

SENATE BILL NO. 210

INTRODUCED BY SENATE TAXATION COMMITTEE

IN THE SENATE

January 20, 1981	Introduced and referred to Committee on Taxation.
	Fiscal note requested.
January 26, 1981	Fiscal note returned.
February 19, 1981	Committee recommend bill do pass as amended. Report adopted.
February 20, 1981	Bill printed and placed on members' desks.
February 21, 1981	Second reading, do pass.
February 23, 1981	Correctly engrossed.
February 24, 1981	Third reading, passed. Ayes, 50; Noes, 0. Transmitted to House.

IN THE HOUSE

March 2, 1981	Introduced and referred to Committee on Taxation.
April 11, 1981	Committee recommend bill be concurred in as amended. Report adopted.
April 16, 1981	Second reading, concurred in. On motion rules suspended and bill placed on third reading this day.
	Third reading, concurred in as amended. Ayes, 98; Noes, 0.

IN THE SENATE

April 17, 1981

Returned from House with
amendments.

April 20, 1981

Second reading, amendments concurred in.

On motion rules suspended.
Bill placed on calendar for
third reading this day.

Third reading, amendments concurred in. Ayes, 48; Noes, 0. Sent to enrolling.

Reported correctly enrolled.

Senate BILL NO. 210

1 2 INTRODUCED BY *Senate Taxation Committee*

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW TAXPAYERS TO
5 CHALLENGE ASSESSMENT RULES AND PROCEDURES BEFORE THE STATE
6 TAX APPEAL BOARD; PROVIDING THAT RELIEF GRANTED IN SUCH A
7 PROCEEDING MAY APPLY TO ALL SIMILARLY SITUATED TAXPAYERS;
8 AMENDING SECTION 15-15-101, MCA; AND PROVIDING AN IMMEDIATE
9 EFFECTIVE DATE."

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11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
12 ~~NEW SECTION~~ Section 1. Challenges to assessment
13 rules or procedures. (1) An aggrieved taxpayer may file an
14 original proceeding before the state tax appeal board
15 contesting the validity of a method or procedure of
16 assessment of property adopted or utilized by the department
17 of revenue. Such cases may be brought before the board by a
18 single taxpayer or by a group of taxpayers who are similarly
19 situated.

20 (2) If the board finds the challenged rule or
21 procedure improper, it may direct that the assessments at
22 issue be adjusted in accordance with its decision.

23 (3) A decision of the board that such a rule or
24 procedure is improper may direct that assessment changes be
25 made for the taxpayer or taxpayers who brought the action,

1 as well as all taxpayers who are similarly situated.
2 Section 2. Section 15-15-101, MCA, is amended to read:
3 "15-15-101. County tax appeal board -- meetings and
4 compensation. (1) The board of county commissioners of each
5 county shall appoint a three-member county tax appeal board,
6 with the members to serve staggered terms of 3 years each.
7 The members of each county tax appeal board shall be
8 residents of the county in which they serve. They shall
9 receive compensation of \$25 a day and travel expenses as
10 provided for in 2-18-501 through 2-18-503, as amended, only
11 when the county tax appeal board is in session to hear
12 taxpayers' appeals from property tax assessments or when
13 they are attending meetings called by the state tax appeal
14 board. Travel expenses and compensation shall be paid from
15 the appropriation to the state tax appeal board. Office
16 space and equipment for the county tax appeal boards shall
17 be furnished by the county. All other incidental expenses
18 shall be paid from the appropriation of the state tax appeal
19 board.

20 (2) The county tax appeal board must meet on the third
21 Monday of April in each year to hear protests concerning
22 assessments made by the department of revenue. It must
23 continue in session for that purpose from time to time until
24 the business of hearing protests is disposed of, but not
25 later than 60 days after the department of revenue or its

1 agent:

2 (a) has mailed notice of classification and appraisal
3 to all property owners as required in 15-7-102; and
4 (b) has notified the county tax appeal board that
5 classification and appraisal notices have been mailed to all
6 property owners.

7 (3) In connection with any such appeal, the county tax
8 appeal board may change any assessment or fix the assessment
9 at some other level. The county clerk shall publish a notice
10 to taxpayers, giving the time the county tax appeal board
11 will meet to hear protests concerning assessments and the
12 latest date the county tax appeal board may take
13 applications for such hearings. The notice shall be
14 published in a newspaper if any is printed in the county or,
15 if none, then in such manner as the board may direct. The
16 notice shall be published at least 7 days prior to the first
17 meeting of the county tax appeal board.

18 (4) Challenges to a department of revenue rule
19 governing the assessment of property or to an assessment
20 procedure may be brought only before the state tax appeal
21 board."

22 Section 3. Codification instruction. Section 1 is
23 intended to be codified as an integral part of Title 15,
24 chapter 2, part 3, and the provisions of Title 15, chapter
25 2, part 3, apply to section 1.

1 Section 4. Effective date. This act is effective on
2 passage and approval.

-End-

STATE OF MONTANA

REQUEST NO. 180-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 22, 1981, there is hereby submitted a Fiscal Note for Senate Bill 210 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

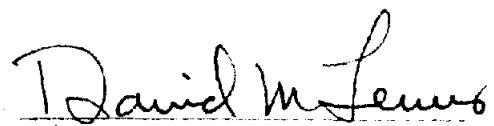
Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION

This proposal would allow taxpayers to challenge the Department of Revenue's assessment rules and procedures before the State Tax Appeals Board. Any relief granted an individual taxpayer by S.T.A.B. would be extended to all other similarly situated taxpayers.

FISCAL IMPACT:

There will be no direct effect on state revenues; however, the measure could have an effect upon state programs that rely on the property tax, i.e. the university levy and foundation programs. These programs, if not adequately funded by the property tax, could require additional funds from the General Fund. The impact on local government revenues cannot be estimated but, depending on the breadth of a particular class of taxpayers involved in a challenge, could be significant.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-26-81

Approved by Committee
on Taxation

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7 RELIEF GRANTED IN SUCH A PROCEEDING MAY APPLY TO ALL
8 SIMILARLY SITUATED TAXPAYERS; AMENDING SECTION 15-15-101,
9 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

12 NEW SECTION. Section 1. --challenges----to---assessment
13 rules-or-procedures---(1)--An aggrieved taxpayer may file an
14 original--proceeding--before--the--state--tax--appeal--board
15 contesting--the--validity--of--a--method--or--procedure--of
16 assessment--of--property--adopted--or--utilized--by--the--department
17 of--revenue--Such cases may be brought before the board by a
18 single taxpayer or by a group of taxpayers who are similarly
19 situated--

20 (2)--If--the--board--finds--the--challenged--rule--or
21 procedure--improper--it--may--direct--that--the--assessments--at
22 issue--be--adjusted--in--accordance--with--its--decision--

23 (3)--A--decision--of--the--board--that--such--a--rule--or
24 procedure--is--improper--may--direct--that--assessment--changes--be
25 made--for--the--taxpayer--or--taxpayers--who--brought--the--action--

1 as-well-as-all-taxpayers-who-are-similarly-situated--
2 NEW SECTION. SECTION 1. CHALLENGE TO ASSESSMENT RULES
3 OR PROCEDURES. AN AGGRIEVED TAXPAYER MAY, IN LIEU OF
4 PROCEEDING UNDER TITLE 15, CHAPTER 15, PART 1, BRING A
5 DECLARATORY JUDGMENT ACTION IN THE DISTRICT COURT SEEKING A
6 DECLARATION THAT A METHOD OR PROCEDURE OF ASSESSMENT OF
7 PROPERTY ADOPTED OR UTILIZED BY THE DEPARTMENT OF REVENUE IS
8 ILLEGAL OR IMPROPER.
9 NEW SECTION. SECTION 2. PROCEDURE. (1) EXCEPT AS
10 PROVIDED IN SUBSECTION (2), AN ACTION PURSUANT TO [SECTION
11 11] IS SUBJECT TO THE PROVISIONS OF TITLE 27, CHAPTER 8.
12 (2) IN LIEU OF THE REQUIREMENT OF 27-8-301, A PARTY
13 BRINGING AN ACTION UNDER [SECTION 1] MAY ELECT TO USE:
14 (A) THE PROCEDURES AVAILABLE UNDER THE MONTANA RULES
15 OF CIVIL PROCEDURE FOR BRINGING A CLASS ACTION, TITLE 25,
16 CHAPTER 20, RULE 23; OR
17 (B) THE PROCEDURE PROVIDED FOR IN SUBSECTION (3).
18 (3) (A) A PARTY BRINGING AN ACTION UNDER [SECTION 1]
19 MAY ELECT TO GIVE NOTICE AS PROVIDED IN THIS SUBSECTION. A
20 PARTY SO ELECTING MUST PUBLISH NOTICE THAT AN ACTION HAS
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22 EACH WEEK FOR 4 CONSECUTIVE WEEKS IN A NEWSPAPER OF GENERAL
23 CIRCULATION PUBLISHED IN THE COUNTY WHERE THE ACTION IS
24 COMMENCED AND IN OTHER COUNTIES WITHIN THE JURISDICTION OF
25 THE TAXING AUTHORITY. THE NOTICE SHALL ADVISE EACH SIMILARLY

1 SITUATED TAXPAYER THAT:

2 (I) THE COURT WILL EXCLUDE HIM FROM THE CLASS IF HE SO
 3 REQUESTS BY A SPECIFIC DATE;

4 (II) THE JUDGMENT, WHETHER FAVORABLE OR NOT, WILL
 5 INCLUDE ALL SIMILARLY SITUATED TAXPAYERS WHO DO NOT REQUEST
 6 TO BE EXCLUDED; AND

7 (III) ANY SIMILARLY SITUATED TAXPAYER WHO DOES NOT
 8 REQUEST EXCLUSION MAY, IF HE DESIRES, ENTER AN APPEARANCE.

9 (B) AN ELECTION TO GIVE NOTICE UNDER THIS SUBSECTION
 10 DOES NOT PREVENT ANY PARTY TO THE ACTION FROM SERVING
 11 PROCESS ON OTHER INTERESTED PARTIES.

12 (4) IN A PROCEEDING UNDER [SECTION 1] ALL ISSUES SHALL
 13 BE TRIED BY THE COURT.

14 NEW SECTION. SECTION 3. REMEDY. (1) IF THE DISTRICT
 15 COURT DETERMINES THAT THE CHALLENGED RULE OR PROCEDURE IS
 16 IMPROPER IT MAY DIRECT:

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 18 TAXPAYERS WHO BROUGHT THE ACTION AS WELL AS ALL SIMILARLY
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20 (B) SUCH OTHER REMEDY AS THE COURT CONSIDERS
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22 (2) THE REMEDY DIRECTED BY THE DISTRICT COURT MAY
 23 APPLY ONLY TO TAXES IMPOSED DURING OR AFTER THE YEAR THE
 24 RULE OR PROCEDURE IS CHALLENGED. THE REMEDY MAY NOT APPLY TO
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 6 DETERMINATION OF THE VALIDITY OF THE RULE OR PROCEDURE MUST
 7 BE PAID WHEN DUE AS A CONDITION OF CONTINUING THE ACTION.

8 Section 5. Section 15-15-101, MCA, is amended to read:
 9 "15-15-101. County tax appeal board -- meetings and
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 5 AS PROVIDED IN [SECTIONS 1 THROUGH 4]."

6 Section 3---Codification---instruction---Section---t---is
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 8 chapter---2---part---3---and---the---provisions---of---Title---15---chapter
 9 2---part---3---apply---to---section---t---

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 6 TO BE EXCLUDED; AND

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9 (B) THE COURT SHALL EXCLUDE A TAXPAYER FROM AN ACTION
 10 BROUGHT PURSUANT TO [SECTION1] IF THE PERSON BRINGING THE
 11 ACTION PUBLISHES NOTICE AS PROVIDED IN SUBSECTION (3) OF
 12 THIS SECTION AND THE TAXPAYER REQUESTS TO BE EXCLUDED BY THE
 13 DATE SPECIFIED IN THE NOTICE.

14 (B)(C) AN ELECTION TO GIVE NOTICE UNDER THIS
 15 SUBSECTION SUBSECTION (3) OF THIS SECTION DOES NOT PREVENT
 16 ANY PARTY TO THE ACTION FROM SERVING PROCESS ON OTHER
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1 board. Travel expenses and compensation shall be paid from
 2 the appropriation to the state tax appeal board. Office
 3 space and equipment for the county tax appeal boards shall
 4 be furnished by the county. All other incidental expenses
 5 shall be paid from the appropriation of the state tax appeal
 6 board.

7 (2) The county tax appeal board must meet on the third
 8 Monday of April in each year to hear protests concerning
 9 assessments made by the department of revenue. It must
 10 continue in session for that purpose from time to time until
 11 the business of hearing protests is disposed of, but not
 12 later than 60 days after the department of revenue or its
 13 agent:

14 (a) has mailed notice of classification and appraisal
 15 to all property owners as required in 15-7-102; and
 16 (b) has notified the county tax appeal board that
 17 classification and appraisal notices have been mailed to all
 18 property owners.

19 (3) In connection with any such appeal, the county tax
 20 appeal board may change any assessment or fix the assessment
 21 at some other level. The county clerk shall publish a notice
 22 to taxpayers, giving the time the county tax appeal board
 23 will meet to hear protests concerning assessments and the
 24 latest date the county tax appeal board may take
 25 applications for such hearings. The notice shall be

1 published in a newspaper if any is printed in the county or,
 2 if none, then in such manner as the board may direct. The
 3 notice shall be published at least 7 days prior to the first
 4 meeting of the county tax appeal board.

5 (4) Challenges to a department of revenue rule
 6 governing the assessment of property or to an assessment
 7 procedure may-be-brought-ently-before-the--state--tax--appeal
 8 board SHALL APPLY ONLY TO THE TAXPAYER BRINGING THE
 9 CHALLENGE AND MAY NOT APPLY TO ALL SIMILARLY SITUATED
 10 TAXPAYERS UNLESS AN ACTION IS BROUGHT IN THE DISTRICT COURT
 11 AS PROVIDED IN [SECTIONS 1 THROUGH 4]."

12 Section 3--Codification--instruction---Section--1--is
 13 intended--to--be--codified--as--an--integral--part--of--title--15--
 14 chapter--2--part--3--and--the--provisions--of--title--15--chapter
 15 2--part--3--apply--to--section--1--

16 Section 6. Effective date. This act is effective on
 17 passage and approval.

-End-

April 10, 1981

HOUSE OF REPRESENTATIVES
COMMITTEE ON TAXATION AMENDMENTS TO SENATE BILL 210:

1. Page 3, line 9.

Following: line 8

Strike: "(B)"

Insert: "(b) The court shall exclude a taxpayer from an action brought pursuant to [section 1] if the person bringing the action publishes notice as provided in subsection (3) of this section and the taxpayer requests to be excluded by the date specified in the notice."

Reletter: subsequent subsection

Following: "UNDER" on line 9

Strike: "THIS SUBSECTION"

Insert: "subsection (3) of this section"