

HOUSE BILL NO. 34  
INTRODUCED BY HARRINGTON

IN THE HOUSE

DECEMBER 30, 1988	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
JANUARY 2, 1989	FIRST READING.
JANUARY 11, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
JANUARY 12, 1989	POSTED ON CONSENT CALENDAR.  ENGROSSING REPORT.
JANUARY 14, 1989	CONSENT CALENDAR, QUESTIONS AND ANSWERS.  THIRD READING, PASSED. AYES, 94; NOES, 0.  TRANSMITTED TO SENATE.

IN THE SENATE

JANUARY 16, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
JANUARY 25, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
JANUARY 27, 1989	SECOND READING, CONCURRED IN.
JANUARY 30, 1989	THIRD READING, CONCURRED IN. AYES, 49; NOES, 0.  RETURNED TO HOUSE.

IN THE HOUSE

JANUARY 31, 1989	RECEIVED FROM SENATE.  SENT TO ENROLLING.
------------------	---

1                    HOUSE    BILL NO. 34  
2    INTRODUCED BY HARRINGTON  
3  
4    A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE  
5    DEPARTMENT OF REVENUE TO PROCESS NOTIFICATIONS OF  
6    CLASSIFICATION, APPRAISAL, AND ASSESSMENT TO TAXPAYERS  
7    THROUGH ITS AGENT COUNTY ASSESSORS; TO AUTHORIZE THE  
8    DEPARTMENT'S AGENTS TO PROVIDE CERTAIN ASSESSMENT  
9    INFORMATION TO TAXING AUTHORITIES; AMENDING SECTIONS  
10   15-7-102, 15-10-202, 15-10-206, AND 15-15-102, MCA; AND  
11   PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE  
12   APPLICABILITY DATE."  
13

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

15        **Section 1.** Section 15-7-102, MCA, is amended to read:

16        "15-7-102. Notice of classification and appraisal to  
17   owners -- appeals. (1) It shall be the duty of the  
18   department of revenue, through its agent as specified in  
19   subsection (2), to cause to be mailed to each owner and  
20   purchaser under contract for deed a notice of the  
21   classification of the land owned or being purchased by him  
22   and the appraisal of the improvements thereon only if one or  
23   more of the following changes pertaining to the land or  
24   improvements have been made since the last notice:

25        (a) change in ownership;

1        (b) change in classification;  
2        (c) change in valuation; or  
3        (d) addition or subtraction of personal property  
4   affixed to the land.

5        (2) The county assessor shall assign each assessment  
6   to the correct owner or purchaser under contract for deed  
7   and mail the notice of classification and appraisal provided  
8   by--the--department--under--subsection--(1)--must--be on a  
9   standardized form, adopted by the department, containing  
10   sufficient information in a comprehensible manner designed  
11   to fully inform the taxpayer as to the classification and  
12   appraisal of his property and of changes over the prior tax  
13   year.

14        (3) If the owner of any land and improvements is  
15   dissatisfied with the appraisal or classification of his  
16   land or improvements, he may submit his objection in writing  
17   to the department's agent. The department shall give  
18   reasonable notice to such the taxpayer of the time and place  
19   of hearing and hear any testimony or other evidence which  
20   that the taxpayer may desire to produce at such time and  
21   afford the opportunity to other interested persons to  
22   produce evidence at such the hearing. Thereafter Based on  
23   the hearing record, the department shall determine the true  
24   and correct appraisal and classification of such the land or  
25   improvements and forthwith notify the taxpayer of its

1 determination. In the notification, the department must.  
 2 state its reasons for revising the classification or  
 3 appraisal. When so determined, the land shall be classified  
 4 and improvements appraised in the manner ordered by the  
 5 department.

6 (4) Whether a hearing as provided in subsection (3) is  
 7 held or not, the department or its agent may not adjust an  
 8 appraisal or classification upon taxpayer's objection  
 9 unless:

10 (a) the taxpayer has submitted his objection in  
 11 writing; and

12 (b) the department or its agent has stated its reason  
 13 in writing for making the adjustment.

14 (5) A taxpayer's written objection to a classification  
 15 or appraisal and the department's notification to the  
 16 taxpayer of its determination and the reason for that  
 17 determination are public records. Each county appraiser  
 18 shall make such the records available for inspection during  
 19 regular office hours.

20 (6) If any property owner shall feel aggrieved at the  
 21 classification and/or the appraisal ~~so~~ made by the  
 22 department, he shall have the right to appeal to the county  
 23 tax appeal board and then to the state tax appeal board,  
 24 whose findings shall be final subject to the right of review  
 25 in the proper court or courts. While the property owner may

1 appeal the base year valuation and classification  
 2 determination, the property owner may not appeal the yearly  
 3 percentage adjustments that are specified in 15-7-111 and  
 4 that may be made as a result of the sales assessment ratio  
 5 study. The property owner may not appeal the stratum or area  
 6 designations as specified in 15-7-111."

7 **Section 2.** Section 15-10-202, MCA, is amended to read:

8 "15-10-202. Certification of taxable values and  
 9 millage rates. At the time that the assessment roll is  
 10 prepared and published, the department of revenue or its  
 11 agent shall certify to each taxing authority the taxable  
 12 value within the jurisdiction of the taxing authority. The  
 13 department or its agent shall also send to each taxing  
 14 authority a written statement of its best estimate of the  
 15 total assessed value of all new construction and  
 16 improvements not included on the previous assessment roll  
 17 and the value of deletions from the previous assessment  
 18 roll. Exclusive of ~~such~~ new construction, improvements, and  
 19 deletions, the department or its agent shall certify to  
 20 each taxing authority a millage rate which will provide the  
 21 same ad valorem revenue for each taxing authority as was  
 22 levied during the prior year. For the purpose of calculating  
 23 the certified millage, the department or its agent shall use  
 24 95% of the taxable value appearing on the roll, exclusive of  
 25 properties appearing for the first time on the assessment

1 roll."

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

3 "15-10-206. Exceptions for decisions of tax appeal  
4 boards. The department or its agent shall notify each taxing  
5 authority of any change in the assessment roll which results  
6 from actions by the state or county tax appeal boards. An  
7 increase in the taxing authority's millage above that  
8 certified by the department or its agent or adopted by  
9 resolution or ordinance of the governing body of the taxing  
10 authority which is required solely by a reduction of the  
11 assessment roll by the state or county tax appeal board may  
12 be adopted without further notice."

13 **Section 4.** Section 15-15-102, MCA, is amended to read:

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

25 **Section 5.** Extension of authority. Any existing

1 authority to make rules on the subject of the provisions of  
2 [this act] is extended to the provisions of [this act].

3 **Section 6.** Effective date -- retroactive  
4 applicability. [This act] is effective on passage and  
5 approval and applies retroactively, within the meaning of  
6 1-2-109, to tax years beginning on or after January 1, 1989.

-End-

APPROVED BY COMMITTEE  
ON TAXATION

## HOUSE BILL NO. 34

INTRODUCED BY HARRINGTON

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE DEPARTMENT OF REVENUE TO PROCESS NOTIFICATIONS OF CLASSIFICATION, APPRAISAL, AND ASSESSMENT TO TAXPAYERS THROUGH ITS AGENT COUNTY ASSESSORS; TO AUTHORIZE THE DEPARTMENT'S AGENTS TO PROVIDE CERTAIN ASSESSMENT INFORMATION TO TAXING AUTHORITIES; AMENDING SECTIONS 15-7-102, 15-10-202, 15-10-206, AND 15-15-102, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

**Section 1.** Section 15-7-102, MCA, is amended to read:

"15-7-102. Notice of classification and appraisal to owners -- appeals. (1) It shall be the duty of the department of revenue, through its agent as specified in subsection (2), to cause to be mailed to each owner and purchaser under contract for deed a notice of the classification of the land owned or being purchased by him and the appraisal of the improvements thereon only if one or more of the following changes pertaining to the land or improvements have been made since the last notice:

(a) change in ownership;

(b) change in classification;  
(c) change in valuation; or  
(d) addition or subtraction of personal property affixed to the land.

(2) The county assessor shall assign each assessment to the correct owner or purchaser under contract for deed and mail the notice of classification and appraisal provided by--the--department--under--subsection--(1)--must--be on a standardized form, adopted by the department, containing sufficient information in a comprehensible manner designed to fully inform the taxpayer as to the classification and appraisal of his property and of changes over the prior tax year.

(3) If the owner of any land and improvements is dissatisfied with the appraisal or classification of his land or improvements, he may submit his objection in writing to the department's agent. The department shall give reasonable notice to such the taxpayer of the time and place of hearing and hear any testimony or other evidence which that the taxpayer may desire to produce at such time and afford the opportunity to other interested persons to produce evidence at such the hearing. Thereafter Based-on the---hearing---record THEREAFTER, the department shall determine the true and correct appraisal and classification of such the land or improvements and forthwith notify the

1 taxpayer of its determination. In the notification, the  
2 department must state its reasons for revising the  
3 classification or appraisal. When so determined, the land  
4 shall be classified and improvements appraised in the manner  
5 ordered by the department.

6 (4) Whether a hearing as provided in subsection (3) is  
7 held or not, the department or its agent may not adjust an  
8 appraisal or classification upon taxpayer's objection  
9 unless:

10 (a) the taxpayer has submitted his objection in  
11 writing; and

12 (b) the department or its agent has stated its reason  
13 in writing for making the adjustment.

14 (5) A taxpayer's written objection to a classification  
15 or appraisal and the department's notification to the  
16 taxpayer of its determination and the reason for that  
17 determination are public records. Each county appraiser  
18 shall make ~~such~~ the records available for inspection during  
19 regular office hours.

20 (6) If any property owner shall feel aggrieved at the  
21 classification and/or the appraisal ~~so~~ made by the  
22 department, he shall have the right to appeal to the county  
23 tax appeal board and then to the state tax appeal board,  
24 whose findings shall be final subject to the right of review  
25 in the proper court or courts. While the property owner may

1 appeal the base year valuation and classification  
2 determination, the property owner may not appeal the yearly  
3 percentage adjustments that are specified in 15-7-111 and  
4 that may be made as a result of the sales assessment ratio  
5 study. The property owner may not appeal the stratum or area  
6 designations as specified in 15-7-111."

7 **Section 2.** Section 15-10-202, MCA, is amended to read:

8 "15-10-202. Certification of taxable values and  
9 millage rates. At the time that the assessment roll is  
10 prepared and published, the department of revenue or its  
11 agent shall certify to each taxing authority the taxable  
12 value within the jurisdiction of the taxing authority. The  
13 department or its agent shall also send to each taxing  
14 authority a written statement of its best estimate of the  
15 total assessed value of all new construction and  
16 improvements not included on the previous assessment roll  
17 and the value of deletions from the previous assessment  
18 roll. Exclusive of ~~such~~ new construction, improvements, and  
19 deletions, the department or its agent shall certify to  
20 each taxing authority a millage rate which will provide the  
21 same ad valorem revenue for each taxing authority as was  
22 levied during the prior year. For the purpose of calculating  
23 the certified millage, the department or its agent shall use  
24 95% of the taxable value appearing on the roll, exclusive of  
25 properties appearing for the first time on the assessment

1 roll."

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

3 "15-10-206. **Exceptions for decisions of tax appeal**  
4 **boards.** The department or its agent shall notify each taxing  
5 authority of any change in the assessment roll which results  
6 from actions by the state or county tax appeal boards. An  
7 increase in the taxing authority's millage above that  
8 certified by the department or its agent or adopted by  
9 resolution or ordinance of the governing body of the taxing  
10 authority which is required solely by a reduction of the  
11 assessment roll by the state or county tax appeal board may  
12 be adopted without further notice."

13 **Section 4.** Section 15-15-102, MCA, is amended to read:

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

25 NEW SECTION. **Section 5.** Extension of authority. Any

1 existing authority to make rules on the subject of the  
2 provisions of [this act] is extended to the provisions of  
3 [this act].

4 NEW SECTION. **Section 6.** Effective date -- retroactive  
5 applicability. [This act] is effective on passage and  
6 approval and applies retroactively, within the meaning of  
7 1-2-109, to tax years beginning on or after January 1, 1989.

-End-

## 1 HOUSE BILL NO. 34

2 INTRODUCED BY HARRINGTON

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE  
5 DEPARTMENT OF REVENUE TO PROCESS NOTIFICATIONS OF  
6 CLASSIFICATION, APPRAISAL, AND ASSESSMENT TO TAXPAYERS  
7 THROUGH ITS AGENT COUNTY ASSESSORS; TO AUTHORIZE THE  
8 DEPARTMENT'S AGENTS TO PROVIDE CERTAIN ASSESSMENT  
9 INFORMATION TO TAXING AUTHORITIES; AMENDING SECTIONS  
10 15-7-102, 15-10-202, 15-10-206, AND 15-15-102, MCA; AND  
11 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE  
12 APPLICABILITY DATE."

13  
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 Section 1. Section 15-7-102, MCA, is amended to read:

16 "15-7-102. Notice of classification and appraisal to  
17 owners -- appeals. (1) It shall be the duty of the  
18 department of revenue, through its agent as specified in  
19 subsection (2), to cause to be mailed to each owner and  
20 purchaser under contract for deed a notice of the  
21 classification of the land owned or being purchased by him  
22 and the appraisal of the improvements thereon only if one or  
23 more of the following changes pertaining to the land or  
24 improvements have been made since the last notice:

25 (a) change in ownership;

HB34 was placed on consent calendar  
1/12/89. Your yellow copy is the  
correct bill but should have have  
been printed on blue.



## HOUSE BILL NO. 34

INTRODUCED BY HARRINGTON

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE DEPARTMENT OF REVENUE TO PROCESS NOTIFICATIONS OF CLASSIFICATION, APPRAISAL, AND ASSESSMENT TO TAXPAYERS THROUGH ITS AGENT COUNTY ASSESSORS; TO AUTHORIZE THE DEPARTMENT'S AGENTS TO PROVIDE CERTAIN ASSESSMENT INFORMATION TO TAXING AUTHORITIES; AMENDING SECTIONS 15-7-102, 15-10-202, 15-10-206, AND 15-15-102, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

**Section 1.** Section 15-7-102, MCA, is amended to read:

"15-7-102. Notice of classification and appraisal to owners -- appeals. (1) It shall be the duty of the department of revenue, through its agent as specified in subsection (2), to cause to be mailed to each owner and purchaser under contract for deed a notice of the classification of the land owned or being purchased by him and the appraisal of the improvements thereon only if one or more of the following changes pertaining to the land or improvements have been made since the last notice:

(a) change in ownership;

(b) change in classification;  
(c) change in valuation; or  
(d) addition or subtraction of personal property affixed to the land.

(2) The county assessor shall assign each assessment to the correct owner or purchaser under contract for deed and mail the notice of classification and appraisal provided by--the--department--under--subsection--(1)--must--be on a standardized form, adopted by the department, containing sufficient information in a comprehensible manner designed to fully inform the taxpayer as to the classification and appraisal of his property and of changes over the prior tax year.

(3) If the owner of any land and improvements is dissatisfied with the appraisal or classification of his land or improvements, he may submit his objection in writing to the department's agent. The department shall give reasonable notice to such the taxpayer of the time and place of hearing and hear any testimony or other evidence which that the taxpayer may desire to produce at such time and afford the opportunity to other interested persons to produce evidence at such the hearing. Thereafter Based--on the--hearing--record THEREAFTER, the department shall determine the true and correct appraisal and classification of such the land or improvements and forthwith notify the

taxpayer of its determination. In the notification, the department must state its reasons for revising the classification or appraisal. When so determined, the land shall be classified and improvements appraised in the manner ordered by the department.

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

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

(b) the department or its agent has stated its reason in writing for making the adjustment.

(5) A taxpayer's written objection to a classification or appraisal and the department's notification to the taxpayer of its determination and the reason for that determination are public records. Each county appraiser shall make such the records available for inspection during regular office hours.

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

appeal the base year valuation and classification determination, the property owner may not appeal the yearly percentage adjustments that are specified in 15-7-111 and that may be made as a result of the sales assessment ratio study. The property owner may not appeal the stratum or area designations as specified in 15-7-111."

**Section 2.** Section 15-10-202, MCA, is amended to read:

"15-10-202. Certification of taxable values and millage rates. At the time that the assessment roll is prepared and published, the department of revenue or its agent shall certify to each taxing authority the taxable value within the jurisdiction of the taxing authority. The department or its agent shall also send to each taxing authority a written statement of its best estimate of the total assessed value of all new construction and improvements not included on the previous assessment roll and the value of deletions from the previous assessment roll. Exclusive of such new construction, improvements, and deletions, the department or its agent shall certify to each taxing authority a millage rate which will provide the same ad valorem revenue for each taxing authority as was levied during the prior year. For the purpose of calculating the certified millage, the department or its agent shall use 95% of the taxable value appearing on the roll, exclusive of properties appearing for the first time on the assessment

1 roll."

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

3 "15-10-206. Exceptions for decisions of tax appeal  
4 boards. The department or its agent shall notify each taxing  
5 authority of any change in the assessment roll which results  
6 from actions by the state or county tax appeal boards. An  
7 increase in the taxing authority's millage above that  
8 certified by the department or its agent or adopted by  
9 resolution or ordinance of the governing body of the taxing  
10 authority which is required solely by a reduction of the  
11 assessment roll by the state or county tax appeal board may  
12 be adopted without further notice."

13 **Section 4.** Section 15-15-102, MCA, is amended to read:

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

25 **NEW SECTION. Section 5.** Extension of authority. Any

1 existing authority to make rules on the subject of the  
2 provisions of [this act] is extended to the provisions of  
3 [this act].

4 **NEW SECTION. Section 6.** Effective date -- retroactive  
5 applicability. [This act] is effective on passage and  
6 approval and applies retroactively, within the meaning of  
7 1-2-109, to tax years beginning on or after January 1, 1989.

-End-