of a rule.~~

6 ~~(2) If the results of the poll show that the majority~~  
 7 ~~of the members of both houses find a rule contrary to the~~  
 8 ~~intent of the legislature, the rule shall be conclusively~~  
 9 ~~presumed to be contrary to the legislative intent in a court~~  
 10 ~~proceeding involving its validity.~~

11 Section 3. Section 15-7-102, MCA, is amended to read:  
 12 "15-7-102. Notice of classification and appraisal to  
 13 owners -- appeals. (1) It shall be the duty of the  
 14 department of revenue to cause to be mailed to each owner a  
 15 notice of the classification of the land owned by him and  
 16 the appraisal of the improvements thereon.

17 (2) If the owner of any land and improvements be is  
 18 dissatisfied with the appraisal or classification of his  
 19 land or the appraisal of the improvements, he may submit  
 20 his objection in writing to the department's agent. The  
 21 department shall give reasonable notice to such taxpayer of  
 22 the time and place of hearing and hear any testimony or  
 23 other evidence which the taxpayer may desire to produce at  
 24 such time and afford the opportunity to other interested  
 25 persons to produce evidence at such hearing. Thereafter,

1 the department shall determine the true and correct  
 2 appraisal and classification of such land or appraised of  
 3 such improvements and forthwith notify the taxpayer of its  
 4 determination. In the notification, the department must  
 5 state its reasons for revising the classification or  
 6 appraisal, and when ~~When~~ so determined, the land shall be  
 7 classified and improvements appraised in the manner ordered  
 8 by the department.

9 ~~(3) Whether a hearing as provided in subsection (2) is~~  
 10 ~~held or not, the department or its agent may not adjust an~~  
 11 ~~appraisal or classification upon taxpayer's objection~~  
 12 ~~unless:~~

13 ~~(a) the taxpayer has submitted his objection in~~  
 14 ~~writing; and~~

15 ~~(b) the department or its agent has issued STATED its~~  
 16 ~~reason in writing for making the determination ADJUSTMENT.~~

17 ~~(4) A taxpayer's written objection to a classification~~  
 18 ~~or appraisal and the department's notification to the~~  
 19 ~~taxpayer of its determination and the reason for that~~  
 20 ~~determination are public records. Each county appraiser~~  
 21 ~~shall make such records available for inspection during~~  
 22 ~~regular office hours.~~

23 ~~(3)(5) If any property owner shall feel aggrieved at~~  
 24 ~~the classification and/or the appraisal so made by the~~  
 25 ~~department, he shall have the right to appeal to the county~~

1 tax appeal board and then to the state tax appeal board,  
 2 whose findings shall be final subject to the right of review  
 3 in the proper court or courts." ~~Section 7a--Section 15-2-201y-MCA--is amended to read~~  
 4 ~~"15-2-201y--Powers and duties--(1)--it--shall--be--the~~  
 5 ~~duty--of--the--state--tax--appeal--board--to--~~  
 6 ~~(a)--prescribe--rules--for--the--tax--appeal--boards--of--the~~  
 7 ~~different--counties--in--the--performance--of--their--duties--and~~  
 8 ~~for--this--purpose--may--schedule--meetings--of--county--tax--appeal~~  
 9 ~~boards--and--it--shall--be--the--duty--of--all--invited--county--tax~~  
 10 ~~appeal--board--members--to--attend--if--possible--and--the--cost--of~~  
 11 ~~their--attendance--shall--be--paid--from--the--appropriation--of--the~~  
 12 ~~state--tax--appeal--board~~  
 13 ~~(b)--hear--appeals--from--decisions--of--the--county--tax~~  
 14 ~~appeal--board~~  
 15 ~~(c)--hear--appeals--from--decisions--of--the--department--of~~  
 16 ~~revenue--in--regard--to--business--licenses--property~~  
 17 ~~assessment--taxes--and--penalties--and~~  
 18 ~~taxes--of--its--agents--as--provided--in--section--83a~~  
 19 ~~(d)--both--to--witnesses--in--any--investigation--by--the~~  
 20 ~~state--tax--appeal--board--may--be--administered--by--a--member--of~~  
 21 ~~the--board--or--his--agents--in--case--any--witness--shall--fail--to~~  
 22 ~~obey--any--summons--to--appear--before--said--board--or--shall--refuse~~  
 23 ~~to--testify--or--answer--any--material--questions--or--to--produce~~

1 records--books--papers--or--documents--when--required--to--do--so  
 2 such--failure--or--refusal--shall--be--reported--to--the--attorney  
 3 general--who--shall--thereupon--institute--proceedings--in--the  
 4 proper--district--court--to--punish--the--witness--for--such--neglect  
 5 or--refusal--Any--person--who--shall--testify--falsely--in--any  
 6 material--matter--under--consideration--by--the--board--shall--be  
 7 guilty--of--perjury--and--punished--accordingly--Witnesses  
 8 attending--shall--receive--the--compensation--as--witnesses--in  
 9 the--district--courts--Such--compensation--shall--be--charged--to  
 10 the--proper--appropriation--for--the--board  
 11 (j)--The--state--tax--appeal--board--shall--also--have--the  
 12 duties--of--an--appeal--board--relating--to--such--other--matters--as  
 13 may--be--provided--by--law  
 14 ~~NEW--SECTION--Section--9y--Direct--appeal--to--state--tax~~  
 15 ~~appeal--board--of--certain--cases--involving--property--appraisal~~  
 16 ~~and--classification--(1)--The--state--tax--appeal--board--shall~~  
 17 ~~hear--direct--appeals--concerning--the--appraisal--or~~  
 18 ~~classification--of--property--if--in--hearing--a--taxpayer's--appeal~~  
 19 ~~from--a--county--tax--appeal--board's--decision--the--board~~  
 20 ~~determines--that--in--its--opinion--the--method--of--appraising--or~~  
 21 ~~classifying--the--taxpayer's--property~~  
 22 ~~(a)--was--in--violation--of--statutory--requirements--for~~  
 23 ~~general--and--uniform--appraisal--of--similar--property--or--other~~  
 24 ~~laws--governing--assessment--and--classification~~  
 25 ~~(b)--created--substantial--discrepancies--in--the--appraisal~~

1 of similar property and  
2 (c) affected the appraisal or classification of  
3 similar property throughout the state  
4 (2) After determining what the conditions listed in  
5 subsection (1) exist, the board shall  
6 (a) publish notice of the opportunity to appeal in one  
7 newspaper of general circulation in each county once each  
8 week for 3 weeks  
9 (b) for 30 days after the first publication of notice  
10 as provided in subsection (2)(a) allow taxpayers  
11 (i) to appeal directly to the board without appealing  
12 to the county tax appeal board or paying their taxes under  
13 protest or  
14 (ii) to join an appeal currently pending before the  
15 board on similar property

-End-

April 7, 1979

SENATE STANDING COMMITTEE REPORT  
(Taxation)

That House Bill No. 796, third reading bill, be amended as follows:

1. Title, line 9.

Strike: "ESTABLISHING THE REVENUE OVERSIGHT COMMITTEE AS A PERMANENT LEGISLATIVE COMMITTEE; REQUIRING THE STATE TAX APPEAL BOARD TO ALLOW DIRECT APPEAL IN CERTAIN CASES;"

2. Title, line 12.

Strike: "15-2-201,"

Following: "15-7-102"

Strike: ", "

Insert: "AND"

Following: "AND"

Strike: "SECTIONS 1"

Insert: "SECTION"

3. Title, line 13.

Strike: "AND"

4. Page 2, line 16.

Following: "(5)"

Strike: "All"

Insert: "In any periodic revaluation of taxable property completed under the provisions of 15-7-111 after January 1, 1979, all"

5. Page 2, line 20.

Strike: section 2 in its entirety

Re-number: subsequent sections

6. Page 4, line 15.

Strike: sections 4 and 5 in their entirety

Re-number: subsequent sections

7. Page 6, line 13.

Following: "has"

Strike: "issued"

Insert: "stated"

8. Page 6, line 14.

Following: "the"

Strike: "determination"

Insert: "adjustment"

9. Page 7, line 2.

Strike: sections 7 and 8 in their entirety