

HOUSE BILL NO. 355

1/22 Introduced
1/22 Referred to Taxation
Died in Committee

1 HOUSE BILL NO. 355
 2 INTRODUCED BY *Justin Smith, Royce Johnson, John A. Patton*
 3 *M. Hanson, Frank Sales, John Compton*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROHIBIT THE
 5 DEPARTMENT OF REVENUE FROM USING REPLACEMENT COST AS A
 6 SUBSTITUTE FOR MARKET VALUE WHEN APPRAISING PROPERTY FOR TAX
 7 PURPOSES; AMENDING SECTION 15-8-111, MCA."

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 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 10 Section 1. Section 15-8-111, MCA, is amended to read:
 11 "15-8-111. Assessment -- market value standard --
 12 exceptions. (1) All taxable property must be assessed at
 13 100% of its market value except as provided in subsection
 14 (5) of this section and in 15-7-111 through 15-7-114.
 15 (2) (a) Market value is the value at which property
 16 would change hands between a willing buyer and a willing
 17 seller, neither being under any compulsion to buy or to sell
 18 and both having reasonable knowledge of relevant facts.
 19 (b) The market value of all motor trucks; agricultural
 20 tools, implements, and machinery; and vehicles of all kinds,
 21 including but not limited to motorcycles, aircraft, and
 22 boats and all watercraft, is the average wholesale value
 23 shown in national appraisal guides and manuals or the value
 24 of the vehicle before reconditioning and profit margin. The
 25 department of revenue shall prepare valuation schedules

1 showing the average wholesale value when no national
 2 appraisal guide exists.
 3 (3) (a) In making the official assessment and
 4 appraisal of the value of property in 15-6-134 through
 5 15-6-140, The the department of revenue or its agents may
 6 not:
 7 (i) adopt a lower or different standard of value from
 8 market value; or in making the official assessment and
 9 appraisal of the value of property in 15-6-134 through
 10 15-6-140;
 11 (ii) use replacement cost as a substitute for market
 12 value.
 13 (b) For purposes of taxation, assessed value is the
 14 same as appraised value.
 15 (4) The taxable value for all property in classes four
 16 through eleven is the percentage of market value established
 17 for each class of property in 15-6-134 through 15-6-141.
 18 (5) The assessed value of properties in 15-6-131
 19 through 15-6-133 is as follows:
 20 (a) Properties in 15-6-131, under class one, are
 21 assessed at 100% of the annual net proceeds after deducting
 22 the expenses specified and allowed by 15-23-503.
 23 (b) Properties in 15-6-132 under class two are
 24 assessed at 100% of the annual gross proceeds.
 25 (c) Properties in 15-6-133, under class three, are



1 assessed at 100% of the productive capacity of the lands
2 when valued for agricultural purposes. All lands that meet
3 the qualifications of 15-7-202 are valued as agricultural
4 lands for tax purposes.

5 (6) Land and the improvements thereon are separately
6 assessed when any of the following conditions occur:

7 (a) ownership of the improvements is different from
8 ownership of the land;

9 (b) the taxpayer makes a written request; or

10 (c) the land is outside an incorporated city or town.

11 (7) The taxable value of all property in 15-6-131 and
12 classes two and three is the percentage of assessed value
13 established in 15-6-131(2), 15-6-132, and 15-6-133 for each
14 class of property."

15 NEW SECTION. Section 2. Extension of authority. Any
16 existing authority of the department of revenue to make
17 rules on the subject of the provisions of this act is
18 extended to the provisions of this act.

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