

HOUSE BILL NO. 201

INTRODUCED BY SIVERTSEN

IN THE HOUSE

January 14, 1981	Introduced and referred to Committee on State Administration.
January 16, 1981	Fiscal note requested.
January 21, 1981	Fiscal note returned.
January 26, 1981	Committee recommend bill do pass as amended. Report adopted. Statement of intent attached.
January 27, 1981	Bill printed and placed on members' desks.
January 28, 1981	Second reading, pass consideration.
January 29, 1981	Second reading, do pass as amended.
January 30, 1981	Correctly engrossed.
February 2, 1981	Third reading, passed. Transmitted to Senate.

IN THE SENATE

February 3, 1981	Introduced and referred to Committee on State Administration.
March 11, 1981	Committee recommend bill be concurred in. Report adopted.
March 13, 1981	Second reading, concurred in.
March 16, 1981	Third reading, concurred in. Ayes, 39; Noes, 11.

In The House

March 17, 1981	Returned from Senate concurred.
March 20, 1981	Sent to enrolling.
March 23, 1981	Correctly enrolled.
March 24, 1981	Signed by Speaker.
March 25, 1981	Signed by President.

Governor

March 25, 1981	Delivered to Governor.
----------------	------------------------

In The Senate

March 31, 1981	Returned from Governor with recommended amendments.
April 9, 1981	Second reading, Governor's amendments not concurred. Transmitted to Senate.

In The Senate

April 10, 1981	Received from House.
April 11, 1981	Passed consideration.
April 13, 1981	Second reading Governor's amendments not concurred.

Governor

April 14, 1981	Returned to Governor.
April 20, 1981	Vetoed by Governor.

1 HOUSE BILL NO. 201
2 INTRODUCED BY Smarter

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT DIRECTING THE
5 DEPARTMENT OF REVENUE TO COMPILE AND PUBLISH ANNUALLY
6 INFORMATION OBTAINED FROM THE REALTY TRANSFER ACT AND TO
7 REQUIRE THE DEPARTMENT OF REVENUE TO PROVIDE INFORMATION TO
8 INDIVIDUAL TAXPAYERS CONCERNING THE VALUATION OF PROPERTIES
9 COMPARABLE TO THEIR OWN; AMENDING SECTION 15-7-302, MCA."

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Section 15-7-302, MCA, is amended to read:

13 "15-7-302. Disclosure of information restricted. (1)

14 The certificate required by this part and the information
15 therein shall not be a public record and shall be held
16 confidential by the county clerk and recorder, county
17 assessor, and department of revenue. This is because the
18 legislature finds that the demands of individual privacy
19 outweigh the merits of public disclosure. The foregoing
20 provisions shall not apply to compilations from such
21 certificates or to summaries, analyses, and evaluations
22 based upon such compilations or to the use of information
23 obtained through this part in contested cases involving
24 assessment appeals.

25 (2) The department shall publish annually, not later

1 than April 15, a sales ratio study containing comparisons of
2 the assessed value and sales price of real estate in the
3 various counties and cities in the state from information
4 obtained from realty transfer certificates.

5 (3) A taxpayer who has filed an assessment appeal may
6 request that the department provide assessed values and
7 sales prices of comparable properties located in the same
8 geographic area as the property subject to the appeal. When
9 the department receives such a request and notification of
10 an assessment appeal, it shall, within 2 weeks of its
11 receipt, furnish the taxpayer the assessed value and sales
12 price of comparable properties located in the same general
13 area as the property under appeal. Comparable properties
14 shall be described as to location, age, size, use, and such
15 other information necessary to establish comparability with
16 the property under appeal. This information may be used by
17 the taxpayer and the department in hearings before the tax
18 appeal boards and in judicial proceedings. The department
19 shall adopt rules and provide forms for the administration
20 of this section."

-End-

STATE OF MONTANA

REQUEST NO. 118-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 18, 19 81, there is hereby submitted a Fiscal Note for House Bill 201 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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

An act directing the Department of Revenue to compile and publish annually information obtained from the Realty Transfer Act and to require the Department of Revenue to provide information to individual taxpayers concerning the valuation of properties comparable to their own.

ASSUMPTIONS

1. Effective date - July 1, 1981 - will effect FY 82 and FY 83.
2. Sales ratio study is currently published
3. Operating expenses - increased computer services to meet the two week deadline - \$85,000 year.
4. Personal Services - personnel to handle request - \$18,000
5. Cost of each report - \$5
6. Anticipated requests - 8000/year

FISCAL IMPACT

	FY 82	FY 83
Personal Services		
Estimated Increase	\$ 18,000	\$ 18,000
Operating Expenses		
Estimated Increase	\$125,000	\$125,000
Total Expenditures		
Estimated Increase	\$143,000	\$143,000

TECHNICAL NOTE

The April 15 publication date does not recognize that the sales file is incomplete until June of the following year. The two week production requirement would be difficult to meet with current capabilities. The present wording may generate frivolous appeals simply to obtain the comparables - i.e., free appraisals.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-21-81

1 STATEMENT OF INTENT

2 HOUSE BILL 201

3 House Committee on State Administration

4

5 The Realty Transfer Act requires the sale price of
6 certain real estate to be reported to the state Department
7 of Revenue. The purpose of the act is to allow the
8 Department of Revenue to check the accuracy of appraisals of
9 real estate by its employees and agents. This bill will
10 require the Department to publish a sales-ratio study to
11 inform the public of the accuracy of appraisals. The form
12 of the report will be determined by the Department. The bill
13 also requires that the Department furnish information from
14 the Realty Transfer Act to individual taxpayers who wish to
15 appeal the appraisal of their property. This information
16 will consist of the appraised value and sales price of
17 property comparable to the property under appeal. This
18 information shall be presented to the taxpayer in a form
19 designated by the Department and may be used as evidence by
20 either the taxpayer or the Department in a tax appeal
21 procedure.

Approved by Committee
on State Administration

HOUSE BILL NO. 201

INTRODUCED BY SIVERTSEN

A BILL FOR AN ACT ENTITLED: "AN ACT DIRECTING THE DEPARTMENT OF REVENUE TO COMPILE AND PUBLISH ANNUALLY INFORMATION OBTAINED FROM THE REALTY TRANSFER ACT AND TO REQUIRE THE DEPARTMENT OF REVENUE TO PROVIDE INFORMATION TO INDIVIDUAL TAXPAYERS CONCERNING THE VALUATION OF PROPERTIES COMPARABLE TO THEIR OWN; AMENDING SECTION 15-7-308, MCA."

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

Section 1. Section 15-7-308, MCA, is amended to read:

"15-7-308. Disclosure of information restricted. (1)

The certificate required by this part and the information therein shall not be a public record and shall be held confidential by the county clerk and recorder, county assessor, and department of revenue. This is because the legislature finds that the demands of individual privacy outweigh the merits of public disclosure. The foregoing provisions shall not apply to compilations from such certificates or to summaries, analyses, and evaluations based upon such compilations or to the use of information obtained through this part in contested cases involving assessment appeals.

(2) The department shall publish annually, not later

than April 15, a sales ratio study containing comparisons of the assessed value and sales price of real estate in the various counties and cities in the state from information obtained from realty transfer certificates.

(3) A taxpayer who has filed an assessment appeal may request that the department provide assessed values and sales prices of comparable properties located in the same geographic area as the property subject to the appeal. When the department receives such a request and notification of an assessment appeal, it shall, within 2 3 weeks of its receipt, furnish the taxpayer the assessed value and sales price of comparable properties located in the same general area as the property under appeal. Comparable properties shall be described as to location, age, size, use, and such other information necessary to establish comparability with the property under appeal. This information may be used by the taxpayer and the department in hearings before the tax appeal boards and in judicial proceedings. The department shall adopt rules and provide forms for the administration of this section."

-End-

SECOND READING

1 STATEMENT OF INTENT

2 HOUSE BILL 201

3 House Committee on State Administration

4
5 The Realty Transfer Act requires the sale price of
6 certain real estate to be reported to the state Department
7 of Revenue. The purpose of the act is to allow the
8 Department of Revenue to check the accuracy of appraisals of
9 real estate by its employees and agents. This bill will
10 require the Department to publish a sales-ratio study to
11 inform the public of the accuracy of appraisals. The form
12 of the report will be determined by the Department. The bill
13 also requires that the Department furnish information from
14 the Realty Transfer Act to individual taxpayers who wish to
15 appeal the appraisal of their property. This information
16 will consist of the appraised value and sales price of
17 property comparable to the property under appeal. This
18 information shall be presented to the taxpayer in a form
19 designated by the Department and may be used as evidence by
20 either the taxpayer or the Department in a tax appeal
21 procedure.

HOUSE BILL NO. 201

INTRODUCED BY SIVERTSEN

A BILL FOR AN ACT ENTITLED: "AN ACT DIRECTING THE DEPARTMENT OF REVENUE TO COMPILE AND PUBLISH ANNUALLY INFORMATION OBTAINED FROM THE REALTY TRANSFER ACT AND TO REQUIRE THE DEPARTMENT OF REVENUE TO PROVIDE INFORMATION TO INDIVIDUAL TAXPAYERS CONCERNING THE VALUATION OF PROPERTIES COMPARABLE TO THEIR OWN; AMENDING SECTION 15-7-308, MCA."

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

Section 1. Section 15-7-308, MCA, is amended to read:

"15-7-308. Disclosure of information restricted. (1)

The certificate required by this part and the information therein shall not be a public record and shall be held confidential by the county clerk and recorder, county assessor, and department of revenue. This is because the legislature finds that the demands of individual privacy outweigh the merits of public disclosure. The foregoing provisions shall not apply to compilations from such certificates or to summaries, analyses, and evaluations based upon such compilations ~~or to the use of information obtained through this part in contested cases involving assessment appeals.~~

(2) The department shall publish annually, not later

than April 15, a sales ratio study containing comparisons of the assessed value and sales price of real estate in the various counties and cities in the state from information obtained from realty transfer certificates.

(3) A taxpayer who has filed an assessment appeal may request that the department provide assessed values and sales prices of comparable properties located in the same geographic area as the property subject to the appeal. When the department receives such a request and notification of an assessment appeal, it shall, within 2 3 weeks of its receipt, furnish the taxpayer the assessed value and sales price of comparable properties located in the same general area as the property under appeal. Comparable properties shall be described as to location, age, size, use, and such other information necessary to establish comparability with the property under appeal. THE DEPARTMENT SHALL NOT REVEAL THE EXACT LOCATION NOR THE NAMES OF THE BUYERS OR SELLERS OF PROPERTIES DESIGNATED BY THE DEPARTMENT AS COMPARABLE SALES. This information may be used by the taxpayer and the department in hearings before the tax appeal boards and in judicial proceedings. The department shall adopt rules and provide forms for the administration of this section."

-End-

THIRD READING

1 STATEMENT OF INTENT

2 HOUSE BILL 201

3 House Committee on State Administration
4

5 The Realty Transfer Act requires the sale price of
6 certain real estate to be reported to the state Department
7 of Revenue. The purpose of the act is to allow the
8 Department of Revenue to check the accuracy of appraisals of
9 real estate by its employees and agents. This bill will
10 require the Department to publish a sales-ratio study to
11 inform the public of the accuracy of appraisals. The form
12 of the report will be determined by the Department. The bill
13 also requires that the Department furnish information from
14 the Realty Transfer Act to individual taxpayers who wish to
15 appeal the appraisal of their property. This information
16 will consist of the appraised value and sales price of
17 property comparable to the property under appeal. This
18 information shall be presented to the taxpayer in a form
19 designated by the Department and may be used as evidence by
20 either the taxpayer or the Department in a tax appeal
21 procedure.

HOUSE BILL NO. 201

INTRODUCED BY SIVERTSEN

A BILL FOR AN ACT ENTITLED: "AN ACT DIRECTING THE DEPARTMENT OF REVENUE TO COMPILE AND PUBLISH ANNUALLY INFORMATION OBTAINED FROM THE REALTY TRANSFER ACT AND TO REQUIRE THE DEPARTMENT OF REVENUE TO PROVIDE INFORMATION TO INDIVIDUAL TAXPAYERS CONCERNING THE VALUATION OF PROPERTIES COMPARABLE TO THEIR OWN; AMENDING SECTION 15-7-308, MCA."

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

Section 1. Section 15-7-308, MCA, is amended to read:

"15-7-308. Disclosure of information restricted. (1)

The certificate required by this part and the information therein shall not be a public record and shall be held confidential by the county clerk and recorder, county assessor, and department of revenue. This is because the legislature finds that the demands of individual privacy outweigh the merits of public disclosure. The foregoing provisions shall not apply to compilations from such certificates or to summaries, analyses, and evaluations based upon such compilations ~~or to the use of information obtained through this part in contested cases involving assessment appeals.~~

(2) The department shall publish annually, not later

than April 15, a sales ratio study containing comparisons of the assessed value and sales price of real estate in the various counties and cities in the state from information obtained from realty transfer certificates.

(3) A taxpayer who has filed an assessment appeal may request that the department provide assessed values and sales prices of comparable properties located in the same geographic area as the property subject to the appeal. When the department receives such a request and notification of an assessment appeal, it shall, within 2 3 weeks of its receipt, furnish the taxpayer the assessed value and sales price of comparable properties located in the same general area as the property under appeal. Comparable properties shall be described as to location, age, size, use, and such other information necessary to establish comparability with the property under appeal. THE DEPARTMENT SHALL NOT REVEAL THE EXACT LOCATION NOR THE NAMES OF THE BUYERS OR SELLERS OF PROPERTIES DESIGNATED BY THE DEPARTMENT AS COMPARABLE SALES. This information may be used by the taxpayer and the department in hearings before the tax appeal boards and in judicial proceedings. The department shall adopt rules and provide forms for the administration of this section."

-End-

March 30, 1981

PROPOSED GOVERNOR'S AMENDMENTS TO HOUSE BILL NO. 201;
REFERENCE COPY, AS FOLLOWS:

1. Page 1, Line 7
Following: "Revenue"
Insert: ,
2. Page 1, Line 7
Following: "REVENUE"
Insert: "AFTER JANUARY 1, 1986,"
3. Page 2, Line 1
Following: "than"
Delete: "April 15"
Insert: "July 1"
4. Page 2, Line 5
Following: "(3)"
Delete: "A"
Insert: "After January 1, 1986, a"



State of Montana
Office of the Governor
Helena 59620

TED SCHWINDEN
GOVERNOR

April 18, 1981

The Honorable Jean A. Turnage
President of the Senate
State Capitol
Helena, Montana 59620

The Honorable Robert L. Marks
Speaker of the House
State Capitol
Helena, Montana 59620

Dear Senator Turnage and Representative Marks:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby veto House Bill No. 201, "AN ACT DIRECTING THE DEPARTMENT OF REVENUE TO COMPILE AND PUBLISH ANNUALLY INFORMATION OBTAINED FROM THE REALTY TRANSFER ACT AND TO REQUIRE THE DEPARTMENT OF REVENUE TO PROVIDE INFORMATION TO INDIVIDUAL TAXPAYERS CONCERNING THE VALUATION OF PROPERTIES COMPARABLE TO THEIR OWN; AMENDING SECTION 15-7-308, MCA."

House Bill 201 as passed, places an unacceptable burden on the Department of Revenue. The bill requires publication, by April 15 of each year, of a sales ratio study containing comparisons of the assessed value and sales price of real estate in the various counties and cities of the state from information obtained from realty transfer certificates. Because of other legislatively mandated requirements, not all counties can supply the necessary information to the Department in time for the April 15 deadline. Thus the publication would be incomplete and of limited value for many of the state's counties.

Additionally, the bill requires the Department to provide taxpayers with sales and assessment data for comparable property when the taxpayer appeals an assessment. The necessary data is not available in computer

Senator Turnage and Representative Marks

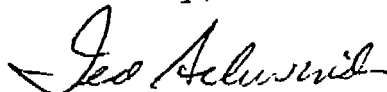
April 18, 1981

Page Two

data form, which would necessitate manual searches for data at the county level. House Bill No. 201 does not provide either the personnel or the funding to carry out this task.

For the following reasons, I hereby veto H.B. 201.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ted Schwinden".

TED SCHWINDEN
Governor