

SENATE JOINT RESOLUTION NO. 17

2/01 Introduced
2/02 Referred to Taxation
2/20 Hearing
2/23 Tabled in Committee

1 *Senate* JOINT RESOLUTION NO. *17*
 2 INTRODUCED BY *Sen. Norman Ed*
 3 *Frank Sannoy*
 4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF
 5 REPRESENTATIVES OF THE STATE OF MONTANA SUPPORTING THE
 6 DEPARTMENT OF REVENUE'S EFFORTS TO IMPROVE CENTRALLY
 7 ASSESSED PROPERTY VALUATION AND SUPPORTING CERTAIN METHODS
 8 OF VALUATION.

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 10 WHEREAS, the Legislature is critically concerned with
 11 the appraisal of centrally assessed properties; and

12 WHEREAS, it has been reported that inequalities in
 13 appraisals exist in centrally assessed properties due to the
 14 use, in some appraisals, of historical cost rather than
 15 market value; and

16 WHEREAS, noncentrally assessed real estate and
 17 commercial personal property is assessed at a value that
 18 more closely approximates market value than original cost,
 19 less depreciation; and

20 WHEREAS, there has been concern over the calculation
 21 and reporting of centrally assessed valuations; and

22 WHEREAS, it is the sense of the Legislature that for
 23 certain types of property the stock and debt indicator of
 24 value is less reliable than other indicators of value for
 25 those types of property; and

1 WHEREAS, the Montana Department of Revenue on December
 2 17, 1984, amended administrative rules relating to the
 3 reporting requirements and valuation methodology of
 4 centrally assessed properties; and

5 WHEREAS, those amendments will help to ensure the true
 6 and full valuation of centrally assessed properties; and

7 WHEREAS, nearly all experts recognize the need for a
 8 floor or salvage value under which the unitary value should
 9 never be allowed to fall.

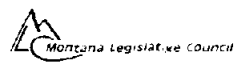
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 11 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE
 12 OF REPRESENTATIVES OF THE STATE OF MONTANA:

13 (1) That the Legislature approves of the Department of
 14 Revenue's efforts to improve the valuation of centrally
 15 assessed properties.

16 (2) That the Legislature supports greater reliance on
 17 replacement cost indicators rather than historical or
 18 original cost indicators for that part of the unitary
 19 valuation process that relies on costs to bring values of
 20 centrally assessed property more in line with other property
 21 valuations.

22 (3) That the legislature supports lesser reliance on
 23 stock and debt as a factor of valuation in the unitary
 24 valuation method for centrally assessed property.

25 (4) That the Legislature supports the use of net



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1 salvage value when it is indicated that such value is the
2 best indicator of market value and such net salvage value
3 can be easily ascertained.

4 (5) That the Department of Revenue report periodically
5 to the Revenue Oversight Committee on the implementation of
6 the amended rules.

7 (6) That the Department of Revenue further report to
8 the 50th Legislature on the implementation of the amended
9 rules.

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