

HB 846 INTRODUCED BY HOFFMAN, R., ET AL.
COUNTY ASSESSOR TO ASSESS ALL PROPERTY WITHIN COUNTY

2/21	INTRODUCED	
2/21	REFERRED TO TAXATION	
2/21	FISCAL NOTE REQUESTED	
3/02	FISCAL NOTE RECEIVED	
3/07	TABLED IN COMMITTEE	
3/11	HEARING	
3/16	COMMITTEE REPORT--BILL NOT PASSED	
3/17	ADVERSE COMMITTEE REPORT REJECTED	64 34
3/20	2ND READING NOT PASSED AS AMENDED	59 39

1 *House* BILL NO. *846*
 2 INTRODUCED BY *Hoffman* *William E. Smith* NATH.
 3 *Matthews* *Halley* *Dunlap*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT THE
 5 COUNTY ASSESSOR OF EACH COUNTY IS RESPONSIBLE FOR THE
 6 ASSESSMENT OF ALL PROPERTY WITHIN THE COUNTY; AMENDING
 7 SECTIONS 15-1-101, 15-1-403, 15-7-101 THROUGH 15-7-103,
 8 15-7-107, 15-7-111, 15-7-201, 15-7-203, 15-7-208, 15-7-210,
 9 15-7-304, 15-7-305, 15-7-309, 15-7-402, 15-7-403, 15-8-101
 10 THROUGH 15-8-103, 15-8-111 THROUGH 15-8-113, 15-8-115,
 11 15-8-201, 15-8-202, 15-8-301 THROUGH 15-8-304, 15-8-307,
 12 15-8-309, 15-8-406, 15-8-501, 15-8-601, 15-8-701, 15-8-702,
 13 15-8-704, 15-8-706, 15-8-707, 15-9-101, 15-9-102, 15-10-202,
 14 15-10-204 THROUGH 15-10-206, 15-10-301, 15-10-302, 15-10-304
 15 THROUGH 15-10-306, 15-10-321, 15-15-101, 15-15-102,
 16 15-16-111, 15-16-112, 15-16-402, 15-23-106, 15-23-107,
 17 15-23-803, 15-24-801, 15-24-903, 15-24-905, 15-24-906,
 18 15-24-911, AND 15-30-228, MCA; AND PROVIDING A DELAYED
 19 EFFECTIVE DATE."

20
 21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 22 Section 1. Section 15-1-101, MCA, is amended to read:
 23 "15-1-101. Definitions. (1) Except as otherwise
 24 specifically provided, when terms mentioned in this section
 25 are used in connection with taxation, they are defined in

1 the following manner:
 2 (a) The term "agricultural" refers to the raising of
 3 livestock, poultry, bees, and other species of domestic
 4 animals and wildlife in domestication or a captive
 5 environment, and the raising of field crops, fruit, and
 6 other animal and vegetable matter for food or fiber.
 7 (b) The term "assessed value" means the value of
 8 property as defined in 15-8-111.
 9 (c) The term "average wholesale value" means the value
 10 to a dealer prior to reconditioning and profit margin shown
 11 in national appraisal guides and manuals or the valuation
 12 schedules of the department of revenue.
 13 (d) (i) The term "commercial", when used to describe
 14 property, means any property used or owned by a business, a
 15 trade, or a nonprofit corporation as defined in 35-2-102 or
 16 used for the production of income, except that property
 17 described in subsection (ii).
 18 (ii) The following types of property are not
 19 commercial:
 20 (A) agricultural lands;
 21 (B) timberlands;
 22 (C) single-family residences and ancillary
 23 improvements and improvements necessary to the function of a
 24 bona fide farm, ranch, or stock operation;
 25 (D) mobile homes used exclusively as a residence



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1 except when held by a distributor or dealer of trailers or
2 mobile homes as his stock in trade;

3 (E) all property described in 15-6-135;

4 (F) all property described in 15-6-136; and

5 (G) all property described in 15-6-146.

6 (e) The term "comparable property" means property that
7 has similar use, function, and utility; that is influenced
8 by the same set of economic trends and physical,
9 governmental, and social factors; and that has the potential
10 of a similar highest and best use.

11 (f) The term "credit" means solvent debts, secured or
12 unsecured, owing to a person.

13 (g) The term "improvements" includes all buildings,
14 structures, fences, and improvements situated upon, erected
15 upon, or affixed to land. When ~~the department of revenue or~~
16 ~~its agent an assessor~~ determines that the permanency of
17 location of a mobile home or housetrailer has been
18 established, the mobile home or housetrailer is presumed to
19 be an improvement to real property. A mobile home or
20 housetrailer may be determined to be permanently located
21 only when it is attached to a foundation which cannot
22 feasibly be relocated and only when the wheels are removed.

23 (h) The term "leasehold improvements" means
24 improvements to mobile homes and mobile homes located on
25 land owned by another person. This property is assessed

1 under the appropriate classification and the taxes are due
2 and payable in two payments as provided in 15-24-202.
3 Delinquent taxes on such leasehold improvements are a lien
4 only on such leasehold improvements.

5 (i) The term "livestock" means cattle, sheep, swine,
6 goats, horses, mules, and asses.

7 (j) The term "mobile home" means forms of housing
8 known as "trailers", "housetrainers", or "trailer coaches"
9 exceeding 8 feet in width or 45 feet in length, designed to
10 be moved from one place to another by an independent power
11 connected to them, or any "trailer", "housetrailer", or
12 "trailer coach" up to 8 feet in width or 45 feet in length
13 used as a principal residence.

14 (k) The term "personal property" includes everything
15 that is the subject of ownership but that is not included
16 within the meaning of the terms "real estate" and
17 "improvements".

18 (l) The term "poultry" includes all chickens, turkeys,
19 geese, ducks, and other birds raised in domestication to
20 produce food or feathers.

21 (m) The term "property" includes moneys, credits,
22 bonds, stocks, franchises, and all other matters and things,
23 real, personal, and mixed, capable of private ownership.
24 This definition must not be construed to authorize the
25 taxation of the stocks of any company or corporation when

1 the property of such company or corporation represented by
2 the stocks is within the state and has been taxed.

3 (n) The term "real estate" includes:

4 (i) the possession of, claim to, ownership of, or
5 right to the possession of land;

6 (ii) all mines, minerals, and quarries in and under the
7 land subject to the provisions of 15-23-501 and Title 15,
8 chapter 23, part 8; all timber belonging to individuals or
9 corporations growing or being on the lands of the United
10 States; and all rights and privileges appertaining thereto.

11 (o) The term "taxable value" means the percentage of
12 market or assessed value as provided for in 15-6-131 through
13 15-6-140.

14 (2) The phrase "municipal corporation" or
15 "municipality" or "taxing unit" shall be deemed to include a
16 county, city, incorporated town, township, school district,
17 irrigation district, drainage district, or any person,
18 persons, or organized body authorized by law to establish
19 tax levies for the purpose of raising public revenue.

20 (3) The term "state board" or "board" when used
21 without other qualification shall mean the state tax appeal
22 board.

23 (4) The term "centrally assessed property" means that
24 property assessed pursuant to Title 15, chapter 23."

25 Section 2. Section 15-1-403, MCA, is amended to read:

1 "15-1-403. Assessment for taxation -- increase over
2 statement of owner. (1) Whenever any person has delivered to
3 the ~~department-of-revenue-or--its--agent~~ assessor a sworn
4 statement of his property subject to taxation as now
5 provided by law and giving the estimated value of such
6 property and the ~~department--or--its-agent~~ assessor shall
7 increase such estimated value or add other property to such
8 assessment list, the ~~agent~~ assessor shall, at least 10 days
9 prior to the meeting of the county tax appeal board, give to
10 such person written notice of such change, which notice
11 shall be substantially in the following form:

(Date)

13 Mr.:

14 A change has been made in your assessment list as
15 follows:

16 (Set out and describe specifically changes made in
17 list.)

187-Agent
19 Department---of---Revenue
20 County Assessor

21 (2) Such person may then appear before the county tax
22 appeal board and contest the same. If the assessment of any
23 such person has been added to or changed, either by the
24 ~~department~~ assessor or by the county tax appeal board, and
25 such person has not been notified thereof and given an

1 opportunity to contest the same before the county tax appeal
 2 board, the tax on such increased value or added property
 3 shall, upon such facts being established, be adjudged by the
 4 state tax appeal board to be void, and such facts and all
 5 questions relating thereto, when said tax has been paid
 6 under protest, may be heard and determined in the action
 7 provided for in 15-1-402."

8 Section 3. Section 15-7-101, MCA, is amended to read:

9 "15-7-101. Classification and appraisal -- duties of
 10 the ~~department--of--revenue~~ county assessor. (1) It is the
 11 duty of the ~~department--of--revenue~~ county assessor to
 12 accomplish the following:

13 (a) the classification of all taxable lands;
 14 (b) the appraisal of all taxable city and town lots;
 15 (c) the appraisal of all taxable rural and urban
 16 improvements.

17 (2) A record thereof must be kept upon such maps,
 18 plats, and forms and entered in such books of record as may
 19 be prescribed by the department assessor. Such maps, plats,
 20 forms, and books of record shall be official records of the
 21 state county. A certified copy of all such records as may
 22 be desired shall be furnished to the department.

23 (3) It shall be the duty of the department assessor to
 24 maintain current the classification of all taxable lands and
 25 appraisal of city and town lots and rural and urban

1 improvements, as provided for herein."

2 Section 4. Section 15-7-102, MCA, is amended to read:

3 "15-7-102. Notice of classification and appraisal to
 4 owners -- appeals. (1) It shall be the duty of the
 5 ~~department-of-revenue~~ county assessor to cause to be mailed
 6 to each owner and purchaser under contract for deed a notice
 7 of the classification of the land owned or being purchased
 8 by him and the appraisal of the improvements thereon only if
 9 one or more of the following changes pertaining to the land
 10 or improvements have been made since the last notice:

11 (a) change in ownership;
 12 (b) change in classification;
 13 (c) change in valuation; or
 14 (d) addition or subtraction of personal property
 15 affixed to the land.

16 (2) The notice of classification and appraisal
 17 provided by the department assessor under subsection (1)
 18 must be on a standardized form adopted by the department
 19 containing sufficient information in a comprehensible manner
 20 designed to fully inform the taxpayer as to the
 21 classification and appraisal of his property and of changes
 22 over the prior tax year.

23 (3) If the owner of any land and improvements is
 24 dissatisfied with the appraisal or classification of his
 25 land or improvements, he may submit his objection in writing

1 to the ~~department's agent~~ assessor. The department assessor
 2 shall give reasonable notice to such taxpayer of the time
 3 and place of hearing and hear any testimony or other
 4 evidence which the taxpayer may desire to produce at such
 5 time and afford the opportunity to other interested persons
 6 to produce evidence at such hearing. Thereafter, the
 7 department assessor shall determine the true and correct
 8 appraisal and classification of such land or improvements
 9 and forthwith notify the taxpayer of ~~its~~ his determination.
 10 In the notification, the department assessor must state ~~its~~
 11 his reasons for revising the classification or appraisal.
 12 When so determined, the land shall be classified and
 13 improvements appraised in the manner ordered by the
 14 department assessor.

15 (4) Whether a hearing as provided in subsection (3) is
 16 held or not, the ~~department-or-its-agent~~ assessor may not
 17 adjust an appraisal or classification upon taxpayer's
 18 objection unless:

19 (a) the taxpayer has submitted his objection in
 20 writing; and

21 (b) the ~~department--or--its-agent~~ assessor has stated
 22 ~~its~~ his reason in writing for making the adjustment.

23 (5) A taxpayer's written objection to a classification
 24 or appraisal and the ~~department's~~ assessor's notification to
 25 the taxpayer of ~~its~~ his determination and the reason for

1 that determination are public records. Each county appraiser
 2 shall make such records available for inspection during
 3 regular office hours.

4 (6) If any property owner shall feel aggrieved at the
 5 classification and/or the appraisal so made by the
 6 department assessor, he shall have the right to appeal to
 7 the county tax appeal board and then to the state tax appeal
 8 board, whose findings shall be final subject to the right of
 9 review in the proper court or courts."

10 Section 5. Section 15-7-103, MCA, is amended to read:

11 "15-7-103. Classification and appraisal -- general and
 12 uniform methods. (1) It is the duty of the department of
 13 revenue through the county assessors to implement the
 14 provisions of 15-7-101 through 15-7-103 by providing:

15 (a) for a general and uniform method of classifying
 16 lands in the state for the purpose of securing an equitable
 17 and uniform basis of assessment of said lands for taxation
 18 purposes;

19 (b) for a general and uniform method of appraising
 20 city and town lots;

21 (c) for a general and uniform method of appraising
 22 rural and urban improvements;

23 (d) for a general and uniform method of appraising
 24 timberlands.

25 (2) All lands shall be classified according to their

1 use or uses and graded within each class according to soil
2 and productive capacity. In such classification work, use
3 shall be made of soil surveys and maps and all other
4 pertinent available information.

5 (3) All lands must be classified by parcels or
6 subdivisions not exceeding 1 section each, by the sections,
7 fractional sections, or lots of all tracts of land that have
8 been sectionized by the United States government, or by
9 metes and bounds, whichever yields a true description of the
10 land.

11 (4) All agricultural lands must be classified and
12 appraised as agricultural lands without regard to the best
13 and highest value use of adjacent or neighboring lands.

14 (5) In any periodic revaluation of taxable property
15 completed under the provisions of 15-7-111 after January 1,
16 1979, all property classified in 15-6-134 must be appraised
17 on its market value in the same year. The department must
18 publish a rule specifying the year used in the appraisal.

19 (6) All sewage disposal systems and domestic use water
20 supply systems of all dwellings may not be appraised,
21 assessed, and taxed separately from the land, house, or
22 other improvements in which they are located. In no event
23 may the sewage disposal or domestic water supply systems be
24 included twice by including them in the valuation and
25 assessing them separately."

1 Section 6. Section 15-7-107, MCA, is amended to read:
2 "15-7-107. Certification required. (1) Within 1 year
3 after his ~~employment--by~~ assuming office, the department
4 county assessor or ~~by July 1, 1980, whichever occurs later,~~
5 ~~any appraiser employed by the department~~ his designee must
6 obtain a separate certificate in order to appraise:

7 (a) residential property ~~must obtain a certificate in~~
8 ~~appraising residential property;~~

9 (b) agricultural land ~~must--obtain--a--certificate--in~~
10 ~~appraising agricultural land; and~~

11 (c) commercial and industrial property ~~must obtain a~~
12 ~~certificate--in--appraising--commercial--and--industrial~~
13 ~~property.~~

14 (2) The department may promulgate rules requiring
15 county assessors and their appraisers to complete continuing
16 education courses in laws, rules, and methods relating to
17 appraisal."

18 Section 7. Section 15-7-111, MCA, is amended to read:
19 "15-7-111. Periodic revaluation of taxable property.
20 The department of revenue shall ~~administer and supervise~~
21 coordinate a program for the revaluation of all taxable
22 property within the state at least every 5 years. A
23 comprehensive written plan of rotation shall be promulgated
24 by the department ~~fixing~~ setting forth the suggested order
25 of revaluation of property in each county on the basis of

1 the last revaluation of taxable property in each county
 2 prior to July 1, 1974, in order to adjust the disparities
 3 therein between the counties. The plan-of revaluation must
 4 be done in rotation so adopted--shall--provide that all
 5 property in each county shall be revalued at least every 5
 6 years or and that no less than 20% of the property in each
 7 county shall should be revalued in each year. The department
 8 shall furnish a copy of the plan and all amendments thereto
 9 to each county assessor and the board of county
 10 commissioners in each county."

11 Section 8. Section 15-7-201, MCA, is amended to read:

12 "15-7-201. (Effective January 1, 1986 -- applicable to
 13 1991 land valuation schedules) Legislative intent -- value
 14 of agricultural property. (1) Since the market value of many
 15 agricultural properties is based upon speculative purchases
 16 which do not reflect the productive capability of
 17 agricultural land, it is the legislative intent that bona
 18 fide agricultural properties shall be classified and
 19 assessed at a value that is exclusive of values attributed
 20 to urban influences or speculative purposes.

21 (2) Agricultural land shall be classified according to
 22 its use, which classifications shall include but not be
 23 limited to irrigated use, nonirrigated use, and grazing use.

24 (3) Within each class, land shall be assessed at a
 25 value that is fairly based on its productive capacity.

1 (4) In computing the agricultural land valuation
 2 schedules to take effect on January 1, 1991, or on the date
 3 that the revaluation cycle commencing January 2, 1986, takes
 4 effect pursuant to 15-7-111, the department--of--revenue
 5 county assessor shall determine the productive capacity
 6 value of all agricultural lands using the formula $V = I/R$
 7 where:

8 (a) V is the per-acre productive capacity value of
 9 agricultural land in each land use and production category;

10 (b) I is the per-acre net income of agricultural land
 11 in each land use and production category and is to be
 12 determined by the department assessor using the formula
 13 $I = (P - C) U$ where:

14 (i) I is the per-acre net income;

15 (ii) P is the per-unit price of the commodity being
 16 produced;

17 (iii) C is the per-unit production cost of the
 18 commodity being produced; and

19 (iv) U is the yield in units per acre; and

20 (c) R is the capitalization rate to be determined by
 21 the department assessor as provided in subsection (9).

22 (5) Net income shall be:

23 (a) calculated for each year of a base period, which
 24 is the most recent 3-year period for which data are
 25 available, prior to a revaluation of property as provided in

1 15-7-111; and

2 (b) based on commodity price and production cost data
3 for the base period from such sources as may be considered
4 appropriate by the department assessor, which sources shall
5 include Montana state university.

6 (6) To the degree available, the department shall
7 compile and provide to assessors:

8 (a) commodity price data reflecting the average prices
9 received per unit of measure by Montana farmers and
10 ranchers. Such data may be obtained from all geographical
11 areas of the state. Commodity prices may include wheat,
12 barley, alfalfa hay, grass hay, corn for grain, corn for
13 silage, sugar beets, dry beans, potatoes, cattle, and sheep.
14 Government payments may be considered. Typical rental
15 arrangements may be considered.

16 (b) production cost data reflecting average costs per
17 unit of measure paid by Montana farmers and ranchers. Such
18 data may be obtained from all geographical areas of the
19 state. Such production costs may include costs relating to
20 irrigation, fertilization, fuel, seed, weed control, hired
21 labor, management, insurance, repairs and maintenance, and
22 miscellaneous items. Variations in specific production cost
23 data, when affected by different levels of production, and
24 typical rental arrangements may be considered.

25 (7) The department shall appoint an advisory committee

1 of persons knowledgeable in agriculture and agricultural
2 economics to review the data prepared by Montana state
3 university and advise county assessors and the department on
4 the implementation of subsections (2) through (6). The
5 advisory committee shall include one member of the Montana
6 state university staff.

7 (8) Net income shall be determined separately for
8 lands in irrigated use, nonirrigated use, and grazing use
9 and shall be calculated for each use and production level
10 according to the provisions of subsections (4) through (7).

11 (9) The capitalization rate shall be calculated for
12 each year of the base period and is the annual average
13 interest rate on agricultural loans as reported by the
14 federal land bank association of Spokane, Washington, plus
15 the effective tax rate in Montana.

16 (10) The effective tax rate shall be calculated by the
17 department for each year of the base period by dividing the
18 total estimated tax due on agricultural land in the state by
19 the total productive capacity value of agricultural land in
20 the state."

21 Section 9. Section 15-7-203, MCA, is amended to read:

22 "15-7-203. Agricultural uses only considered in
23 valuation. In valuing land as agricultural, the ~~department~~
24 ~~of-revenue~~ county assessor shall consider only those indicia
25 of value which such land has for agricultural use."

1 Section 10. Section 15-7-208, MCA, is amended to read:

2 "15-7-208. Reclassification by department county
3 assessor. The ~~department--of--revenue--or--its-agent~~ county
4 assessor may reclassify land as nonagricultural upon giving
5 due notice to the property owner or any purchaser under
6 contract for deed under the provisions of 15-7-102. Upon
7 notice of a change in classification of land from
8 agricultural to another use, the property owner may petition
9 the department assessor to reclassify the land as
10 agricultural by completing a form prescribed by the
11 department and by producing whatever information is
12 necessary to prove that the subject land meets the
13 definition of agricultural land embodied in 15-7-202."

14 Section 11. Section 15-7-210, MCA, is amended to read:

15 "15-7-210. Tax on change of use of part of tract.
16 Separation or split-off of a part of the land which is being
17 valued, assessed, and taxed under this part, either by
18 conveyance or other actions of the owner of such land, for a
19 use other than agricultural shall subject the land so
20 separated to reclassification by the department county
21 assessor but shall not impair the right of the remaining
22 land to continuance of valuation, assessment, and taxation
23 hereunder, provided it meets the minimum requirements of
24 this part."

25 Section 12. Section 15-7-304, MCA, is amended to read:

1 "15-7-304. Report of transfers -- change of ownership
2 records. (1) All transfers of real property which are not
3 evidenced by a recorded document, except those transfers
4 otherwise provided for in this part, shall be reported to
5 the ~~department--of--revenue--or--its-agent~~ county assessor on
6 the form prescribed.

7 (2) No ~~agent-of-the-department~~ assessor may change or
8 be required to change any ownership records used for the
9 assessment or taxation of real property unless he has
10 received a transfer certificate from the clerk and recorder
11 or a transfer has been reported to him."

12 Section 13. Section 15-7-305, MCA, is amended to read:

13 "15-7-305. Certificate of county clerk and recorder.
14 (1) The county clerk and recorder shall cause to be executed
15 by the parties to the transaction or their agents or
16 representatives a certificate declaring the consideration
17 paid or to be paid for the real estate transferred.

18 (2) No instrument or deed evidencing a transfer of
19 real estate may be accepted for recordation until the
20 certificate has been received by the county clerk and
21 recorder. The validity or effectiveness of an instrument or
22 deed as between the parties to it shall not be affected by
23 the failure to comply with the provisions in this part.

24 (3) The form of certificate shall be prescribed by the
25 department of revenue, and the department shall provide an

1 adequate supply of such forms to each county clerk and
2 recorder in the state.

3 (4) The clerk and recorder shall prepare a like
4 certificate for each contract for deed filed for recording.

5 (5) The clerk and recorder shall transmit each
6 executed certificate to the department county assessor."

7 Section 14. Section 15-7-309, MCA, is amended to read:

8 "15-7-309. Classification or assessment methods. (1)
9 This part shall not change or modify the methods of
10 classification or assessment of real estate as provided for
11 in this title or in any law of this state.

12 (2) The sale price of real estate shall not be the
13 sole determinant of assessed value. The department county
14 assessor shall consider, wherein the consideration is to be
15 paid in deferred installments over a period of 10 years or
16 more, the terms of the contract, amount of down payment,
17 amount of each installment, rate of interest, and other
18 covenants or exceptional circumstances which may affect the
19 consideration paid for real estate."

20 Section 15. Section 15-7-402, MCA, is amended to read:

21 "15-7-402. Application for residential appraisal of
22 certain land and improvements. (1) Any person wishing to
23 insure that his residential land and improvements are
24 appraised as residential may file a signed application with
25 the ~~department-of-revenue-or-its-agents~~ county assessor.

1 (2) In the application, the owner must:

2 (a) assert that the property is used only for human
3 habitation and is the principal residence of the owner;

4 (b) sign a statement pledging that the property will
5 continue to be used as residential property; and

6 (c) show that the statement has been filed with the
7 county clerk and recorder of the county in which the
8 property is located.

9 (3) When the department assessor has approved an
10 application for residential use, ~~the--department--and--its~~
11 ~~agents~~ he shall consider only those indicia of value that
12 the property has for residential use.

13 (4) Failure to file an application under this section
14 shall not result in reclassification on real property unless
15 there has been an actual change in use."

16 Section 16. Section 15-7-403, MCA, is amended to read:

17 "15-7-403. Rollback tax -- computation. (1) (a) If
18 land and improvements appraised as residential as a result
19 of an application filed under 15-7-402 are changed to
20 industrial or commercial use, the property is subject to a
21 rollback tax in addition to the property tax levied on the
22 property. The rollback tax is a lien on the property and is
23 due and payable by the owner of the property at the time of
24 the change in use.

25 (b) As used in this section, "rollback" means the

1 period preceding the change in use, not to exceed 5 years,
2 during which the property was appraised as residential.

3 (2) The ~~department's~~ agent county assessor shall
4 determine the amount of rollback tax due on the property by:

5 (a) determining the taxable value of the property as
6 industrial or commercial property;

7 (b) multiplying this value by the sum of the annual
8 mill levies applied in the taxing jurisdiction in which the
9 land is located during the rollback period; and

10 (c) subtracting from this figure the actual property
11 tax paid on the property during this period."

12 Section 17. Section 15-8-101, MCA, is amended to read:

13 "15-8-101. Department Assessor's responsibilities. The
14 county assessor as an agent of the department of revenue
15 shall have full charge of assessing all property subject to
16 taxation and equalizing values within the county, and he
17 shall secure such personnel as is necessary to properly
18 perform its his duties."

19 Section 18. Section 15-8-102, MCA, is amended to read:

20 "15-8-102. County assessor as agent of department --
21 definition -- counties to furnish office space. (1) (a) The
22 county assessors of the various counties of the state are
23 agents of the department of revenue for the purpose of
24 locating and providing the department a description of all
25 taxable property within the county, together with other

1 ~~pertinent information, and for the purpose of performing~~
2 ~~such other administrative duties as are required to assess~~
3 ~~and place for placing taxable property on the assessment~~
4 ~~rolls. The assessors shall perform such other duties as are~~
5 ~~required by law not in conflict with the provisions of this~~
6 ~~subsection.~~

7 (b) The term "county assessor" as used in this title
8 means the county assessor provided for in Article XI,
9 section 3, Montana constitution and 7-3-439 or the officer
10 of a county who, because of consolidation of office or
11 alternative form of local government, is charged by law to
12 perform the duty of the assessor. Unless the context clearly
13 indicates otherwise, the term includes deputies, staff,
14 designees, and agents of the county assessor.

15 (2) The county commissioners of the various counties
16 shall provide existing office space in the county courthouse
17 for use by the county assessor, his deputies and staff, ~~and~~
18 ~~the state appraiser and staff, if such space is reasonably~~
19 ~~available. If such space is not reasonably available in the~~
20 ~~courthouse and the same must be contracted for, the~~
21 ~~department shall pay the cost thereof. Additional personal~~
22 ~~property required by the department for the assessor to~~
23 ~~perform his duties as agent of the department shall be~~
24 ~~provided by the department.~~

25 (3) The department county must provide maps for the

1 use of ~~its-agents~~ the assessor, showing the private lands
 2 owned or claimed in the county and, if surveyed under
 3 authority of the United States, the divisions and
 4 subdivisions of the survey. Maps of cities and villages or
 5 school districts may in like manner be provided. The cost of
 6 making such maps is a state charge and must be paid from the
 7 state general fund."

8 Section 19. Section 15-8-103, MCA, is amended to read:

9 "15-8-103. Department to conduct assessing schools.
 10 The department of revenue shall schedule and hold area
 11 schools within the state for appraisers and assessors as
 12 often as it considers necessary. The costs of such
 13 appraisers and assessors attending shall be borne by the
 14 state. The department shall notify all assessors and
 15 appraisers at least 6 months before such school is
 16 scheduled. ~~All-assessors-and-appraisers-shall-attend-~~"

17 Section 20. Section 15-8-111, MCA, is amended to read:

18 "15-8-111. Assessment -- market value standard --
 19 exceptions. (1) All taxable property must be assessed at
 20 100% of its market value except as provided in subsection
 21 (5) of this section and in 15-7-111 through 15-7-114.

22 (2) (a) Market value is the value at which property
 23 would change hands between a willing buyer and a willing
 24 seller, neither being under any compulsion to buy or to sell
 25 and both having reasonable knowledge of relevant facts.

1 (b) Except as provided in subsection (3), the market
 2 value of all motor trucks; agricultural tools, implements,
 3 and machinery; and vehicles of all kinds, including but not
 4 limited to aircraft and boats and all watercraft, is the
 5 average wholesale value shown in national appraisal guides
 6 and manuals or the value of the vehicle before
 7 reconditioning and profit margin. The department of revenue
 8 shall prepare valuation schedules showing the average
 9 wholesale value when no national appraisal guide exists.

10 (3) ~~The department-of-revenue--or--its--agents~~ county
 11 assessor may not adopt a lower or different standard of
 12 value from market value in making the official assessment
 13 and appraisal of the value of property in 15-6-134 through
 14 15-6-140 and 15-6-145 through 15-6-149, except:

15 (a) the wholesale value for agricultural implements
 16 and machinery is the loan value as shown in the Official
 17 Guide, Tractor and Farm Equipment, published by the national
 18 farm and power equipment dealers association, St. Louis,
 19 Missouri; and

20 (b) for agricultural implements and machinery not
 21 listed in the official guide, the department shall prepare
 22 for use by assessors a supplemental manual where the values
 23 reflect the same depreciation as those found in the official
 24 guide.

25 (4) For purposes of taxation, assessed value is the

1 same as appraised value.

2 (5) The taxable value for all property in classes four
3 through eleven and fifteen through nineteen is the
4 percentage of market value established for each class of
5 property in 15-6-134 through 15-6-141 and 15-6-145 through
6 15-6-149.

7 (6) The assessed value of properties in 15-6-131
8 through 15-6-133 is as follows:

9 (a) Properties in 15-6-131, under class one, are
10 assessed at 100% of the annual net proceeds after deducting
11 the expenses specified and allowed by 15-23-503.

12 (b) Properties in 15-6-132, under class two, are
13 assessed at 100% of the annual gross proceeds.

14 (c) Properties in 15-6-133, under class three, are
15 assessed at 100% of the productive capacity of the lands
16 when valued for agricultural purposes. All lands that meet
17 the qualifications of 15-7-202 are valued as agricultural
18 lands for tax purposes.

19 (d) Properties in 15-6-143, under class thirteen, are
20 assessed at 100% of the combined appraised value of the
21 standing timber and grazing productivity of the land when
22 valued as timberland.

23 (7) Land and the improvements thereon are separately
24 assessed when any of the following conditions occur:

25 (a) ownership of the improvements is different from

1 ownership of the land;

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

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

4 (8) The taxable value of all property in 15-6-131 and
5 classes two, three, and thirteen is the percentage of
6 assessed value established in 15-6-131(2), 15-6-132,
7 15-6-133, and 15-6-143 for each class of property.
8 (Subsections (3)(a) and (3)(b) applicable to tax years
9 beginning after December 31, 1985--sec. 4, Ch. 463, L. 1985.
10 Subsection (6)(d) and references in (8) to class thirteen
11 and 15-6-143 terminate January 1, 1991--sec. 10, Ch. 681, L.
12 1985.)"

13 Section 21. 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 county assessor or 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
22 property which it is required to assess centrally under the
23 laws of this state. The department shall transmit such
24 determination and assignment to its agents assessors in the
25 various counties with the assessments so made, and its

1 determination is final except as to the right of review in
2 the state tax appeal board or the proper court."

3 Section 22. Section 15-8-113, MCA, is amended to read:

4 "15-8-113. Appeal from percentage assignment. If any
5 taxpayer shall feel aggrieved at the percentage assignment
6 so made by the department of revenue relative to centrally
7 assessed property or its-agent by the assessor for all other
8 property, he shall have the right to appeal to the county
9 tax appeal board on the percentage assignment the same as he
10 now has on valuations and also the right to appeal from the
11 county tax appeal board to the state tax appeal board, whose
12 findings shall be final except as to the right of review in
13 the proper courts."

14 Section 23. Section 15-8-115, MCA, is amended to read:

15 "15-8-115. ~~Department-to-defend~~ Defense of property
16 tax appeals -- costs and judgments. (1) The ~~department-of~~
17 revenue county assessor or its his designee is the party
18 defendant in any proceeding before a county tax appeal
19 board, the state tax appeal board, or a court of law that
20 seeks to dispute or adjust an action of the department under
21 ~~15-8-101~~ arising from the exercise of the department's
22 duties as prescribed by law or administrative rule or
23 against the assessor seeking to dispute or adjust his action
24 relating to assessing noncentrally assessed property. For
25 ~~the-purposes-of-proceedings-before-county-tax-appeal-boards,~~

1 ~~service-on-the-department-may-be--obtained--by--serving--the~~
2 ~~local-county-assessor-~~

3 (2) Costs, if any, shall be assessed against the
4 department and not against a local taxing unit.

5 (3) In any suit brought in the courts of this state
6 for the refund of taxes paid under protest and those funds
7 are held by the treasurer of a unit of local government in a
8 protest fund, the court shall enter judgment, exclusive of
9 costs, against the treasurer if the court finds the taxes
10 should be refunded."

11 Section 24. Section 15-8-201, MCA, is amended to read:

12 "15-8-201. General assessment day. (1) The ~~department~~
13 ~~of--revenue--or--its--agent~~ county assessor must, between
14 January 1 and the second Monday of July in each year,
15 ascertain the names of all taxable inhabitants and assess
16 all property subject to taxation in each county. The
17 ~~department--or--its--agent~~ property must ~~assess-property~~ be
18 assessed to the person by whom it was owned or claimed or in
19 whose possession or control it was at midnight of January 1
20 next preceding. ~~It--must-also-ascertain-and-assess-all~~ All
21 mobile homes arriving in the county after midnight of
22 January 1 next preceding must be assessed and their owners
23 ascertained. No mistake in the name of the owner or supposed
24 owner of real property, however, renders the assessment
25 invalid.

1 (2) The procedure provided by this section may not
2 apply to:

3 (a) motor vehicles that are required by 15-8-202 to be
4 assessed on January 1 or upon their anniversary registration
5 date;

6 (b) automobiles and trucks having a rated capacity of
7 three-quarters of a ton or less;

8 (c) motor homes and travel trailers subject to a fee
9 in lieu of property tax;

10 (d) motorcycles and quadricycles;

11 (e) livestock;

12 (f) property defined in 61-1-104 as "special mobile
13 equipment" that is subject to assessment for personal
14 property taxes on the date that application is made for a
15 special mobile equipment plate; and

16 (g) mobile homes held by a distributor or dealer of
17 mobile homes as a part of his stock in trade.

18 (3) Credits must be assessed as provided in
19 15-1-101(1)(d)."

20 Section 25. Section 15-8-202, MCA, is amended to read:

21 "15-8-202. Motor vehicle assessment. (1) The
22 ~~department-or-its-agent-must~~ county assessor shall, in each
23 year, ascertain and assess all motor vehicles other than
24 automobiles, trucks having a rated capacity of
25 three-quarters of a ton or less, motorcycles, quadricycles,

1 motor homes, travel trailers, or mobile homes in each county
2 subject to taxation as of January 1 or as of the anniversary
3 registration date of those vehicles subject to 61-3-313
4 through 61-3-316 and 61-3-501. The assessment for all motor
5 vehicles will be made using the market value as of January 1
6 of the year of assessment of the vehicle as contained in the
7 most recent volume of the Mountain States Edition of the
8 National Automobile Dealers Association Official Used Car
9 Guide. The motor vehicles shall be assessed in each year to
10 the persons by whom owned or claimed or in whose possession
11 or control they were at midnight of January 1 or the
12 anniversary registration date thereof, whichever is
13 applicable.

14 (2) No tax may be assessed against motor vehicles
15 subject to taxation that constitute inventory of motor
16 vehicle dealers as of January 1. These vehicles and all
17 other motor vehicles subject to taxation brought into the
18 state subsequent to January 1 as motor vehicle dealers'
19 inventories shall be assessed to their respective purchasers
20 as of the dates the vehicles are registered by the
21 purchasers.

22 (3) "Purchasers" includes dealers who apply for
23 registration or reregistration of motor vehicles, except as
24 otherwise provided by 61-3-502.

25 (4) Goods, wares, and merchandise of motor vehicle

1 dealers, other than new motor vehicles and new mobile homes,
2 shall be assessed at market value as of January 1."

3 Section 26. Section 15-8-301, MCA, is amended to read:

4 "15-8-301. Statement -- what to contain. (1) The
5 department of revenue or ~~its agent~~ the county assessor must
6 require from each person a statement under oath setting
7 forth specifically all the real and personal property owned
8 by such person or in his possession or under his control at
9 midnight on January 1. Such statement must be in writing,
10 showing separately:

11 (a) all property belonging to, claimed by, or in the
12 possession or under the control or management of such
13 person;

14 (b) all property belonging to, claimed by, or in the
15 possession or under the control or management of any firm of
16 which such person is a member;

17 (c) all property belonging to, claimed by, or in the
18 possession or under the control or management of any
19 corporation of which such person is president, secretary,
20 cashier, or managing agent;

21 (d) the county in which such property is situated or
22 in which it is liable to taxation and (if liable to taxation
23 in the county in which the statement is made) also the city,
24 town, school district, road district, or other revenue
25 districts in which it is situated;

1 (e) an exact description of all lands in parcels or
2 subdivisions not exceeding 640 acres each and the sections
3 and fractional sections of all tracts of land containing
4 more than 640 acres which have been sectionized by the
5 United States government; improvements and personal
6 property, including all vessels, steamers, and other
7 watercraft; all taxable state, county, city, or other
8 municipal or public bonds and the taxable bonds of any
9 person, firm, or corporation and deposits of money, gold
10 dust, or other valuables and the names of the persons with
11 whom such deposits are made and the places in which they may
12 be found; all mortgages, deeds of trust, contracts, and
13 other obligations by which a debt is secured and the
14 property in the county affected thereby;

15 (f) all solvent credits, secured or unsecured, due or
16 owing to such person or any firm of which he is a member or
17 due or owing to any corporation of which he is president,
18 secretary, cashier, or managing agent;

19 (g) all depots, shops, stations, buildings, and other
20 structures erected on the space covered by the right-of-way
21 and all other property owned by any person owning or
22 operating any railroad within the county.

23 (2) Whenever one member of a firm or one of the proper
24 officers of a corporation has made a statement showing the
25 property of the firm or corporation, another member of the

1 firm or another officer need not include such property in
2 the statement made by him but this statement must show the
3 name of the person or officer who made the statement in
4 which such property is included.

5 (3) The fact that such statement is not required or
6 that a person has not made such statement, under oath or
7 otherwise, does not relieve his property from taxation."

8 Section 27. Section 15-8-302, MCA, is amended to read:

9 "15-8-302. Department of revenue to furnish blank
10 forms. (1) The department of revenue must furnish ~~its agents~~
11 county assessors with blank forms of the statements provided
12 for in the preceding section, affixing thereto an affidavit
13 which must be substantially as follows: "I, . . . , do swear
14 that I am a resident of the county of . . . (naming it) and
15 that my post-office address is . . . ; that the above list
16 contains a full and correct statement of all property
17 subject to taxation which I or any firm of which I am a
18 member or any corporation, association, or company of which
19 I am president, cashier, secretary, or managing agent owned,
20 claimed, possessed, or controlled at midnight on January 1
21 last and which is not already assessed this year; that I
22 have not in any manner whatsoever transferred or disposed of
23 any property or placed any property out of said county or my
24 possession for the purpose of avoiding any assessment upon
25 the same or of making this statement; and that the debts

1 therein stated as owing by me are justly due and owing to
2 others."

3 (2) The affidavit to the statement on behalf of a firm
4 or corporation must state the principal place of business of
5 the firm or corporation and in other respects must conform
6 substantially to the preceding form.

7 (3) The time when taxes become delinquent and the time
8 of the meeting of the county tax appeal board must be stated
9 in such form."

10 Section 28. Section 15-8-303, MCA, is amended to read:

11 "15-8-303. Statement to be completed and returned to
12 ~~department's--agent~~ assessor. The ~~agent-of-the-department-of~~
13 revenue county assessor may fill out the statement at the
14 time he presents it, or he may deliver it to the person and
15 require him, within an appointed time, to return the same to
16 him, properly filled out. The ~~agent~~ assessor must either in
17 person or by mail deliver to the person making the statement
18 a copy of the same, showing any corrections made thereto by
19 the ~~agent~~ assessor."

20 Section 29. Section 15-8-304, MCA, is amended to read:

21 "15-8-304. Enforcement powers ~~of department~~. (1) The
22 department of revenue, in relation to centrally assessed
23 property, and the county assessor, in relation to all other
24 property, has power to:

25 (a) require any person in the state to make and

1 subscribe an affidavit, giving his name and place of
2 residence and post-office address;

3 (b) subpoena and examine any person in relation to any
4 statement furnished to it or which discloses property which
5 is assessable in the state.

6 (2) ~~The department may exercise this~~ This power may be
7 exercised in any county where the person whom it desires to
8 ~~examine may be examined~~ may be found but has there is no
9 power to require such person to appear before it in any
10 other county than that in which the subpoena is served.

11 (3) In case such affidavit shows the residence of the
12 person making the same to be in any county other than that
13 in which it is taken or the statement discloses property in
14 any county other than that in which it is made, the
15 ~~department must, in the respective case, file~~ the affidavit
16 or statement must be filed in its the office of the
17 assessor, who must and transmit a copy of the same,
18 certified by it him, to ~~its agent~~ the assessor in the county
19 in which such residence or property is therein shown to be."

20 Section 30. Section 15-8-307, MCA, is amended to read:

21 "15-8-307. Land assessment. (1) Land must be assessed
22 in parcels or subdivisions not exceeding 640 acres, and
23 tracts of land containing more than 640 acres which have
24 been sectionized by the United States government must be
25 assessed by sections or fractions of sections.

1 (2) ~~The department of revenue or its agent~~ county
2 assessor must set aside one line in the assessment book for
3 the description of each 640 acres of land or less, the
4 number of acres to be entered in one column, the description
5 in another column, value in another column, value of
6 improvements in another column, and the total in the total
7 column. ~~It~~ He must also set aside a line in the assessment
8 book for the description of each town or city lot, the
9 description to be entered in one column and the value of the
10 lot and any improvements thereon in another column, except
11 that a lot and improvements thereon shall be separately
12 assessed when required under 15-8-111; provided that all of
13 the unimproved lots of the same value, situate in one block
14 or belonging to the same party, may be described and
15 assessed in one line in the manner above provided for each
16 lot. It is the intention hereby that each parcel and lot
17 show in its own line and opposite the description thereof
18 the total value of the same and any improvements thereon."

19 Section 31. Section 15-8-309, MCA, is amended to read:

20 "15-8-309. Violation and penalty. (1) Every person who
21 refuses to furnish the statement hereinbefore required or to
22 make and subscribe such affidavit respecting his name and
23 place of residence or to appear and testify when requested
24 so to do by the department or county assessor, as above
25 provided, for each and every refusal and as often as the

1 same is repeated forfeits to the people of the state the sum
2 of \$100 to be recovered by action brought in the name of the
3 state in any city or justice's court.

4 (2) All moneys recovered under the provisions of this
5 section must be paid into the treasury of the county in
6 which the property is located."

7 Section 32. Section 15-8-406, MCA, is amended to read:

8 "15-8-406. Assessment of public utilities in one
9 county. Railroads operated or situated in one county;
10 telegraph, telephone, and electric light lines and similar
11 properties situated in one county and their franchises; and
12 canals, ditches, and flumes situated in one county and the
13 franchises of the same must be listed and assessed in the
14 county in which such property is located, and the ~~department~~
15 ~~of-revenue~~ county assessor must require the owner of such
16 property or his agent or any officer of a corporation owning
17 the same to make a verified statement containing a list of
18 the number of miles such property is operated or situated in
19 the county and the value thereof."

20 Section 33. Section 15-8-501, MCA, is amended to read:

21 "15-8-501. Assessment of unknown or absent owners. (1)
22 If the owner or claimant of any property not listed by
23 another person is absent or unknown, the department or
24 county assessor must make an estimate of the value of such
25 property.

1 (2) If the name of the absent owner is known to the
2 department, the property must be assessed in his name; if
3 unknown, the property must be assessed to unknown owners."

4 Section 34. Section 15-8-601, MCA, is amended to read:

5 "15-8-601. Assessment revision -- conference for
6 review. (1) Whenever the department of revenue or the county
7 assessor discovers that any taxable property of any person
8 has in any year escaped assessment, been erroneously
9 assessed, or been omitted from taxation, ~~the department~~ they
10 may assess the same provided the property is under the
11 ownership or control of the same person who owned or
12 controlled it at the time it escaped assessment, was
13 erroneously assessed, or was omitted from taxation. All such
14 revised assessments must be made within 10 years after the
15 end of the calendar year in which the original assessment
16 was or should have been made.

17 (2) Whenever the ~~department--or--its--agent~~ assessor
18 proposes to increase the valuation of locally assessed
19 property above the value reported by the taxpayer under
20 15-8-301, the action of the department assessor is subject
21 to the notice and conference provisions of this section.

22 (3) (a) Notice of revised assessment pursuant to this
23 section shall be made by the ~~department--or--its--agent~~
24 assessor by postpaid letter addressed to the person
25 interested within 10 days after the revised assessment has

1 been made. The notice shall include opportunity for a
2 conference on the matter, at the request of the person
3 interested, not less than 15 or more than 30 days after
4 notice is given.

5 (b) An assessment revision review conference is not a
6 contested case as defined in the Montana Administrative
7 Procedure Act. The department assessor shall keep minutes in
8 writing of each assessment review conference, which are
9 public records.

10 (c) Following an assessment review conference or
11 expiration of opportunity therefor, the department assessor
12 shall order such assessment as ~~it~~ he considers proper. Any
13 party to the conference aggrieved by the action of the
14 department assessor may appeal directly to the state tax
15 appeal board within 30 days or, if the property is locally
16 assessed, may appeal to the county tax appeal board at its
17 next meeting.

18 (4) The department assessor must record in a book to
19 be kept for that purpose all changes, corrections, and
20 orders made by ~~it~~ him and must ~~direct-its-agent-to~~ enter
21 upon the assessment book all changes and corrections made by
22 ~~it~~ him.

23 (5) Immediately upon receipt of a revised assessment,
24 the county official possessing the assessment roll book
25 shall enter the revised assessment. If the revised

1 assessment corrects an original assessment, the previous
2 entry shall be canceled upon order of the department
3 assessor."

4 Section 35. Section 15-8-701, MCA, is amended to read:

5 "15-8-701. Assessment book -- definition -- listing
6 property in. (1) Unless the context clearly indicates
7 otherwise, the term "assessment book" means the record kept
8 in each county by the ~~agent-of--the--department--of--revenue~~
9 county assessor and which contains the information described
10 in subsection (3). The term includes, in a county wherein
11 the assessment book is kept on a computer system, the
12 information on the system analogous to the information
13 described in subsection (3).

14 (2) The form of the assessment book must be as
15 directed by the department.

16 (3) The department assessor must prepare an assessment
17 book with appropriate headings, alphabetically arranged, in
18 which must be listed all property within the state and in
19 which must be specified, in separate columns under the
20 appropriate head:

21 (a) the name of the person to whom the property is
22 assessed;

23 (b) land, by township, range, section or fractional
24 section, and when such land is not a United States land
25 division or subdivision, by metes and bounds or other

1 description sufficient to identify it, giving an estimate of
2 the number of acres, not exceeding in each and every tract
3 640 acres, locality, and the improvements thereon;

4 (c) city and town lots, naming the city or town and
5 the number of the lot and block, according to the system of
6 numbering in such city or town, and the value of same with
7 improvements thereon;

8 (d) all taxable personal property, showing the number,
9 kind, amount, and quality; but a failure to enumerate in
10 detail such personal property does not invalidate the
11 assessment;

12 (e) the assessed value of real estate other than city
13 or town lots;

14 (f) the assessed value of city and town lots with
15 improvements thereon, except that a lot and improvements
16 thereon shall be separately listed when required under
17 15-8-111;

18 (g) the assessed value of improvements on real estate
19 assessed to persons other than the owners of the real
20 estate. Taxable improvements owned by a person, located upon
21 land exempt from taxation, shall, as to the manner of
22 assessment, be assessed as other real estate upon the
23 assessment roll. No value, however, may be assessed against
24 the exempt land, nor under any circumstances may the land be
25 charged with or become responsible for the assessment made

1 against any taxable improvements located thereon.

2 (h) the assessed value of all taxable personal
3 property;

4 (i) the school, road, and other revenue districts in
5 which each piece of property assessed is situated;

6 (j) the total assessed value of all property."

7 Section 35. Section 15-8-702, MCA, is amended to read:

8 "15-8-702. Persons desiring to be listed. (1) Lands
9 once described on the assessment book need not be described
10 a second time, but any person claiming the same and desiring
11 to be assessed therefor may have his name inserted with that
12 of the person to whom such land is assessed.

13 (2) When the owner of one or more parcels of real
14 property conveys a portion of his interests to a buyer in a
15 recorded transaction, the buyer may require the county
16 treasurer to accept payment from the buyer on such portion
17 of the taxes already levied against such property as may
18 then be due and payable. The ~~department-of-revenue-or-its~~
19 agent county assessor shall cooperate with and assist the
20 buyer and the county treasurer in keeping necessary records
21 of the separation or division of a parcel or parcels listed
22 together on the assessment lists."

23 Section 37. Section 15-8-704, MCA, is amended to read:

24 "15-8-704. Map book. The ~~department--of--revenue~~
25 assessor must make a plat of the various blocks within any

1 incorporated city or town in a map book and mark thereon in
2 each subdivision the name of the person to whom it is
3 assessed."

4 Section 38. Section 15-8-706, MCA, is amended to read:

5 "15-8-706. Statement by agent assessor to the
6 department. (1) On the second Monday in July in each year,
7 the ~~agent--of--the--department--of--revenue~~ assessor in each
8 county must transmit to the department a statement showing:

9 (a) the several kinds of personal property;
10 (b) the average and total value of each kind;
11 (c) the number of livestock, number of bushels of
12 grain, number of pounds or tons of any article sold by the
13 pound or ton;

14 (d) when practicable, the separate value of each class
15 of land, specifying the classes and the number of acres in
16 each.

17 (2) An ~~agent-of-the-department~~ assessor who purposely
18 or negligently fails to perform his duty under this section
19 or a deputy or member of the ~~agent's~~ assessor's staff
20 delegated such duty who purposely or negligently fails to
21 perform such duty is guilty of official misconduct under
22 45-7-401."

23 Section 39. Section 15-8-707, MCA, is amended to read:

24 "15-8-707. Correction of defects in form of assessment
25 book. (1) At any time after the original assessment is made

1 and prior to a sale for delinquent taxes, omissions, errors,
2 or defects in form in the assessment book may be corrected
3 by the:

4 (a) department of revenue ~~or--its-agent~~ relating to
5 centrally assessed property; or

6 (b) county assessor or county treasurer with
7 verification from the ~~department~~ assessor.

8 (2) If the correction involves an assessment of
9 property that is the subject of pending litigation, the
10 consent of the county attorney must be obtained before any
11 correction may be made."

12 Section 40. Section 15-9-101, MCA, is amended to read:

13 "15-9-101. Department to equalize valuations --
14 hearing. (1) The department of revenue shall adjust and
15 equalize the valuation of taxable property among the several
16 counties and the different classes of taxable property in
17 ~~any---county---and~~ in the several counties and between
18 individual taxpayers; ~~supervise--and--review--the--acts--of~~
19 ~~agents--of--the--department;~~ ~~change;--increase;--or--decrease~~
20 ~~valuations--made--by--its--agents;~~ and exercise such authority
21 and do all things necessary to secure a fair, just, and
22 equitable valuation of all taxable property among counties
23 between the different classes of property and between
24 individual taxpayers.

25 (2) The department may hold a public hearing to

1 determine the value of any class of property in any county
2 and shall have authority to raise or lower the value of any
3 class of property on the basis of testimony adduced at such
4 hearing.

5 (3) Upon the hearing of the application, the
6 department may subpoena such witnesses, hear and take such
7 evidence in relation to the subject pending as in its
8 discretion it may deem proper."

9 Section 41. Section 15-9-102, MCA, is amended to read:

10 "15-9-102. Agent Assessor to be present -- statement
11 of property not assessed. (1) During the hearing of the
12 department, the ~~agent--of-the-state~~ county assessor or his
13 designee who assessed the property ~~whose testimony is needed~~
14 must be present, and The assessor may make any statement or
15 introduce and examine witnesses on questions before the
16 department, and The assessor shall, when requested by the
17 department or any party to the proceeding, furnish to the
18 department a written statement showing:

19 (a) the basis for his valuation of the property under
20 consideration at the hearing; and

21 (b) ~~shall,--when--requested--by--the--department--or--any~~
22 ~~party--to--the--proceeding,--furnish--to--the--department--a--written~~
23 ~~statement--showing~~ the basis for his valuation of any
24 comparable property in the vicinity of the property under
25 consideration at the hearing.

1 (2) At the meeting the agent assessor shall present to
2 the department a statement setting forth all property which
3 has escaped assessment or which, by reason of erroneous
4 reports or otherwise, has been assessed for less than its
5 correct value. Thereupon it shall be the duty of the
6 department immediately to investigate the statement, and in
7 the event that any property owner has been assessed for
8 property at a smaller amount or at a less valuation than
9 should properly have been given, the department shall order
10 the agent assessor to correct such assessment in the manner
11 provided for the correction of assessments by the
12 department."

13 Section 42. Section 15-10-202, MCA, is amended to
14 read:

15 "15-10-202. Certification of taxable values and
16 millage rates. At the time that the assessment roll is
17 prepared and published, the ~~department-of-revenue~~ county
18 assessor shall certify to each taxing authority the taxable
19 value within the jurisdiction of the taxing authority. The
20 department assessor shall also send to each taxing authority
21 a written statement of its his best estimate of the total
22 assessed value of all new construction and improvements not
23 included on the previous assessment roll and the value of
24 deletions from the previous assessment roll. Exclusive of
25 such new construction, improvements, and deletions, the

1 department assessor shall certify to each taxing authority a
 2 millage rate which will provide the same ad valorem revenue
 3 for each taxing authority as was levied during the prior
 4 year. For the purpose of calculating the certified millage,
 5 the department assessor shall use 95% of the taxable value
 6 appearing on the roll, exclusive of properties appearing for
 7 the first time on the assessment roll."

8 Section 43. Section 15-10-204, MCA, is amended to
 9 read:

10 "15-10-204. Resolution or ordinance for increase over
 11 certified millage. No millage in excess of the ~~department-of~~
 12 ~~revenue's~~ county assessor's certified millage may be levied
 13 until a resolution or ordinance is approved by the governing
 14 board of the taxing authority, which resolution or ordinance
 15 must be approved by the taxing authority according to the
 16 following procedure:

17 (1) The taxing authority shall publish notice of its
 18 intent to exceed the ~~department's~~ assessor's certified
 19 millage in the same manner that it gives notice of hearings
 20 on its preliminary budget for the forthcoming fiscal year.
 21 The notice must state that the taxing authority will meet on
 22 a day, at a time and place fixed in the notice, which must
 23 be approximately 7 days after the day that the notice is
 24 published, for the purpose of hearing comments regarding the
 25 proposed increase and to explain the reasons for the

1 proposed increase. The meeting may coincide with the meeting
 2 on the tentative budget as required by law.

3 (2) After the public hearing has been held in
 4 accordance with the above procedures, the taxing authority
 5 may adopt a resolution or ordinance levying a millage rate
 6 in excess of the certified millage. If the resolution or
 7 ordinance adopting such millage rate is not approved on the
 8 day of the public hearing, the day, time, and place at which
 9 the resolution or ordinance will be scheduled for
 10 consideration and approval by the taxing authority must be
 11 announced at the public hearing. If the resolution or
 12 ordinance is to be considered at a day and time that is more
 13 than 2 weeks from the public hearing, the taxing authority
 14 must again publish notice in the same manner as provided in
 15 subsection (1)."

16 Section 44. Section 15-10-205, MCA, is amended to
 17 read:

18 "15-10-205. Approval and copies of resolution or
 19 ordinance. The resolution or ordinance approved in the
 20 manner provided for in this part shall be forwarded to the
 21 ~~assessor, and the treasurer, and the department-of--revenue.~~
 22 assessor's
 23 No millage in excess of the assessor's
 24 certified millage can be levied until the resolution or
 25 ordinance to levy required in subsections (1) and (2) of
 15-10-204 is approved by the governing board of the taxing

1 authority and submitted to the assessor ~~and the department.~~"

2 Section 45. Section 15-10-206, MCA, is amended to
3 read:

4 "15-10-206. Exceptions for decisions of tax appeal
5 boards. The department or county assessor shall notify each
6 taxing authority of any change in the assessment roll which
7 results from actions by the state or county tax appeal
8 boards. An increase in the taxing authority's millage above
9 that certified by the department assessor or adopted by
10 resolution or ordinance of the governing body of the taxing
11 authority which is required solely by a reduction of the
12 assessment roll by the state or county tax appeal board may
13 be adopted without further notice."

14 Section 46. Section 15-10-301, MCA, is amended to
15 read:

16 "15-10-301. Department Assessor to enter valuations.
17 Before delivering the assessment book to the county clerk
18 and recorder as required by 15-8-705, the ~~department--of~~
19 ~~revenue--or-its-agent~~ county assessor must proceed to add up
20 the valuations and enter the total valuation of each kind of
21 property and the total valuation of all property on the
22 assessment book. The column of acres must show the total
23 acreage of the county."

24 Section 47. Section 15-10-302, MCA, is amended to
25 read:

1 "15-10-302. County clerk -- duplicate statement. The
2 county clerk and recorder shall, on or before the second
3 Monday in August of each year, prepare from the assessment
4 book of such year, as corrected by the ~~department-of-revenue~~
5 ~~or-its-agent~~ county assessor, duplicate statements showing
6 in separate columns:

7 (1) the total value of all property;

8 (2) the value of real estate, including mining claims,
9 stated separately;

10 (3) the value of the improvements thereon;

11 (4) the value of taxable personal property;

12 (5) the number of acres of land and the number of
13 mining claims, stated separately."

14 Section 48. Section 15-10-304, MCA, is amended to
15 read:

16 "15-10-304. County clerk and recorder to follow
17 directions of department, county or state tax appeal boards.
18 As soon as the county clerk and recorder receives from the
19 county assessor, the department of revenue, county or state
20 tax appeal board a statement of any change or changes made
21 by the assessor, the department, or the board in the
22 assessment books of the county or in any assessment therein
23 contained, he must make the corresponding change or changes
24 in the assessment books by entering the same in a column
25 provided with a proper heading in the assessment books,

1 counting any fractional sum when more than 50 cents as \$1
 2 and omitting it when less than 50 cents so that the value of
 3 any separate assessment shall contain no fractions of a
 4 dollar; provided, however, that if such assessment books are
 5 not in the possession of the county clerk and recorder at
 6 the time he receives any such statement, he must immediately
 7 make a copy thereof, attesting the same with his seal of
 8 office, and deliver such attested copy to the county or
 9 state officer then having possession of such assessment
 10 books, and it shall be the duty of such county or state
 11 officer to immediately make the corresponding change or
 12 changes in such assessment in the manner herein provided."

13 Section 49. Section 15-10-305, MCA, is amended to
 14 read:

15 "15-10-305. Department Assessor to compute and enter
 16 taxes -- affidavit. The ~~department--of--revenue~~ county
 17 assessor or ~~its~~ his agent must then compute and enter in a
 18 separate money column in the assessment book the respective
 19 sums in dollars and cents, rejecting the fractions of a
 20 cent, to be paid as a tax on the property therein enumerated
 21 and foot up the columns showing the total amount of such
 22 taxes and the columns of total value of property in the
 23 county and shall attach thereto his affidavit, by him
 24 subscribed as follows and shall on or before the second
 25 Monday of October deliver the completed assessment book to

1 the county clerk and recorder:

2 "I,, ~~an-agent-of-the-department-of-revenue~~ county
 3 assessor of the county of, do swear that I have
 4 reckoned the respective sums due as taxes and have added up
 5 the columns of valuations, taxes, and acreage as required by
 6 law, and the assessment book to which this affidavit is
 7 affixed is full, true, and correct and made in the manner
 8 prescribed by law."-

9 Section 50. Section 15-10-306, MCA, is amended to
 10 read:

11 "15-10-306. County clerk and recorder to attach
 12 affidavit to book. (1) Within 5 days after the second Monday
 13 in August, the county clerk must attach to the book the
 14 following affidavit and deliver the book to the ~~department~~
 15 ~~of-revenue-or-its-agent~~ county assessor:

16 "I,, county clerk and recorder of the county of
 17, do swear that I received the assessment book of the
 18 taxable property of the county from the ~~department-of~~
 19 ~~revenue-or-its-agent~~ county assessor, with its affidavit
 20 thereto affixed, and that I have corrected it and made it
 21 conform to the requirements of the county and state tax
 22 appeal boards."-

23 (2) The county clerk and recorder must verify, by his
 24 affidavit attached thereto, all statements made by him under
 25 the provisions of this code."

1 Section 51. Section 15-10-321, MCA, is amended to
2 read:

3 "15-10-321. Limitation on levy and computation of tax
4 -- new taxing jurisdictions. The ~~department--of--revenue~~
5 county assessor may not be required to levy or compute a tax
6 for any new taxing jurisdiction created or for any change in
7 an existing jurisdiction unless formally notified of its
8 creation or change by January 1 of the year in which the
9 taxes are to be levied."

10 Section 52. Section 15-15-101, MCA, is amended to
11 read:

12 "15-15-101. County tax appeal board -- meetings and
13 compensation. (1) The board of county commissioners of each
14 county shall appoint a three-member county tax appeal board,
15 with the members to serve staggered terms of 3 years each.
16 The members of each county tax appeal board shall be
17 residents of the county in which they serve. They shall
18 receive compensation of \$45 a day and travel expenses as
19 provided for in 2-18-501 through 2-18-503, as amended, only
20 when the county tax appeal board is in session to hear
21 taxpayers' appeals from property tax assessments or when
22 they are attending meetings called by the state tax appeal
23 board. Travel expenses and compensation shall be paid from
24 the appropriation to the state tax appeal board. Office
25 space and equipment for the county tax appeal boards shall

1 be furnished by the county. All other incidental expenses
2 shall be paid from the appropriation of the state tax appeal
3 board.

4 (2) The county tax appeal board must meet on the third
5 Monday of April in each year to hear protests concerning
6 assessments ~~made--by--the--department--of--revenue~~. It must
7 continue in session for that purpose from time to time until
8 the business of hearing protests is disposed of, but, except
9 as provided in 15-2-201, not later than 60 days after the
10 ~~department-of-revenue-or-its-agent~~ county assessor:

11 (a) has mailed notice of classification and appraisal
12 to all property owners and purchasers under contracts for
13 deed as required in 15-7-102; and

14 (b) has notified the county tax appeal board that
15 classification and appraisal notices have been mailed to all
16 property owners and purchasers under contracts for deed.

17 (3) In connection with any such appeal, the county tax
18 appeal board may change any assessment or fix the assessment
19 at some other level. The county clerk shall publish a notice
20 to taxpayers, giving the time the county tax appeal board
21 will meet to hear protests concerning assessments and the
22 latest date the county tax appeal board may take
23 applications for such hearings. The notice shall be
24 published in a newspaper if any is printed in the county or,
25 if none, then in such manner as the board may direct. The

1 notice shall be published at least 7 days prior to the first
2 meeting of the county tax appeal board.

3 (4) Challenges to a department of revenue rule
4 governing the assessment of property or to an assessment
5 procedure shall apply only to the taxpayer bringing the
6 challenge and may not apply to all similarly situated
7 taxpayers unless an action is brought in the district court
8 as provided in 15-2-307 through 15-2-310."

9 Section 53. Section 15-15-102, MCA, is amended to
10 read:

11 "15-15-102. Application for reduction in valuation. No
12 reduction may be made in the valuation of property unless
13 the party affected or his agent makes and files with the
14 county tax appeal board on or before the first Monday in
15 June or 15 days after receiving a notice of classification
16 and appraisal from the ~~department--of--revenue~~ county
17 assessor, whichever is later, a written application
18 therefor. The application shall state the post-office
19 address of the applicant, shall specifically describe the
20 property involved, and shall state the facts upon which it
21 is claimed such reduction should be made."

22 Section 54. Section 15-16-111, MCA, is amended to
23 read:

24 "15-16-111. Personal property -- duty of ~~department~~
25 assessor. (1) It shall be the duty of the ~~department--of~~

1 ~~revenue--or-its-agent~~ county assessor, upon discovery of any
2 personal property in the county the taxes upon which are not
3 a lien upon real property sufficient to secure the payment
4 of such taxes, to immediately and in any event not more than
5 5 days thereafter make a report to the treasurer, setting
6 forth the nature, kind, description, and character of such
7 property in such a definite manner that the treasurer can
8 identify the same, the amount and assessed valuation of such
9 property, where the same is located, the amount of taxes due
10 thereon, and the name and address of the owner, claimant, or
11 other person in possession of the same.

12 (2) Where such personal property is located in any
13 city or town which shall have provided by ordinance for the
14 collection of its taxes for general, municipal, and
15 administrative purposes by its city treasurer or town clerk,
16 the ~~department~~ assessor also and at the same time shall
17 furnish to said city treasurer or town clerk a duplicate of
18 such notice to the county treasurer. For the purpose of
19 determining the taxes due on such personal property, the
20 ~~department--or--its--agent~~ assessor must use the levy made
21 during the previous year."

22 Section 55. Section 15-16-112, MCA, is amended to
23 read:

24 "15-16-112. Department Assessor's report of personal
25 property in assessment book. The ~~department--of--revenue--or~~

1 ~~its~~ agent county assessor must note on the assessment book,
 2 opposite the names of each person owning, claiming, or
 3 possessing such personal property which may be so reported
 4 to the treasurer, the fact that such report was made to the
 5 treasurer and the date when the same was so made."

6 Section 56. Section 15-16-402, MCA, is amended to
 7 read:

8 "15-16-402. Tax on personalty lien on realty --
 9 separate assessment. (1) Every tax due upon personal
 10 property is a prior lien upon any or all of such property,
 11 which lien shall have precedence over any other lien, claim,
 12 or demand upon such property, and except as hereinafter
 13 provided, every tax upon personal property is also a lien
 14 upon the real property of the owner thereof from and after
 15 12 midnight of January 1 in each year.

16 (2) The taxes upon personal property based upon a
 17 taxable value up to and including \$1,000 shall be a first
 18 and prior lien upon the real property of the owner of such
 19 personal property. Taxes upon personal property based upon
 20 the taxable value thereof in excess of \$1,000 shall be a
 21 first and prior lien upon the real property of the owner
 22 unless the owner or holder of any mortgage or other lien
 23 upon said real property appearing of record in the office of
 24 the clerk and recorder of the county where such real
 25 property is situated, at or before the time such personal

1 property tax attached thereto, shall have filed the notice
 2 hereinafter provided for, in which event the taxes upon such
 3 excess of \$1,000 of taxable value shall not be a lien on the
 4 real property of such owner. It shall be the duty of the
 5 county treasurer to issue to any mortgagee or lien holder,
 6 upon his request, a statement of the personal property tax
 7 due upon the taxable value up to and including \$1,000.
 8 Personal property taxes upon a taxable value up to \$1,000
 9 may be paid, redeemed from a tax sale as by law provided, or
 10 discharged separately from any personal property taxes in
 11 excess of such amount. Payment of such taxes upon a taxable
 12 value up to \$1,000, as herein provided, shall operate to
 13 discharge the tax lien upon the personal property of the
 14 owner to the extent of such payment in the order that the
 15 person paying such tax shall direct.

16 (3) The holder of any mortgage or lien upon real
 17 property who desires to obtain the benefits of this section
 18 shall file in the office of the county treasurer of said
 19 county a notice giving:

20 (a) the name and address of the mortgagee and holder
 21 of the mortgage or lien;

22 (b) the name of the reputed owner of the land;

23 (c) the description of the land;

24 (d) the date of record and expiration of the mortgage
 25 or lien;

1 (e) the amount thereof; and

2 (f) a statement that he claims the benefit of the
3 provisions of this section.

4 (4) Such notice shall be ineffectual as to any taxes
5 which shall have become a lien on real property prior to the
6 filing of such notice as aforesaid. If the mortgage be not
7 paid at maturity, such notice shall thereafter be filed
8 annually unless the mortgage be extended for a definite
9 period to be stated in such notice.

10 (5) Any owner of a mortgage on real estate upon which
11 personal property taxes are by this section made a lien,
12 where the owner of such real estate and personal property
13 has failed to pay taxes due upon such real estate and
14 personal property for 1 or more years, may file with the
15 ~~department--of--revenue--or--its--agent~~ county assessor in the
16 county in which such property is located a written request
17 to have the personal property and real estate of the owner
18 separately assessed. Such request must be made by registered
19 or certified mail at least 10 days prior to January 1 in the
20 year for which property is assessed. Upon receipt by the
21 ~~department--or--its--agent--of--such--request~~ assessor, it is
22 hereby made the duty of the ~~department--or--its--agent~~ assessor
23 to make a separate assessment of real and personal property
24 of the owner thereof, and such personal taxes shall not be a
25 lien upon the real estate so mortgaged of the owner thereof,

1 and the personal property taxes shall be collected in the
2 manner provided by law for other personal property."

3 Section 57. Section 15-23-106, MCA, is amended to
4 read:

5 "15-23-106. Transmission to the counties. (1) On or
6 before July 1, the department shall transmit to ~~its--agent~~
7 the assessor in each county a statement listing:

8 (a) the assessed value of railroad property, as
9 determined under 15-23-202, apportioned to the county,
10 including the length or other description of such property;

11 (b) the assessed value of utility property, as
12 determined under 15-23-303, apportioned to the county,
13 including the length or other description of such property;

14 (c) the assessed value of property of airline
15 companies, as determined under 15-23-403, apportioned to the
16 county; 90% of the value of the property of airline
17 companies apportioned to any county by reason of a state
18 airport being located in the county shall be stated
19 separately from the remaining assessed value of the property
20 of airline companies apportioned to the county;

21 (d) the assessed value of the net proceeds and
22 royalties from mines and oil and gas wells in the county, as
23 determined under 15-23-503, 15-23-505, 15-23-603, and
24 15-23-605; and

25 (e) the assessed value of the gross proceeds from coal

1 mines, as described in 15-23-701.

2 (2) The ~~agent--of-the-department~~ assessor shall enter
3 the assessed values so transmitted in the assessment book in
4 ~~a-manner-prescribed-by-the-department.~~"

5 Section 58. Section 15-23-107, MCA, is amended to
6 read:

7 "15-23-107. Amended assessment -- transmission to
8 counties. Whenever the valuation of centrally assessed
9 property is revised under 15-8-601 or 15-23-102(2), the
10 department shall, within 15 days following the final
11 decision or order, transmit a statement of the revised
12 assessment to ~~its-agent-or~~ the county officer assessor then
13 having custody of the assessment book in the county where
14 the property is located. The revision shall be immediately
15 entered in the assessment book."

16 Section 59. Section 15-23-803, MCA, is amended to
17 read:

18 "15-23-803. Valuation -- gross proceeds. On or before
19 July 1 each year, the department shall determine the
20 merchantable value of all metal production from the previous
21 calendar year. The department shall transmit to ~~its--agent~~
22 the county assessor in each county where metals are produced
23 the merchantable value as has been determined by the
24 department for placement on the assessment roll after
25 subtracting such portion of the proceeds as may be exempt

1 from property taxation."

2 Section 60. Section 15-24-801, MCA, is amended to
3 read:

4 "15-24-801. Savings and loan associations -- taxation.
5 Every savings and loan association subject to regulation
6 under Title 32, chapter 2, shall be assessed for and pay
7 taxes upon all real and personal property owned by the
8 association. The secretary of an association shall furnish
9 to the ~~department-of-revenue-or-its-agent~~ county assessor in
10 the county in which the principal office of the association
11 is located, within 5 days after demand, a condensed
12 statement verified by his oath of the resources and
13 liabilities of the association as disclosed by its books at
14 noon on January 1 in each year. If the secretary fails to
15 make the statement hereby required, the ~~department--or--its~~
16 agent assessor shall immediately obtain the information from
17 any other available source, and for this purpose it shall
18 have access to the books of the association. The ~~department~~
19 ~~or--its-agent~~ assessor shall thereupon make an assessment of
20 the real estate and personal property owned by the
21 association, which assessment shall be as fair and equitable
22 as it may be able to make from the best information
23 available, or the assessor may, for the purpose of the
24 assessment, adopt the figures disclosed by any prior report
25 made by the association to any state or federal officer

1 under a state or federal law. A person required by this
2 section to make the statement provided for in this section
3 who fails to furnish it is guilty of a misdemeanor."

4 Section 61. Section 15-24-903, MCA, is amended to
5 read:

6 "15-24-903. Duty of owner to assist in assessment. (1)
7 The owner of livestock, as defined in 15-24-901, or his
8 agent, at the time of assessment shall make and deliver to
9 the ~~department-of-revenue-or-its-agent~~ county assessor in
10 the county or counties where his livestock were located
11 since the last assessment date, a written statement, under
12 oath, showing the different kinds of his livestock within
13 the county or counties belonging to him or under his charge,
14 with their marks and brands, and showing the times during
15 that period that his livestock were within the county or
16 counties.

17 (2) As used in this section, "agent" means any person,
18 persons, company, or corporation, including a feedlot
19 operator or owner of grazing land, who has charge of
20 livestock on the assessment date."

21 Section 62. Section 15-24-905, MCA, is amended to
22 read:

23 "15-24-905. Livestock brought into state -- notice to
24 ~~department-of-revenue-or-its-agent~~ assessor -- time for
25 payment. (1) The owner or the agent, manager, or foreman of

1 any person, corporation, or association bringing livestock
2 into this state after January 1 shall immediately after said
3 livestock crosses the state line forward to the ~~department~~
4 ~~of-revenue-or-its-agent~~ county assessor in the county into
5 which the livestock is moved a registered or certified
6 letter, which letter shall contain the name of the owner of
7 such livestock, the number thereof, the brand thereon, and
8 the ages of the same, together with the time and place at
9 which said livestock was brought across the state line,
10 provided that the department of livestock at least once each
11 month furnish from its own records to the ~~department--of~~
12 ~~revenue--or-its-agent~~ assessor in the county into which such
13 livestock is moved a list of the number and kind of
14 livestock so moved, together with the name of the owner
15 thereof.

16 (2) The tax due on livestock brought into this state
17 must be paid within 30 days after receiving the tax notice.

18 (3) Livestock on which tax is owed under this section
19 may not be removed from the county until the taxes have been
20 paid."

21 Section 63. Section 15-24-906, MCA, is amended to
22 read:

23 "15-24-906. Collection of tax on livestock. The
24 ~~department--of--revenue--or--its-agent~~ county assessor, upon
25 receipt of such letter or other information that livestock

1 has been brought into his county from outside of the state
2 after January 1 in any year, shall immediately proceed under
3 the provisions of this part."

4 Section 64. Section 15-24-911, MCA, is amended to
5 read:

6 "15-24-911. Livestock assessment. (1) The ~~department~~
7 ~~of-revenue-or-its-agent~~ county assessor must assess all
8 livestock on the average inventory basis as provided in
9 15-24-908 through 15-24-910 unless:

10 (a) the owner elects to have his livestock assessed on
11 March 1 of each year as provided in (4); and

12 (b) the assessor of the county in which the livestock
13 is located on assessment date accepts this election.

14 (2) The owner shall file his election with the county
15 assessor on the statement required in 15-24-903.

16 (3) The county assessor shall accept the owner's
17 election unless he determines that the election is made to
18 evade property taxation. The livestock owner may appeal the
19 assessor's decision to the county tax appeal board and the
20 state tax appeal board under the procedures established in
21 Title 15, chapter 15, part 1, and chapter 2, part 3.

22 (4) If an owner chooses the method of assessment
23 provided in (1)(a), the ~~department-of-revenue-or-its-agent~~
24 assessor must assess the owner's livestock in each the
25 county as of March 1 of each year. This livestock shall be

1 assessed to the person by whom owned or claimed or in whose
2 possession or control it was at midnight of March 1 in each
3 year."

4 Section 65. Section 15-30-228, MCA, is amended to
5 read:

6 "15-30-228. Nonresident ad valorem taxpayers -- list
7 -- duty of ~~department~~ county assessor. It shall be the duty
8 of the ~~department-or-its-agent~~ county assessor in every
9 county in this state to prepare annually a list showing the
10 names and addresses of all nonresident ad valorem taxpayers
11 in the county as shown on the current assessment roll and
12 forward such list to the department after the completion of
13 the roll on the second Monday in July, but not later than
14 September 30 of each year."

15 NEW SECTION. Section 66. 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.

19 NEW SECTION. Section 67. Effective date. This act is
20 effective January 1, 1988.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB846, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to provide that the county assessor of each county is responsible for the assessment of all property within the county; and providing a delayed effective date.

ASSUMPTIONS:

1. The revenue needs of taxing jurisdictions will be at least as great as under current law, hence there will be no reduction in taxes levied.
2. The state property tax function will end in FY88 due to the effective date of the proposal.
3. General fund expenditures for property assessment at the state level will be reduced in FY88 and FY89 by \$10,005,300 and \$10,072,576, respectively (Executive Budget less \$349,800 for the operation of the inter-county property bureau). Since the proposal does not provide the department authority to supervise the actions of county assessors, it is assumed that the existing efforts (and staff) are eliminated.
4. Local governments are assumed not to significantly increase staffing expenditures for property tax administration, resulting in a significant reduction of the property tax base in the long run and a shift of the tax burden to properties properly assessed. These reductions in taxable values would require additional state general fund expenditures for the support of the school foundation program and the university system, as well as increased mill levies to offset lost revenues.
5. To assess the reductions in the amounts levied by the university and school foundation levies, it is assumed that after 5 years the statewide taxable value falls by the same percentage as the tax base increased under state control. When property assessment was changed from local to state control the property tax base expanded significantly because missed (non-assessed) and underassessed properties were added to the tax base. In tax year 1972, the last year of local control, the taxable value of real property statewide (excluding agricultural land) was \$352,091,172. The taxable value of personal property (excluding livestock) was \$246,633,620. By 1975, the end of the first biennium with state appraisal, real property taxable value (excluding ag. land) increased 24% to \$435,614,953. The taxable value of personal property (excluding livestock) increased 36% to \$336,382,289.
6. The current law levels of taxable value of real (excluding ag. land) and personal property (excluding livestock) of \$738,700,000 and \$367,678,000 are assumed to apply to tax year 1988, respectively.
7. Legal responsibilities for defending property assessments of locally assessed properties will rest with the county where the property is located since local officials set the assessments. This litigation is assumed to be handled by county attorneys and may require staffing changes that are not included in the local cost estimates.

David L. Hunter DATE *2/26/87*
 DAVID L. HUNTER, BUDGET DIRECTOR
 Office of Budget and Program Planning

I don't concur *REH.*
 BOB HOFFMAN, PRIMARY SPONSOR DATE

Fiscal Note for HB846, as introduced.

HB 846

8. Counties will be required to increase property tax levies in FY88 and beyond to pay for the cost of administering county level property tax as follows:

<u>Expenditure Item</u>	<u>FY88</u> <u>Cost</u>	<u>FY89</u> <u>Cost</u>
Current Property Tax Costs	\$10,005,300	\$ 10,072,576
Less: Administrative Overhead	(204,549)	(204,549)
<u>Area Managers (w/ benefits)</u>	<u>(328,606)</u>	<u>(328,606)</u>
Subtotal	\$ 9,472,145	\$ 9,539,421
Additional Costs:		
Automobiles 110 @ \$7,000 each	\$ 770,000	\$ 0
Appraisal Manuals 28 @ \$1300 each	\$ 36,400	\$ 36,400
 Total Additional Local Cost	 \$10,278,545	 \$ 9,575,821

Cost Summary per Assumptions:

	<u>FY88</u>			<u>FY89</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>State Costs:</u>						
<u>Existing State Program:</u>						
Administrative Overhead	\$ 204,549	\$ 0	(\$ 204,549)	\$ 204,549	\$ 0	\$ (204,549)
Area Managers	328,606	0	(328,606)	328,606	0	(328,606)
Inter-County Property	349,800	349,800	0	349,800	349,800	0
Other Division Costs	9,472,145	0	(9,472,145)	9,539,421	0	(9,539,421)
Subtotal - Existing	<u>\$10,355,100</u>	<u>\$ 349,800</u>	<u>\$10,005,300</u>	<u>\$ 10,422,376</u>	<u>\$349,800</u>	<u>(\$10,072,576)</u>
 Total State Costs	 \$10,355,100	 \$ 349,800	 (\$10,005,300)	 \$ 10,422,376	 \$349,800	 (\$10,072,576)

Local Costs:

<u>Existing Program:</u>								
Current Total Costs	\$	0	\$10,355,100	\$10,355,100	\$	0	\$10,422,376	\$10,422,376
Inter-County Property		0	(349,800)	(349,800)		0	(349,800)	(349,800)
Area Managers		0	(328,606)	(328,606)		0	(328,606)	(328,606)
Operating Costs		0	806,400	806,400		0	36,400	36,400
Administrative Overhead		0	(204,549)	(204,549)		0	(204,549)	(204,549)
Total Local Cost	\$	0	\$10,278,545	\$10,278,545	\$	0	\$ 9,575,821	\$ 9,575,821
 Total Cost			\$10,355,100	\$10,628,345	\$	273,245	\$10,422,376	\$ 9,925,621 (\$ 496,755)

FISCAL IMPACT:

Revenue Impact:

The proposal is expected to reduce through time the amounts raised by the university and school foundation programs relative to that under current law due to improper assessments of property. The proposal could result in an elimination of all property taxes due to its conflict with Article VIII, Sections 3 and 4 of the Constitution (see technical note).

Expenditure Impact:

	<u>FY88</u>			<u>FY89</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
Property Tax Program	\$10,355,100	\$ 349,800	(\$10,005,300)	\$10,422,376	\$ 349,800	(\$10,072,576)

Fund Information:

The expenditure impact table provides estimates of the potential savings to the state general fund. These savings would be reduced through time by the erosion in the property tax base and its affect on university and school foundation program revenues.

EFFECT ON LOCAL REVENUE AND EXPENDITURES:

The proposal would shift the cost of the property tax to local governments. Under the assumptions stated above, the cost to local governments of property assessment and appraisal would increase by \$10,278,547 in FY88 and \$9,575,821 in FY89. These additional costs would require a like increase in property taxes levied, assuming there is no offsetting decrease in other areas of local expenditures.

The reductions in the local tax base expected due to the proposal would result in a shift in the local property tax burden to properties that are properly assessed.

HB 846

Fiscal Note Request, HB846, as introduced.

Form BD-15

Page 4

LONG RANGE EFFECTS OF PROPOSED LEGISLATION:

Fiscal Impact:

Revenue Impact:

The proposal is expected to result in an erosion of the property tax base through time. Under the assumptions, the reduction in the tax base at the end of 5 years after implementation would reduce revenues from the university levy by \$1,857,912 and to the school foundation program by \$13,934,344. These revenue reductions would require offsetting appropriations from the state general fund.

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:

The proposal conflicts with Article VIII, Sections 3 and 4 of the State Constitution. Under the proposal, the state is not given the authority to "appraise, assess and equalize the valuation of all property". Moreover, the proposal does not require assessors to use the assessed valuations established by the state as required in Section 4. The proposal does not grant the Department the authority to change assessments made by the assessor to equalize values across the state.

HB 846

ON TAXATION COMMITTEE
RECOMMEND DO NOT PASS
ON MOTION; PRINTED AND
PLACED ON SECOND READING

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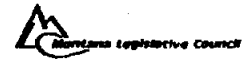
House BILL NO. *846*

INTRODUCED BY *William E. Smith* NATH.
William E. Smith

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT THE COUNTY ASSESSOR OF EACH COUNTY IS RESPONSIBLE FOR THE ASSESSMENT OF ALL PROPERTY WITHIN THE COUNTY; AMENDING SECTIONS 15-1-101, 15-1-403, 15-7-101 THROUGH 15-7-103, 15-7-107, 15-7-111, 15-7-201, 15-7-203, 15-7-208, 15-7-210, 15-7-304, 15-7-305, 15-7-309, 15-7-402, 15-7-403, 15-8-101 THROUGH 15-8-103, 15-8-111 THROUGH 15-8-113, 15-8-115, 15-8-201, 15-8-202, 15-8-301 THROUGH 15-8-304, 15-8-307, 15-8-309, 15-8-406, 15-8-501, 15-8-601, 15-8-701, 15-8-702, 15-8-704, 15-8-706, 15-8-707, 15-9-101, 15-9-102, 15-10-202, 15-10-204 THROUGH 15-10-206, 15-10-301, 15-10-302, 15-10-304 THROUGH 15-10-306, 15-10-321, 15-15-101, 15-15-102, 15-16-111, 15-16-112, 15-16-402, 15-23-106, 15-23-107, 15-23-803, 15-24-801, 15-24-903, 15-24-905, 15-24-906, 15-24-911, AND 15-30-228, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
Section 1. Section 15-1-101, MCA, is amended to read:
"15-1-101. Definitions. (1) Except as otherwise specifically provided, when terms mentioned in this section are used in connection with taxation, they are defined in

THERE ARE NO CHANGES ON HB 846 AND DUE TO LENGTH WILL NOT BE REPRINTED. PLEASE REFER TO INTRODUCED BILL (WHITE) FOR COMPLETE TEXT.



-2- SECOND READING
HB - 846