SENATE BILL NO. 19

INTRODUCED BY CHRISTIAENS, RAPP-SVRCEK, RAMIREZ, O'HARA, GOODOVER, CRIPPEN, SWIFT, MCCALLUM, SEVERSON, THAYER

IN THE SENATE

| June | 19, | 1986 | | Introduced and referred to Committee on Taxation. |
|------|-----|------|-------|--|
| June | 25, | 1986 | | Committee recommend bill do pass as amended. Report adopted. |
| June | 26, | 1986 | | Second reading, do pass as amended. |
| | | | | Third reading, passed. Ayes, 45; Noes, 5. |
| | | | | Transmitted to House. |
| | | | IN TH | E HOUSE |
| June | 27, | 1986 | | Introduced and referred to Committee on Taxation. |
| June | 28, | 1986 | | Committee recommend bill be concurred in as amended. Report adopted. |
| | | | | Second reading, concurred in. |
| | | | | Third reading, concurred in. |
| | | | | Returned to Senate with amendments. |
| | | | IN TH | E SENATE |
| June | 28, | 1986 | | Received from House. |

Second reading, amendments

concurred in.

June 28, 1986

Third reading, amendments concurred in. Ayes, 41; Noes, 3.

Sent to enrolling.

Reported correctly enrolled.

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BILL NO. 17

INTRODUCED BY TRISAGENS Keeps Survey Common Common Survey Common Common Survey Common C

- 5 APPEAL BOARD REVIEW OF EXCEPTIONAL INCREASES IN ASSESSMENTS
- 6 BEFORE PLACEMENT ON ASSESSMENT BOOKS; AMENDING SECTION
- 7 15-8-112, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. Section 1. State tax appeal board review of exceptional increases in assessments. (1) Whenever the department arrives at an assessed value for a parcel of property that exceeds the assessment for the immediately preceding year by 20% or more, the department shall submit the assessment for review by the state tax appeal board before the assessment for that parcel is placed on the tax rolls. The department shall provide the board with substantiation for such an exceptional increase in assessment.

- (2) The state tax appeal board shall consider the department's determination and within 30 days enter an order:
- (a) authorizing the department to assign to the taxrolls that assessment determined by the department; or
 - (b) directing the department to assign to the tax



rolls a lesser assessment determined by the board as supported by its findings.

(3) The review by the board under this section is not a contested case under the Montana Administrative Procedure Act, and a taxpayer is not entitled to participate in the review procedure. Review by the board does not affect the right of a taxpayer to pursue any remedies provided under law for an aggrieved taxpayer once an assessed value is placed on the tax rolls.

10 NEW SECTION. Section 2. Review exceptional increases in 1986 property assessments. Each property 11 assessment assigned by the department to the tax rolls for 12 the 1986 tax year must be submitted by the department to the 13 14 state tax appeal board for review under [section 1] if the assessment exceeds the 1985 assessment by 121% or more. The 15 board shall review such assessments and render decisions 16 before August 1, 1986. The department shall direct the 17 county clerk to make appropriate changes in the assessment 18 19 book and notify affected taxpayers of the decreased assessment and right to appeal to the local county tax 20 appeal board within 15 days of mailing of the notice. 21

Section 3. Section 15-8-112, MCA, is amended to read:
"15-8-112. Assessments to be made on classification
and appraisal. (1) The assessments of all lands, city and

25 town lots, and all improvements must be made on the

INTRODUCED BILL

classification and appraisal as made or caused to be made by the department of revenue.

(2) The percentage basis of assessed value as provided for in chapter 6, part 1, is determined and assigned by the department when it makes its annual assessment of the property which it is required to assess centrally under the laws of this state. The department shall transmit such determination and assignment to its agents in the various counties with the assessments so made, and, except as provided in [sections 1 and 2], its determination is final except as to the right of review in the state tax appeal board or the proper court."

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- NEW SECTION. Section 4. Codification instruction.

 Section 1 is intended to be codified as an integral part of

 Title 15, chapter 8, and the provisions of Title 15, chapter

 8, apply to section 1.
- NEW SECTION. Section 5. Effective date. This act is effective on passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB019, as introduced.

Description of Proposed Legislation:

A bill to require the Department of Revenue to standardize property tax classification and assessment notices; to require the Department to send a standard notice to taxpayers with exceptional increases in 1986 assessments; allowing taxpayers with exceptional increases in 1986 assessments an extended time for appeal.

Assumptions:

- The proposal will require sending a second assessment notice to 109,387 taxpayers. 1.
- Forms, data processing and postage cost will average 32.7035 cents per taxpayer. 2.
- Stuffing envelopes will cost \$20 per thousand. 3.
- 10 staff members (grade 10, step 2) will be required for 3 months to resolve appeals, explain assessments and handle mailings.
- Employee benefits are 23 percent. 5.

Expenditures:

The cost of the proposed legislation will cost \$84,151.

Personnel - \$47,271

Operating Expenses - \$36,880

Technical Note:

Assessors are required to certify taxable values by July 14, 1986. The proposal, with its extended appeal deadline, may prevent appealed properties from entering the tax rolls by this deadline, reducing local government revenues and impacting state revenues to the foundation program and the university system.

Office of Budget and Program Planning

Fiscal Note for 5819

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB019, as amended third reading.

Description of Proposed Legislation:

"An act to require County Tax Appeal Board review of exceptional increases in assessments before placement on assessment books; to require the Department of Revenue to standardize property tax classification and appraisal notices; to require the department to send a standard notice to taxpayers with exceptional increases in 1986 assessments; to extend the application deadline for reduction in 1986 valuations; amending section 15-7-102 and 15-8-112, MCA; and providing an immediate effective date."

Assumptions:

- 1. The proposal will require referring 109,187 assessment notices to county tax appeal boards.
- 2. County tax appeal boards will review each individual assessment for errors.
- 3. Reviews must be completed before August 1, 1986.

Fiscal Impact:

The fiscal impact cannot be estimated since it is believed that it is not possible for county tax appeal boards, whose members are lay citizens who serve on a voluntary basis, to physically process and decide 109,387 individual tax assessment cases in approximately 20 working days.

BUDGET DIRROTOR
Office of Budget and Program Planning

PRIMARY SPONSOR

DATE

Fiscal Note for SB019, as amended third reading.

SB 0019/02 APPROVED BY COMMITTEE ON TAXATION

| 1 | SENATE BILL NO. 19 |
|----|--|
| 2 | INTRODUCED BY CHRISTIAENS, RAPP-SVRCEK, RAMIREZ, |
| 3 | O'HARA, GOODOVER, CRIPPEN, SWIFT, MCCALLUM, |
| 4 | SEVERSON, THAYER |
| 5 | |
| 6 | A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE STATETAX |
| 7 | APPEASBOARDREVIEWOF THE DEPARTMENT OF REVENUE TO |
| 8 | STANDARDIZE PROPERTY TAX CLASSIFICATION AND APPRAISAL |
| 9 | NOTICES; TO REQUIRE THE DEPARTMENT TO SEND A STANDARD NOTICE |
| 10 | TO TAXPAYERS WITH EXCEPTIONAL INCREASES IN 1986 ASSESSMENTS |
| 11 | BEFOREPLACEMENTONASSESSMENTBOOKS; TO EXTEND THE |
| 12 | APPLICATION DEADLINE FOR REDUCTION IN 1986 VALUATIONS; |
| 13 | AMENDING SECTION 15-8-112 15-7-102, MCA; AND PROVIDING AN |
| 14 | IMMEDIATE EFFECTIVE DATE." |
| 15 | |
| 16 | WHEREAS, EACH PROPERTY TAXPAYER IN THE STATE SHOULD BE |
| 17 | PROPERLY NOTIFIED REGARDING THE CLASSIFICATION AND VALUE OF |
| 18 | THE TAXPAYER'S PROPERTY FOR PROPERTY TAX PURPOSES; AND |
| 19 | WHEREAS, THE LACK OF A STANDARDIZED PROPERTY TAX |
| 20 | CLASSIFICATION AND APPRAISAL NOTICE RESULTS IN A VARIETY OF |
| 21 | NOTICES BEING SENT BY THE COUNTIES WITH A WIDE RANGE IN THE |
| 22 | CLARITY OF THE NOTICES; AND |
| 23 | WHEREAS, INCOMPLETE OR INCOMPREHENSIBLE TAX |
| 24 | CLASSIFICATION AND APPRAISAL NOTICES CREATE MUCH CONFUSION |
| 25 | AND MISUNDERSTANDING REGARDING THE PROPERTY TAX SYSTEM AND. |

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|----|---------|-------------|---------|
| LO | Montana | Legislative | Council |

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1 IN PARTICULAR, THE PROPERTY REVALUATION PROCESS AS 2 IMPLEMENTED IN THE 1986 TAX YEAR. 3 THEREFORE, THE LEGISLATURE OF THE STATE OF MONTANA FINDS IT APPROPRIATE TO DIRECT THE DEPARTMENT OF REVENUE TO 4 ADOPT A STANDARDIZED PROPERTY TAX CLASSIFICATION AND APPRAISAL NOTICE AND TO SEND SUCH NOTICE TO TAXPAYERS WITH 7 EXCEPTIONAL INCREASES IN 1986 ASSESSMENTS, AND TO EXTEND THE APPLICATION DEADLINE FOR REDUCTION IN 1986 VALUATIONS. 9 1.0 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 11 NEW-SECTION: -- Section-1: -- State-tax-appeal-board-review 12 of-exceptional-increases-in-assessments---(1)--Whenever--the 13 department--arrives--at--an--assessed--value-for-a-parcel-of 14 property-that-exceeds-the--assessment--for--the--immediately 15 preceding--year--by-20%-or-more; the-department-shall-submit 16 the-assessment-for-review-by--the--state--tax--appeal--board before -the--assessment-for-that-parcel-is-placed-on-the-tax 17 18 rolls:--The--department--shall--provide---the---board---with 19 substantiation---for---such---an---exceptional--increase--in 20 assessment. 21 +2)--The-state-tax--appeal--board--shall--consider--the 22 department's--determination--and--within--30--days--enter-an 23 24 (a)--authorizing-the-department-to-assign--to--the--tax

rolls-that-assessment-determined-by-the-department;-or

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tb)--directing--the--department--to--assign--to-the-tax
rolls--a--lesser--assessment--determined--by--the--board--as
supported-by-its-findings-

(3)--Therreview-by-the-board-under-this-section-is-not a-contested-case-under-the-Montana-Administrative--Procedure Acty--and--a--taxpayer-is-not-entitled-to-participate-in-the review-procedure-Review-by-the-board-does--not--affect--the right--of--a--taxpayer-to-parsue-any-razadies-provided-under law-for-an-aggrieved-taxpayer--once--an--assessed--value--is-placed-on-the-tax-rolls-

NEW-SECTION:—Section-2:—Review----of----exceptional increases—in-1986—property—assessments:—Bach—property assessment—assigned—by-the-department—to-the-tax—rolls—for the-1986—tax—year—must—be—submitted—by-the-department—to-the state—tax—appeal—board—for—review—under—fsection—l}—if—the assessment—exceeds—the-1985—assessment—by-121%—or—more;—The board—shall—review—such—assessments—and—render—decisions before—August—l;—1986;—The--department—shall—direct—the county—cierk—to-make—appropriate—changes—in—the--assessment book—and—notify—affected—taxpayers—of—the--decreased assessment—and—right—to--appeal—to--the--local—county--tax appeal—board—within—15-days—of—mailing—of-the-notice;

Section-37--Section--15-0-1127-MCA7-is-amended-to-read:

#15-8-1127--Assessments-to-be--made--on--classification
and--appraisal7---(1)-The-assessments-of-all-lands7-city-and

-3-

town--lots;--and--all--improvements--must--be--made--on--the classification-and-appraisal-as-made-or-caused-to-be-made-by the-department-of-revenue:

f2)--The-percentage-basis-of-assessed-value-as-provided for--in-chapter-67-part-17-is-determined-and-assigned-by-the department-when--it--makes--its--annual--assessment--of--the property--which-it-is-required-to-assess-centrally-under-the laws-of-this--state.--The--department--shall--transmit--such determination--and--assignment--to-its-agents-in-the-various counties-with--the--assessments--so--made7--and7--except--as provided--in--fsections-l-and-217 its-determination-is-final except-as-to-the-right-of-review-in--the--state--tax--appeal board-or-the-proper-court7*

NEW-SECTION: -- Section-4---Codification----instruction-Section-1-is-intended-to-be-codified-as-an-integral-part--of Title-15; -chapter-8;-and-the-provisions-of-Title-15;-chapter 8;-apply-to-section-1-

SECTION 1. SECTION 15-7-102, MCA, IS AMENDED TO READ:
"15-7-102. Notice of classification and appraisal to
owners -- appeals. (1) It shall be the duty of the
department of revenue to cause to be mailed to each owner
and purchaser under contract for deed a notice of the
classification of the land owned or being purchased by him
and the appraisal of the improvements thereon only if one or
more of the following changes pertaining to the land or

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improvements have been made since the last notice:

(a) change in ownership;

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- (b) change in classification;
- (c) change in valuation; or
- (d) addition or subtraction of personal property affixed to the land.
- (2) The notice of classification and appraisal provided by the department under subsection (1) must be on a standardized form adopted by the department containing sufficient information in a comprehensible manner designed to fully inform the taxpayer as to the classification and appraisal of his property and of changes over the prior tax year.
- (2)(3) If the owner of any land and improvements is dissatisfied with the appraisal or classification of his land or improvements, he may submit his objection in writing to the department's agent. The department shall give reasonable notice to such taxpayer of the time and place of hearing and hear any testimony or other evidence which the taxpayer may desire to produce at such time and afford the opportunity to other interested persons to produce evidence at such hearing. Thereafter, the department shall determine the true and correct appraisal and classification of such land or improvements and forthwith notify the taxpayer of its determination. In the notification, the department must

- state its reasons for revising the classification or appraisal. When so determined, the land shall be classified
- 3 and improvements appraised in the manner ordered by the
- 4 department.
- 5 (3)(4) Whether a hearing as provided in subsection (2)
- 6 is held or not, the department or its agent may not adjust
- 7 an appraisal or classification upon taxpayer's objection
- 8 unless:
- 9 (a) the taxpayer has submitted his objection in
- 10 writing; and
- 11 (b) the department or its agent has stated its reason
- 12 in writing for making the adjustment.
- 13 (4)(5) A taxpayer's written objection to a
- 14 classification or appraisal and the department's
- 15 notification to the taxpayer of its determination and the
- 16 reason for that determination are public records. Each
- 17 county appraiser shall make such records available for
- 18 inspection during regular office hours.
- 19 (5)(6) If any property owner shall feel aggrieved at
- 20 the classification and/or the appraisal so made by the
- 21 department, he shall have the right to appeal to the county
- 22 tax appeal board and then to the state tax appeal board,
- 23 whose findings shall be final subject to the right of review
- 24 in the proper court or courts."
- 25 NEW SECTION. SECTION 2. RENOTIFICATION TO TAXPAYERS

| 2 | DEPARTMENT OF REVENUE SHALL SEND A STANDARD PROPERTY TAX |
|----|--|
| 3 | CLASSIFICATION AND APPRAISAL NOTICE AS DESCRIBED IN SECTION |
| 4 | 1 OF THIS ACT TO EACH PROPERTY TAXPAYER WHOSE 1986 |
| 5 | ASSESSMENT INCREASED AS A RESULT OF REAPPRAISAL OF CLASS |
| 6 | FOUR PROPERTY BY 180% OR MORE WHEN COMPARED WITH HIS 1985 |
| 7 | ASSESSMENT. |
| 8 | NEW SECTION. SECTION 3. AFFLICATION DEADLINE FOR |
| 9 | REDUCTION IN 1986 VALUATION. NOTWITHSTANDING THE PROVISIONS |
| 10 | OF 15-15-102, THE APPLICATION DEADLINE FOR REDUCTION IN 1986 |
| 11 | TAXABLE VALUATIONS IS AUGUST 1, 1986, OR 15 DAYS AFTER |
| 12 | RECEIPT BY THE TAXPAYER OF A REVISED NOTICE OF |
| 13 | CLASSIFICATION AND APPRAISAL. |
| 14 | NEW SECTION. SECTION 4. EXTENSION OF AUTHORITY. ANY |
| 15 | EXISTING AUTHORITY OF THE DEPARTMENT OF REVENUE TO MAKE |
| 16 | RULES ON THE SUBJECT OF THE PROVISIONS OF THIS ACT IS |
| 17 | EXTENDED TO THE PROVISIONS OF THIS ACT. |
| 18 | NEW SECTION. Section 5. Effective date. This act is |

WITH EXCEPTIONAL INCREASES IN 1986 ASSESSMENTS.

-End-

effective on passage and approval.

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| 1 | SENATE BILL NO. 19 |
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| 2 | INTRODUCED BY CHRISTIAENS, RAPP-SVRCEK, RAMIREZ, |
| 3 | O'HARA, GOODOVER, CRIPPEN, SWIFT, MCCALLUM, |
| 4 | SEVERSON, THAYER |
| 5 | |
| 6 | A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE STATETAX |
| 7 | APPEAGBOARDREVIEWOF COUNTY TAX APPEAL BOARD REVIEW OF |
| 8 | EXCEPTIONAL INCREASES IN ASSESSMENTS BEFORE PLACEMENT ON |
| 9 | ASSESSMENT BOOKS; TO REQUIRE THE DEPARTMENT OF REVENUE TO |
| 10 | STANDARDIZE PROPERTY TAX CLASSIFICATION AND APPRAISAL |
| 11 | NOTICES; TO REQUIRE THE DEPARTMENT TO SEND A STANDARD NOTICE |
| 12 | TO TAXPAYERS WITH EXCEPTIONAL INCREASES IN 1986 ASSESSMENTS |
| 13 | BBPOREPLACEMENTONASSESSMENTBOOKS; TO EXTEND THE |
| 14 | APPLICATION DEADLINE FOR REDUCTION IN 1986 VALUATIONS; |
| 15 | AMENDING SECTION 15-8-112 15-7-102 AND 15-8-112, MCA; AND |
| 16 | PROVIDING AN IMMEDIATE EFFECTIVE DATE." |
| 17 | |
| 18 | WHEREAS, THE DEPARTMENT OF REVENUE SHOULD CARRY THE |
| 19 | BURDEN OF SUBSTANTIATING EXCEPTIONAL INCREASES IN |
| 20 | ASSESSMENTS BEFORE PLACEMENT ON ASSESSMENT BOOKS; AND |
| 21 | WHEREAS, EACH PROPERTY TAXPAYER IN THE STATE SHOULD BE |
| 22 | PROPERLY NOTIFIED REGARDING THE CLASSIFICATION AND VALUE OF |
| 23 | THE TAXPAYER'S PROPERTY FOR PROPERTY TAX PURPOSES; AND |
| 24 | WHEREAS, THE LACK OF A STANDARDIZED PROPERTY TAX |
| 25 | CLASSIFICATION AND APPRAISAL NOTICE RESULTS IN A VARIETY OF |

| 2 | CLARITY OF THE NOTICES; AND |
|----|---|
| 3 | WHEREAS, INCOMPLETE OR INCOMPREHENSIBLE TA |
| 4 | CLASSIFICATION AND APPRAISAL NOTICES CREATE MUCH CONFUSIO |
| 5 | AND MISUNDERSTANDING REGARDING THE PROPERTY TAX SYSTEM AND |
| 6 | IN PARTICULAR, THE PROPERTY REVALUATION PROCESS A |
| 7 | IMPLEMENTED IN THE 1986 TAX YEAR. |
| 8 | THEREFORE, THE LEGISLATURE OF THE STATE OF MONTAN |
| 9 | FINDS IT APPROPRIATE TO DIRECT THE DEPARTMENT OF REVENUE TO |
| 10 | SUBMIT ASSESSMENTS WITH EXCEPTIONAL INCREASES FOR REVIEW BY |
| 11 | THE COUNTY TAX APPEAL BOARDS BEFORE PLACEMENT ON ASSESSMENT |
| 12 | BOOKS, TO ADOPT A STANDARDIZED PROPERTY TAX CLASSIFICATION |
| 13 | AND APPRAISAL NOTICE AND TO SEND SUCH NOTICE TO TAXPAYER |
| 14 | WITH EXCEPTIONAL INCREASES IN 1986 ASSESSMENTS, AND TO |
| 15 | EXTEND THE APPLICATION DEADLINE FOR REDUCTION IN 1986 |
| 16 | VALUATIONS. |
| 17 | |
| 18 | BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: |
| 19 | NEW-SECTION:Section-1:State-tax-appeal-board-review |
| 20 | of-exceptional-increases-in-assessments(1)Wheneverthe |
| 21 | departmentarrivesatanassessedvalue-for-a-parcel-of |
| 22 | property-that-exceeds-theassessmentfortheimmediately |

NOTICES BEING SENT BY THE COUNTIES WITH A WIDE RANGE IN THE

preceding--year--by-20%-or-more;-the-department-shall-submit

the assessment for review by -- the -- state -- tax -- appeal -- board

before--the--assessment-for-that-parcel-is-placed-on-the-tax

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SB 0019/03

| rolls:Thedepartmentshallprovidetheboardwith |
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| substantiationforsuchanexceptionalincreasein |
| assessment: |
| (2)The-state-taxappealboardshallconsiderthe |
| department'sdeterminationandwithin30daysenter-an |
| order: |
| <pre>fa) authorizing - the - department to assign to the tax</pre> |
| rolls-that-assessment-determined-by-the-department;-or |
| (b)directingthedepartmenttoassignto-the-tax |
| rollsalesserassessmentdeterminedbytheboardas |
| supported-by-its-findings. |
| (3)Thereview-by-the-board-under-this-section-is-not |
| a-contested-case-under-the-Montana-AdministrativeProcedure |
| Actyandataxpayer-is-not-entitled-to-participate-in-the |
| review-procedure:-Review-by-the-board-doesnotaffectthe |
| rightofataxpayer-to-pursue-any-remedies-provided-under |
| law-for-an-aggrieved-taxpayeronceanassessedvalueis |
| placed-on-the-tax-rolls- |
| NEW-SECTION: Section-2: Reviewofexceptional |
| increasesin1986propertyassessmentsEachproperty |
| assessmentassignedby-the-department-to-the-tax-rolls-for |
| the-1986-tax-year-must-be-submitted-by-the-department-to-the |
| state-tax-appeal-board-for-review-under-{section-l}ifthe |
| assessmentexceeds-the-1985-assessment-by-121%-or-moreThe |
| board-shall-review-suchassessmentsandrenderdecisions |

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before--August--17--1986:--The--department--shall-direct-the
county-clerk-to-make-appropriate-changes-in--the--assessment
book---and---notify--affected--taxpayers--of--the--decreased
assessment-and-right-to--appeal--to--the--local--county--tax
appeal-board-within-15-days-of-mailing-of-the-notice-
    Section-3---Section--15-8-112,-MCA,-is-amended-to-read:
    #15-8-112--Assessments-to-be--made--on--classification
town--lots;--and--all--improvements--must--be--made--on--the
classification-and-appraisal-as-made-or-caused-to-be-made-by
the-department-of-revenue-
     +2)--The-percentage-basis-of-assessed-value-as-provided
for--in-chapter-6,-part-1,-is-determined-and-assigned-by-the
department-when--it--makes--its--annual--assessment--of--the
property--which-it-is-required-to-assess-centrally-under-the
laws-of-this--state---The--department--shall--transmit--such
determination--and--assignment--to-its-agents-in-the-various
counties-with--the--assessments--so--made;--and;--except--as
provided--in--{sections-1-and-2}; its-determination-is-final
except-as-to-the-right-of-review-in--the--state--tax--appeal
board-or-the-proper-court:"
     NEW-SECTION: -- Section-4: -- Godification----instruction:
Section-l-is-intended-to-be-codified-as-an-integral-part--of
Title-15;-chapter-8;-and-th:-provisions-of-Title-15;-chapter
8;-apply-to-section-1;
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| 1 | NEW SECTION. SECTION 1. COUNTY TAX APPEAL BOARD |
|----|--|
| 2 | REVIEW OF EXCEPTIONAL INCREASES IN ASSESSMENTS. (1) |
| 3 | WHENEVER THE DEPARTMENT ARRIVES AT AN ASSESSED VALUE FOR A |
| 4 | PARCEL OF PROPERTY THAT EXCEEDS THE ASSESSMENT FOR THE |
| 5 | IMMEDIATELY PRECEDING YEAR BY 20% OR MORE, THE DEPARTMENT |
| 6 | SHALL SUBMIT THE ASSESSMENT FOR REVIEW BY THE COUNTY TAX |
| 7 | APPEAL BOARD BEFORE THE ASSESSMENT FOR THAT PARCEL IS PLACED |
| 8 | ON THE TAX ROLLS. THE DEPARTMENT SHALL PROVIDE THE BOARD |
| 9 | WITH SUBSTANTIATION FOR SUCH AN EXCEPTIONAL INCREASE IN |
| 10 | ASSESSMENT. |
| 11 | (2) THE COUNTY TAX APPEAL BOARD SHALL CONSIDER THE |
| 12 | DEPARTMENT'S DETERMINATION AND WITHIN 30 DAYS ENTER AN |
| 13 | ORDER: |
| 14 | (A) AUTHORIZING THE DEPARTMENT TO ASSIGN TO THE TAX |
| 15 | ROLLS THAT ASSESSMENT DETERMINED BY THE DEPARTMENT; OR |
| 16 | (B) DIRECTING THE DEPARTMENT TO ASSIGN TO THE TAX |
| 17 | ROLLS A LESSER ASSESSMENT DETERMINED BY THE BOARD AS |
| 18 | SUPPORTED BY ITS FINDINGS. |
| 19 | (3) THE REVIEW BY THE BOARD UNDER THIS SECTION IS NOT |
| 20 | A CONTESTED CASE UNDER THE MONTANA ADMINISTRATIVE PROCEDURE |
| 21 | ACT, AND A TAXPAYER IS NOT ENTITLED TO PARTICIPATE IN THE |
| 22 | REVIEW PROCEDURE. REVIEW BY THE BOARD DOES NOT AFFECT THE |
| 23 | RIGHT OF A TAXPAYER TO PURSUE ANY REMEDIES PROVIDED UNDER |
| 24 | LAW FOR AN AGGRIEVED TAXPAYER ONCE AN ASSESSED VALUE IS |
| 25 | PLACED ON THE TAX ROLLS. |

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| 1 | NEW SECTION. SECTION 2. REVIEW OF EXCEPTIONAL |
|----|--|
| 2 | INCREASES IN 1986 PROPERTY ASSESSMENTS. EACH PROPERTY |
| 3 | ASSESSMENT ASSIGNED BY THE DEPARTMENT TO THE TAX ROLLS FOR |
| 4 | THE 1986 TAX YEAR MUST BE SUBMITTED BY THE DEPARTMENT TO THE |
| 5 | COUNTY TAX APPEAL BOARD FOR REVIEW UNDER [SECTION 1] IF THE |
| 6 | ASSESSMENT EXCEEDS THE 1985 ASSESSMENT BY 180% OR MORE. THE |
| 7 | BOARD SHALL REVIEW SUCH ASSESSMENTS AND RENDER DECISIONS |
| 8 | BEFORE AUGUST 1, 1986. THE DEPARTMENT SHALL DIRECT THE |
| 9 | COUNTY CHERK ASSESSOR TO MAKE APPROPRIATE CHANGES IN THE |
| 10 | ASSESSMENT BOOK AND NOTIFY AFFECTED TAXPAYERS OF THE |
| 11 | DECREASED ASSESSMENT AND RIGHT TO APPEAL TO THE COUNTY TAX |
| 12 | APPEAL BOARD WITHIN 15 DAYS OF MAILING OF THE NOTICE. |
| 13 | SECTION 3. SECTION 15-8-112, MCA, IS AMENDED TO READ: |
| 14 | "15-8-112. Assessments to be made on classification |
| 15 | and appraisal. (1) The assessments of all lands, city and |
| 16 | town lots, and all improvements must be made on the |
| 17 | classification and appraisal as made or caused to be made by |
| 18 | the department of revenue. |
| 19 | (2) The percentage basis of assessed value as provided |
| 20 | for in chapter 6, part 1, is determined and assigned by the |
| 21 | department when it makes its annual assessment of the |

property which it is required to assess centrally under the

laws of this state. The department shall transmit such

determination and assignment to its agents in the various

counties with the assessments so made, and, except as

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provided in [sections 1 and 2], its determination is final
except as to the right of review in the state tax appeal
board or the proper court."

SECTION 4. SECTION 15-7-102, MCA, IS AMENDED TO READ:

"15-7-102. Notice of classification and appraisal to
owners -- appeals. (1) It shall be the duty of the
department of revenue to cause to be mailed to each owner
and purchaser under contract for deed a notice of the
classification of the land owned or being purchased by him
and the appraisal of the improvements thereon only if one or
more of the following changes pertaining to the land or
improvements have been made since the last notice:

- (a) change in ownership;
- (b) change in classification;

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- (c) change in valuation; or
- 16 (d) addition or subtraction of personal property
 17 affixed to the land.
 - provided by the department under subsection (1) must be on a standardized form adopted by the department containing sufficient information in a comprehensible manner designed to fully inform the taxpayer as to the classification and appraisal of his property and of changes over the prior tax year.

- dissatisfied with the appraisal or classification of his land or improvements, he may submit his objection in writing 2 to the department's agent. The department shall give 3 reasonable notice to such taxpayer of the time and place of 4 hearing and hear any testimony or other evidence which the 5 taxpayer may desire to produce at such time and afford the 6 opportunity to other interested persons to produce evidence 7 at such hearing. Thereafter, the department shall determine the true and correct appraisal and classification of such 9 land or improvements and forthwith notify the taxpayer of 10 its determination. In the notification, the department must 11 state its reasons for revising the classification or 12 appraisal. When so determined, the land shall be classified 13 and improvements appraised in the manner ordered by the 14
- 16 (3)(4) Whether a hearing as provided in subsection (2)
 17 is held or not, the department or its agent may not adjust
 18 an appraisal or classification upon taxpayer's objection
 19 unless:

department.

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- 20 (a) the taxpayer has submitted his objection in 21 writing; and
- (b) the department or its agent has stated its reasonin writing for making the adjustment.

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(2) (3) If the owner of any land and improvements is

-7-

notification to the taxpayer of its determination and the reason for that determination are public records. Each county appraiser shall make such records available for inspection during regular office hours.

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- (5)(6) If any property owner shall feel aggrieved at the classification and/or the appraisal so made by the department, he shall have the right to appeal to the county tax appeal board and then to the state tax appeal board, whose findings shall be final subject to the right of review in the proper court or courts."
- 11 NEW SECTION. SECTION 5. RENOTIFICATION TO TAXPAYERS 12 WITH EXCEPTIONAL INCREASES IN 1986 ASSESSMENTS. THE 13 DEPARTMENT OF REVENUE SHALL SEND A STANDARD PROPERTY TAX 14 CLASSIFICATION AND APPRAISAL NOTICE AS DESCRIBED IN SECTION 15 1 OF THIS ACT TO EACH PROPERTY TAXPAYER WHOSE 1986 16 ASSESSMENT ON CLASS FOUR PROPERTY INCREASED AS A RESULT OF 17 REAPPRAISAL OF CLASS FOUR PROPERTY BY 180% OR MORE WHEN 18 COMPARED WITH HIS 1985 ASSESSMENT.
- NEW SECTION. SECTION 6. APPLICATION DEADLINE FOR
 REDUCTION IN 1986 VALUATION. NOTWITHSTANDING THE PROVISIONS
 OF 15-15-102, THE APPLICATION DEADLINE FOR REDUCTION IN 1986
 TAXABLE VALUATIONS IS AUGUST 1, 1986, OR 15 DAYS AFTER
 RECEIPT BY THE TAXPAYER OF A REVISED NOTICE OF
 CLASSIFICATION AND APPRAISAL, WHICHEVER IS LATER.
- 25 NEW SECTION. SECTION 7. CODIFICATION INSTRUCTION.

- 1 SECTION 1 IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF
- 2 TITLE 15, CHAPTER 8, AND THE PROVISIONS OF TITLE 15, CHAPTER
- 3 8, APPLY TO SECTION 1.
- 4 NEW SECTION. SECTION 8. EXTENSION OF AUTHORITY. ANY
- 5 EXISTING AUTHORITY OF THE DEPARTMENT OF REVENUE TO MAKE
- 6 RULES ON THE SUBJECT OF THE PROVISIONS OF THIS ACT IS
- 7 EXTENDED TO THE PROVISIONS OF THIS ACT.
- 8 NEW SECTION. Section 9. Effective date. This act is
- 9 effective on passage and approval.

-End-

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| 1 | SENATE BILL NO. 19 |
|----|---|
| 2 | INTRODUCED BY CHRISTIAENS, RAPP-SVRCEK, RAMIREZ, |
| 3 | O'HARA, GOODOVER, CRIPPEN, SWIFT, MCCALLUM, |
| 4 | SEVERSON, THAYER |
| 5 | |
| 6 | A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE STATETAK |
| 7 | APPEALBOARDREVIEWOF COUNTY TAX APPEAL BOARD REVIEW OF |
| 8 | EXCEPTIONAL INCREASES IN ASSESSMENTS MADE UNDER SECTION |
| 9 | 15-7-111, MCA, BEFORE PLACEMENT ON ASSESSMENT BOOKS; TO |
| 0 | REQUIRE THE DEPARTMENT OF REVENUE TO STANDARDIZE PROPERTY |
| 1 | TAX CLASSIFICATION AND APPRAISAL NOTICES; TO REQUIRE THE |
| 2 | DEPARTMENT TO SEND A STANDARD NOTICE TO TAXPAYERS WITH |
| 3 | EXCEPTIONAL INCREASES IN 1986 ASSESSMENTS BEFORE-PLACEMENT |
| 4 | ON-ASSESSMENT-BOOKS; TO EXTEND THE APPLICATION DEADLINE FOR |
| 5 | REDUCTION IN 1986 VALUATIONS; AMENDING SECTIONS |
| 6 | 15-8-112 15-7-102 AND 15-8-112, MCA; AND PROVIDING AN |
| 7 | IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE." |
| .8 | |
| 9 | WHEREAS, THE DEPARTMENT OF REVENUE SHOULD CARRY THE |
| 0 | BURDEN OF SUBSTANTIATING EXCEPTIONAL INCREASES IN |
| 1 | ASSESSMENTS MADE UNDER SECTION 15-7-111, MCA, BEFORE |
| 2 | PLACEMENT ON ASSESSMENT BOOKS; AND |
| 23 | WHEREAS, EACH PROPERTY TAXPAYER IN THE STATE SHOULD BE |
| 4 | PROPERLY NOTIFIED REGARDING THE CLASSIFICATION AND VALUE OF |
| !5 | THE TAXPAYER'S PROPERTY FOR PROPERTY TAX PURPOSES; AND |

| 2 | year. |
|------------|--|
| 3 | (2)(3) If the owner of any land and improvements is |
| 4 | dissatisfied with the appraisal or classification of his |
| 5 | land or improvements, he may submit his objection in writing |
| 6 | to the department's agent. The department shall give |
| 7 | reasonable notice to such taxpayer of the time and place of |
| 8 | hearing and hear any testimony or other evidence which the |
| 9 | taxpayer may desire to produce at such time and afford the |
| LO | opportunity to other interested persons to produce evidence |
| 11 | at such hearing. Thereafter, the department shall determine |
| 12 | the true and correct appraisal and classification of such |
| 13 | Tand or improvements and forthwith notify the taxpayer of |
| L 4 | its determination. In the notification, the department must |
| 15 | state its reasons for revising the classification or |
| L6 | appraisal. When so determined, the land shall be classified |
| 17 | and improvements appraised in the manner ordered by the |
| 18 | department. |
| 19 | (3) Whether a hearing as provided in subsection (2) |

(3) is held or not, the department or its agent may not

adjust an appraisal or classification upon taxpayer's

(a) the taxpayer has submitted his objection in

(b) the department or its agent has stated its reason

appraisal of his property and of changes over the prior tax



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objection unless:

writing; and

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CORRECTED REFERENCE-FRONT PAGE ONLY.
CORRECTIONS ON P1, line 15 & P.8
lines 19 & 20 only.

| 1 | SENATE BILL NO. 19 |
|----|---|
| 2 | INTRODUCED BY CHRISTIAENS, RAPP-SVRCEK, RAMIREZ, |
| 3 | O'HARA, GOODOVER, CRIPPEN, SWIFT, MCCALLUM, |
| 4 | SEVERSON, THAYER |
| 5 | |
| 6 | A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE STATETAX |
| 7 | APPEABBOARDRE' 1EWOF COUNTY TAX APPEAL BOARD REVIEW OF |
| 8 | EXCEPTIONAL INCREASES IN ASSESSMENTS MADE UNDER SECTION |
| 9 | 15-7-111, MC BEFORE PLACEMENT ON ASSESSMENT BOOKS; TO |
| 10 | REQUIRE THE DEPARTMENT OF REVENUE TO STANDARDIZE PROPERTY |
| 11 | TAX CLASSIFICATION AND APPRAISAL NOTICES; TO REQUIRE THE |
| 12 | DEPARTMENT TO SEND A STANDARD NOTICE TO TAXPAYERS WITH |
| 13 | EXCEPTIONAL INCREASES IN 1986 ASSESSMENTS BEFORE-PHACEMENT |
| 14 | ON-ASSESSMENT-BOOKS; TO EXTEND THE APPLICATION DEADLINE FOR |
| 15 | REDUCTION IN 1986 VALUATIONS; AMENDING SECTION 15-8-112 |
| 16 | 15-7-102 AND 15-8-112, MCA; AND PROVIDING AN IMMEDIATE |
| 17 | EFFECTIVE DATE AND AN APPLICABILITY DATE." |
| 18 | |
| 19 | WHEREAS, THE DEPARTMENT OF REVENUE SHOULD CARRY THE |
| 20 | BURDEN OF SUBSTANTIATING EXCEPTIONAL INCREASES IN |
| 21 | ASSESSMENTS MADE UNDER SECTION 15-7-111, MCA, BEFORE |
| 22 | PLACEMENT ON ASSESSMENT BOOKS; AND |
| 23 | WHEREAS, EACH PROPERTY TAXPAYER IN THE STATE SHOULD BE |
| 24 | PROPERLY NOTIFIED REGARDING THE CLASSIFICATION AND VALUE OF |
| 25 | THE TAYDAYED S BEAREDTY FOR BEARDERY TAY DUBBACES. AND |

| 1 | WHEREAS, THE LACK OF A STANDARDIZED PROPERTY TAX |
|----|--|
| 2 | CLASSIFICATION AND APPRAISAL NOTICE RESULTS IN A VARIETY OF |
| 3 | NOTICES BEING SENT BY THE COUNTIES WITH A WIDE RANGE IN THE |
| 4 | CLARITY OF THE NOTICES; AND |
| 5 | WHEREAS, INCOMPLETE OR INCOMPREHENSIBLE TAX |
| 6 | CLASSIFICATION AND APPRAISAL NOTICES CREATE MUCH CONFUSION |
| 7 | AND MISUNDERSTANDING REGARDING THE PROPERTY TAX SYSTEM AND, |
| 8 | IN PARTICULAR, THE PROPERTY REVALUATION PROCESS AS |
| 9 | IMPLEMENTED IN THE 1986 TAX YEAR. |
| 10 | THEREFORE, THE LEGISLATURE OF THE STATE OF MONTANA |
| 11 | FINDS IT APPROPRIATE TO DIRECT THE DEPARTMENT OF REVENUE TO |
| 12 | SUBMIT ASSESSMENTS MADE UNDER SECTION 15-7-111, MCA, WITH |
| 13 | EXCEPTIONAL INCREASES FOR REVIEW BY THE COUNTY TAX APPEAL |
| 14 | BOARDS BEFORE PLACEMENT ON ASSESSMENT BOOKS, TO ADOPT A |
| 15 | STANDARDIZED PROPERTY TAX CLASSIFICATION AND APPRAISAL |
| 16 | NOTICE AND TO SEND SUCH NOTICE TO TAXPAYERS WITH EXCEPTIONAL |
| 17 | INCREASES IN 1986 ASSESSMENTS, AND TO EXTEND THE APPLICATION |
| 18 | DEADLINE FOR REDUCTION IN 1986 VALUATIONS. |
| 19 | |
| 20 | BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: |

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of--exceptional--increases-in-assessments---(1)-Whenever-the

department-arrives-at-an-assessed--value--for--a--parcel--of

property--that--exceeds--the--assessment-for-the-immediately

preceding-year-by-20%-or-more, the department--shall--submit

NEW-SECTION:--Section-1:--State-tax-appeal-board-review

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| theassessmentforreviewbythe-state-tax-appeal-board | | | | | |
|---|--|--|--|--|--|
| before-the-assessment-for-that-parcel-is-placed-onthetax | | | | | |
| rollsThedepartmentshallprovidetheboardwith | | | | | |
| substantiationforsuchanexceptionalincreasein | | | | | |
| assessment | | | | | |
| (2)Thestatetaxappealboardshall-consider-the | | | | | |
| department's-determinationandwithin30daysenteran | | | | | |
| order: | | | | | |
| <pre>{a}authorizingthedepartmentto-assign-to-the-tax</pre> | | | | | |
| rolls-that-assessment-determined-by-the-department;-or | | | | | |
| <pre>tb)directing-the-departmenttoassigntothetax</pre> | | | | | |
| rollsalesserassessmentdeterminedbytheboardas | | | | | |
| supported-by-its-findings- | | | | | |
| (3)The-review-by-the-board-under-this-section-isnot | | | | | |
| acontested-case-under-the-Montana-Administrative-Procedure | | | | | |
| Acty-and-a-taxpayer-is-not-entitled-toparticipateinthe | | | | | |
| reviewprocedurevReviewby-the-board-does-not-affect-the | | | | | |
| right-of-a-taxpayer-to-pursue-anyremediesprovidedunder | | | | | |
| lawforanaggrievedtaxpayeronce-an-assessed-value-is | | | | | |
| placed on the tax-rolls- | | | | | |
| NEW-SECTION Section-2:Reviewofexceptional | | | | | |
| increasesin1986propertyassessmentsEachproperty | | | | | |
| assessment-assigned-by-the-department-to-the-taxrollsfor | | | | | |
| the-1986-tax-year-must-be-submitted-by-the-department-to-the | | | | | |
| state - tax (appea) board for review under {section=1}-if-the | | | | | |

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assessment-exceeds-the-1985-assessment-by-121%-or-more:--The
board--shall--review--such--assessments-and-render-decisions
before-August-17--1986:--The--department--shall--direct--the
county--clerk--to-make-appropriate-changes-in-the-assessment
book--and--notify--affected--taxpayers--of---the---decreased
assessment--and--right--to--appeal--to--the-local-county-tax
appeal-board-within-15-days-of-mailing-of-the-notice:
     Section-3:--Section-15-8-112;-MCA;-is-amended-to--read:
     #15-0-112:--Assessments--to--be--made-on-classification
and-appraisal; -- (1)-The-assessments-of-all-lands; -- city--and
town--lots; --and--all--improvements--must--be--made--on--the
classification-and-appraisal-as-made-or-caused-to-be-made-by
the-department-of-revenue-
     +2+--The-percentage-basis-of-assessed-value-as-provided
for-in-chapter-6; part-1; is-determined-and-assigned-by--the
department--when--it--makes--its--annual--assessment--of-the
property-which-it-is-required-to-assess-centrally-under--the
laws--of--this--state;--The--department--shall-transmit-such
determination-and-assignment-to-its-agents--in--the--various
counties--with--the--assessments--so--made;--and;--except-as
provided in factions-1-and-217 its-determination--is--final
except--as--to--the--right-of-review-in-the-state-tax-appeal
board-or-the-proper court:"
     NEW-SECTION: -- Section -- -- Codification --- -- instruction -
```

Section -- i-is : nt-nned-to-be-codified-as-an-integral-part-of

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| 1 | Title-157-chapter-87-and-the-provisions-of-Title-157-chapter |
|-----|--|
| 2 | 8 ₇ -apply-to-section-1+ |
| 3 | NEW-SECTION:SECTION-1:COUNTYTAXAPPEALBOARD |
| 4 | REVIEWOPEXCEPTIONALINCREASESINASSESSMENTS:(1) |
| 5 | WHENEVER-THE-DEPARTMENT-ARRIVES-AT-4N-ASSESSED-VALUEPORA |
| 6 | PARCESOFPROPERTYTHATEXCEEDSTHEASSESSMENT-FOR-THE |
| 7 | IMMEDIATESY-PRECEDING-YEAR-BY-20%-ORMORE;THEDEPARTMENT |
| 8 | SHALL-SHBMITTHE -ASSESSMENTFOR-REVIEW-BY-THE-COUNTY-TAX |
| 9 | APPEAL-BOARD-BEFORE-THE-ASSESSMENT-POR-THAT-PARCEL-IS-PLACED |
| 10 | ON-THE-TAX-ROS.STHE-DEPARTMENT-SHALL-PROVIDE-THE-BOARD |
| 11 | WITHSUBSTANTIATION-FORSUCHANEXCEPTIONAL-INCREASE-IN |
| 12 | ASSESSMENT: |
| 13 | +2}THE-COUNTY-TAX-APPEA5BOARDSHALLCONSIDERTHE |
| 14 | DEPARTMENT'SDETERMINATIONANDWITHIN30DAYSENTER-AN |
| 15 | ORBER: |
| 16 | (A) AUTHORIZING-THE-DEPARTMENT-TO-ASSIGNTO-THE-TAX |
| 17 | ROLLS-THAT-ASSESSMENT-DETERMINED-BY-THE-DEPARTMENT;-OR |
| 18 | (B)DirectingTHEDEPARTMENTTOASSIGNTO-THE-TAX |
| 1.9 | ROBBSABESSERASSESSMENTDETERMINEDBYTHEBOARDAS |
| 20 | SUPPORTED-BY-ITS-FINDINGS: |
| 21 | (3)THEREVIEW-BY-THE-BOARD-UNDER TH:S-SECTION-IS-NOT |
| 22 | A-CONTESTED-CASE-UNDER-THE-MONTANA-ADMINISTRATIVEPROCEDURE |
| 23 | ACT;ANDATAXPAYER-IS-NOT-ENTITLED-TO-PARTICIPATE-IN-THE |
| 24 | REVIEW-PROCEDURE: REVIEW-BY-THE-BOARD-DOESNOTAPPECT -THE |
| 25 | HIGHTOFATAXPAYER-TO-PURSUE-ANY-REMEDIES-PROVIDED ENDER |

| 2 | PLACED-ON-THE-TAX-ROLLS- |
|---|--|
| 3 | NEW SECTION. SECTION 1. REVIEW OF EXCEPTIONAL |
| 1 | INCREASES IN 1986 PROPERTY ASSESSMENTS. EACH PROPERTY |
| 5 | ASSESSMENT ASSIGNED BY THE DEPARTMENT TO THE TAX ROLLS FOR |
| | THE 1936 TAX YEAR MUST BE SUBMITTED BY THE DEPARTMENT TO THE |
| | COUNTY TAX APPEAL BOARD FOR REVIEW UNDER-{SECTION-1} IF THE |
| | ASSESSMENT EXCEEDS THE 1985 ASSESSMENT BY 180% OR MORE. THE |
| | BOARD SHALL REVIEW SUCH ASSESSMENTS AND-RENDERDECISIONS |
| | BEPOREAUGUST171986THEBEPARTMENTSHALL-BIRECT-THE |
| | COUNTY CLERK ASSESSOR-TO-MAKEAPPROPRIATECHANGESINTHE |
| | ASSESSMENTBOOKANDNOTIFYAPPBETEDTAXPAYERSOFTHE |
| | DECREASED-ASSESSMENT-AND-RIGHT-TO-APPEAL-TO-THECOUNTYTAX |
| | APPEADBOARB-WITHIN-15-BAYS-OF-MAIDING-OF-THE-NOTICE IN THE |
| | AGGREGATE. |
| | SECTION 2. SECTION 15-8-112, MCA, IS AMENDED TO READ: |
| | "15-8-112. Assessments to be made on classification |

baw-Fer-an-AGGRieveb-Taxpayer--ende--an--assesseb--vabue--is

(2) The percentage basis of assessed value as provided for in chapter 6, part 1, is determined and assigned by the department when it makes its annual assessment of the property which it is required to assess centrally under the

and appraisal. (1) The assessments of all lands, city and

town lots, and all improvements must be made on the

classification and appraisal as made or caused to be made by

the department of revenue.

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laws of this state. The department shall transmit such determination and assignment to its agents in the various counties with the assessments so made, and, except as provided in [sections SECTION 1 and-2], its determination is final except as to the right of review in the state tax appeal board or the proper court."

SECTION 3. SECTION 15-7-102, MCA, IS AMENDED TO READ:

"15-7-102. Notice of classification and appraisal to
owners -- appeals. (1) It shall be the duty of the
department of revenue to cause to be mailed to each owner
and purchaser under contract for deed a notice of the
classification of the land owned or being purchased by him
and the appraisal of the improvements thereon only if one or
more of the following changes pertaining to the land or
improvements have been made since the last notice:

- (a) change in ownership;
- 17 (b) change in classification:
- 18 (c) change in valuation; or

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- 19 (d) addition or subtraction of personal property
 20 affixed to the land.
- 21 (2) The notice of classification and appraisal
 22 provided by the department under subsection (1) must be on
 23 a standardized form adopted by the department containing
 24 sufficient information in a comprehensible manner designed
 25 to fully inform the taxpayer as to the classification and

appraisal of his property and of changes over the prior tax year.

(2)(3) If the owner of any land and improvements is 3 dissatisfied with the appraisal or classification of his land or improvements, he may submit his objection in writing the department's agent. The department shall give 6 reasonable notice to such taxpayer of the time and place of hearing and hear any testimony or other evidence which the taxpayer may desire to produce at such time and afford the opportunity to other interested persons to produce evidence 1.0 11 at such hearing. Thereafter, the department shall determine the true and correct appraisal and classification of such 1.2 land or improvements and forthwith notify the taxpayer of 13 its determination. In the notification, the department must state its reasons for revising the classification or 15 16 appraisal. When so determined, the land shall be classified and improvements appraised in the manner ordered by the 17 18 department.

- 19 (3)(4) Whether a hearing as provided in subsection (2)
 20 is held or not, the department or its agent may not adjust
 21 an appraisal or classification upon taxpayer's objection
 22 unless:
- 23 (a) the taxpayer has submitted his objection in
 24 writing; and
- 25 (b) the department or its agent has stated its reason

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- in writing for making the adjustment.
- 2 (4)(5) A taxpayer's written objection to
- 3 classification or appraisal and the department's
 - notification to the taxpayer of its determination and the
- 5 reason for that determination are public records. Each
- 6 county appraiser shall make such records available for
- 7 inspection during regular office hours.
- 8 (5)(6) If any property owner shall feel aggrieved at
- 9 the classification and/or the appraisal so made by the
- 10 department, he shall have the right to appeal to the county
 - tax appeal board and then to the state tax appeal board,
- 12 whose findings shall be final subject to the right of review
- 13 in the proper court or courts."

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- 14 NEW SECTION. SECTION 4. RENOTIFICATION TO TAXPAYERS
 - WITH EXCEPTIONAL INCREASES IN 1986 ASSESSMENTS. THE
 - DEPARTMENT OF REVENUE SHALL SEND A REVISED STANDARD PROPERTY
- 17 TAX CLASSIFICATION AND APPRAISAL NOTICE AS DESCRIBED IN
- 18 SECTION-1-0P-THIS-ACT 15-7-102 TO EACH PROPERTY TAXPAYER
- 19 WHOSE 1986 ASSESSMENT ON CLASS FOUR PROPERTY INCREASED AS A
- 20 RESULT OF REAPPRAISAL OF CLASS FOUR PROPERTY BY 180% OR MORE
- 21 WHEN COMPARED WITH HIS 1985 ASSESSMENT.
- 22 NEW SECTION. SECTION 5. APPLICATION DEADLINE FOR
- 23 REDUCTION IN 1986 VALUATION. NOTWITHSTANDING THE PROVISIONS
- 24 OF 15-15-102, THE APPLICATION DEADLINE FOR REDUCTION IN 1986
- 25 TAXABLE VALUATIONS IS AUGUST 1, 1986, OR 15 DAYS AFTER

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- 1 RECEIPT BY THE TAXPAYER OF A REVISED NOTICE OF
- 2 CLASSIFICATION AND APPRAISAL, WHICHEVER IS LATER.
- 3 NEW-SECTION:--SECTION-7:--CODIFICATION----INSTRUCTION:
- 4 SECTION--1-IS-INTE (DED-TO-BE-CODIFIED-AS-AN-INTEGRAL-PART-OF
- 5 Titbe-157-CHAPTER-87-AND-THE-PROVISIONS-OF-TITBE-157-CHAPTER
- 6 87-APP5Y-TO-SECTION-1-
- 7 NEW SECTION. SECTION 6. EXTENSION OF AUTHORITY. ANY
- 8 EXISTING AUTHORITY OF THE DEPARTMENT OF REVENUE TO MAKE
- 9 RULES ON THE SUBJECT OF THE PROVISIONS OF THIS ACT IS
- 10 EXTENDED TO THE PROVISIONS OF THIS ACT.
- 11 <u>NEW SECTION.</u> Section 7. Effective date --
- 12 APPLICABILITY. This act is effective on passage and approval
- 13 AND APPLIES TO TAX YEAR 1986.

-End-

STANDING COMMITTEE REPORT

| | | June 28 | 19_86 |
|----------------------------|--|-----------------------------|---------------------------------------|
| Mr. Speaker: We, the co | ommittee onTAXAT | ION | |
| eportSEN | ATE BILL 19 | | |
| ☐ do pass ☐ do not pass | be concurred in be not concurred in | _ | amended atement of intent attached |
| | ATE TAX APPEAL BOARD RIS BEFORE PLACEMENT ON | | |
| Follo | itle, line 8. wing: "ASSESSMENTS" t: "MADE UNDER 15-7- | 111, MCA," | |
| Follo | itle, line 16. wing: "DATE" t: "AND AN APPLICABI | LITY DATE" | |
| Follo | reamble, page 1, line wing: "ASSESSMENTS" t: "MADE UNDER 15-7- | | |
| Follo | reamble, page 2, line wing: "ASSESSMENTS" t: "MADE UNDER 15-7- | | |
| Strik Renum | Page 5. Ee: lines 1 through 2 The ber subsequent section The internal reference | ns | ty |
| 6. F Strik Inser | | | |
| 7. E Strik | Page 6, line 5. se: "UNDER [SECTION 1 | <u>1</u> " | |
| Follo Strik | Page 6, lines 7 througowing: "ASSESSMENTS" Re: the remainder of the remai | on line 7 line 7 through "N | NOTICE" on line 12 |

9. Page 6, line 13.
Strike: "3"
Insert: "2"

10. Page 7, line 1. Strike: "sections" Insert: "section" Strike: "and 2"

11. Page 7, line 4. Strike: "4" Insert: "3"

12. Page 9, line 13. Following: "SEND A" Insert: "revised"

13. Page 9, lines 14 and 15. Following: "IN" on line 14 Strike: "SECTION 1 OF THIS ACT" Insert: "15-7-102"

14. Page 9, line 19. Strike: "6" Insert: "5"

15. Pages 9 and 10. Strike: lines 25 on page 9 through line 3 on page 10 Renumber subsequent sections

16. Page 10, line 4.
Strike: "8"
Insert: "6"

17. Page 10, line 8.
Strike: "9"
Insert: "7"
Following: "date"
Insert: "-- applicability"

18. Page 10, line 9.
Following: "approval"
Insert: "and applies to tax year 1986"

Jerry Devlin,

Chairman.