

SENATE BILL 190

Introduced by Stimatz

1/19	Introduced
1/19	Referred to Taxation
1/20	Fiscal Note Requested
1/24	Fiscal Note Received
1/24	Fiscal Note Printed
1/26	Hearing
	Died in Committee

1 *Apate* BILL NO. *190*
2 INTRODUCED BY *Stimach*
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW PUBLIC ACCESS
5 TO INFORMATION CONTAINED IN CERTIFICATES FILED ON THE
6 TRANSFER OF REAL PROPERTY; AMENDING SECTIONS 15-7-111,
7 15-7-302, AND 15-7-308, MCA; AND PROVIDING AN IMMEDIATE
8 EFFECTIVE DATE."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 **Section 1.** Section 15-7-302, MCA, is amended to read:

12 "15-7-302. Purpose -- policy. (1) The purpose of this
13 part is to obtain sales price data necessary to the
14 determination of statewide levels and uniformity of real
15 estate assessments by the most efficient, economical, and
16 reliable method.

17 (2) It is the policy of this state that the
18 information collected under the provisions of this part is
19 public information. The purpose of the policy is to instill
20 confidence in the public that accurate and true market
21 value, as one factor in determining appraised value for
22 property tax purposes, is available to tax assessment
23 officials and the public."

24 **Section 2.** Section 15-7-308, MCA, is amended to read:

25 "15-7-308. Disclosure of information restricted. The

1 certificate required by this part and the information
2 therein ~~shall not be~~ is a public record and ~~shall~~ must be
3 ~~held--confidential--by--the--county--clerk--and--recorder;--county~~
4 ~~assessor;--and--department--of--revenue.--This--is--because--the~~
5 ~~legislature--finds--that--the--demands--of--individual--privacy~~
6 ~~outweigh--the--merits--of--public--disclosure.--The--foregoing~~
7 ~~provisions---shall--not--apply--to--compilations--from--such~~
8 ~~certificates--or--to--summaries;--analyses;--and--evaluations~~
9 ~~based--upon--such--compilations~~ available for inspection during
10 regular business hours in the office of the county clerk and
11 recorder."

12 **Section 3.** Section 15-7-111, MCA, is amended to read:

13 "15-7-111. Periodic revaluation of taxable property --
14 appeal of revaluations. (1) The department of revenue shall
15 administer and supervise a program for the revaluation of
16 all taxable property within the state at least every 5
17 years. A comprehensive written reappraisal plan shall be
18 promulgated by the department. The reappraisal plan so
19 adopted shall provide that all property in each county shall
20 be revalued at least every 5 years or that no less than 20%
21 of the property in each county shall be revalued in each
22 year. The department shall furnish a copy of the plan and
23 all amendments thereto to the board of county commissioners
24 in each county.

25 (2) The new values determined during a revaluation

1 cycle must be provided to the taxpayers at the end of the
2 revaluation cycle but may not be placed on the tax rolls
3 until 1 year following the completion of the revaluation
4 cycle.

5 (3) A taxpayer shall appeal the new value in advance
6 of its placement on the tax rolls by filing an appeal
7 pursuant to 15-15-102 before the first Monday in June or 15
8 days after receiving notice of the new valuation amount,
9 whichever is later, or be barred from appealing for
10 untimeliness.

11 (4) For the taxable year beginning January 1, 1988,
12 and for every taxable year thereafter, the department shall
13 conduct a stratified sales assessment ratio study of all
14 residential real property and improvements, of all
15 commercial and industrial real property and improvements,
16 and of all other real property and improvements. The study
17 must include such property as vacant land, agricultural
18 improvements, and the 1-acre homesite beneath the
19 agricultural residence.

20 (5) The study required in subsection (4) must be based
21 on:

22 (a) the standards and methodology adopted by the
23 international association of assessing officers in their
24 publication "Standard on Assessment Ratio Studies";

25 (b) assessments of the property described in

1 subsection (4) as of January 1 of the year immediately
2 preceding the taxable year for which the study is conducted;

3 (c) a statistically valid sample of sales, using data
4 from realty transfer certificates filed for the taxable year
5 immediately following the assessment date identified in
6 subsection (5)(b); and

7 (d) the assessments and sales for areas of the state
8 that are economically, demographically, and geographically
9 similar in order to determine the sales assessment ratio for
10 a specific area.

11 (6) For purposes of conducting the study required by
12 subsection (4), the sales assessment areas are as follows:

13 (a) area 1:

14 (i) Daniels County;

15 (ii) Sheridan County;

16 (iii) Roosevelt County;

17 (iv) McCone County;

18 (v) Valley County;

19 (vi) Phillips County;

20 (vii) Petroleum County;

21 (viii) Garfield County; and

22 (ix) Prairie County;

23 (b) area 2:

24 (i) Richland County;

25 (ii) Dawson County;

1 (iii) Wibaux County;
 2 (iv) Fallon County;
 3 (v) Carter County;
 4 (vi) Powder River County;
 5 (vii) Rosebud County;
 6 (viii) Big Horn County; and
 7 (ix) Custer County;
 8 (c) area 3: city of Billings;
 9 (d) area 4:
 10 (i) Yellowstone County (excluding the city of
 11 Billings);
 12 (ii) Treasure County;
 13 (iii) Musselshell County;
 14 (iv) Carbon County; and
 15 (v) Stillwater County;
 16 (e) area 5:
 17 (i) Golden Valley County;
 18 (ii) Wheatland County;
 19 (iii) Fergus County;
 20 (iv) Judith Basin County;
 21 (v) Meagher County; and
 22 (vi) Sweet Grass County;
 23 (f) area 6:
 24 (i) Park County;
 25 (ii) Gallatin County;

1 (iii) Broadwater County; and
 2 (iv) Lewis and Clark County;
 3 (g) area 7: city of Great Falls;
 4 (h) area 8:
 5 (i) Cascade County (excluding the city of Great
 6 Falls);
 7 (ii) Chouteau County;
 8 (iii) Teton County;
 9 (iv) Hill County;
 10 (v) Liberty County;
 11 (vi) Toole County;
 12 (vii) Pondera County;
 13 (viii) Glacier County; and
 14 (ix) Blaine County;
 15 (i) area 9:
 16 (i) Madison County;
 17 (ii) Beaverhead County;
 18 (iii) Silver Bow County;
 19 (iv) Jefferson County;
 20 (v) Deer Lodge County;
 21 (vi) Granite County; and
 22 (vii) Powell County;
 23 (j) area 10: city of Missoula;
 24 (k) area 11:
 25 (i) Missoula County (excluding the city of Missoula);

1 and

2 (ii) Ravalli County;

3 (1) area 12:

4 (i) Mineral County;

5 (ii) Sanders County; and

6 (iii) Lincoln County;

7 (m) area 13:

8 (i) Flathead County; and

9 (ii) Lake County.

10 (7) The department shall use the following procedures

11 to resolve situations in similar areas of the state that

12 have inadequate numbers of sales to conduct the

13 statistically valid sample in a specific tax year:

14 (a) an extension of the time period from which sales

15 are drawn and an adjustment of the sales price to

16 acknowledge the different time period. At a minimum, the

17 time adjustment must coincide with the consumer price index

18 for that same time period.

19 (b) the use of fee appraisals in lieu of sales prices.

20 The fee appraisal must be conducted by a certified appraiser

21 who is not an employee of the department.

22 (c) the input of assessment ratio statistics developed

23 from a model of the area. The information to be input into

24 the study must be statistically valid and must be developed

25 by a certified statistician who is not an employee of the

1 department.

2 (8) The department shall use the following procedure

3 to validate sales information:

4 (a) Department field staff are required to manually

5 review each sales transaction evidenced by a realty transfer

6 certificate. The review must be conducted to determine

7 whether each sale was a valid, arm's-length transaction.

8 Only valid, arm's-length sales may be used in the sales

9 assessment ratio study.

10 (b) The valid sales information must be transmitted to

11 the department. The department staff shall enter the sales

12 information on the computer-assisted appraisal system in

13 order to make the sales assessment ratio study. The sales

14 information contained on the computer-assisted appraisal

15 system is considered--~~confidential~~ public information, as

16 provided in 15-7-308.

17 (c) The department shall exclude from the sales

18 assessment ratio study any parcels in which the improvements

19 have been remodeled, reconstructed, or expanded or that are

20 wholly new construction after the assessment date identified

21 in subsection (5)(b).

22 (d) The department shall exclude sales assessment

23 ratios of less than 50% or greater than 200%.

24 (9) The department shall have equalized property

25 values throughout the state when the following conditions

1 are met:

2 (a) the overall assessment level for each stratum
3 within each area identified in subsection (6) is within an
4 interval of plus or minus 10% of the legal level of
5 assessment, given an adequate sample size;

6 (b) coefficients of dispersion with respect to the
7 weighted mean assessment ratio for residential properties
8 located within each area identified in subsection (6) are
9 equal to or less than 20%;

10 (c) coefficients of dispersion with respect to the
11 weighted mean assessment ratio for income-producing
12 properties located within each area identified in subsection
13 (6) are equal to or less than 20%; and

14 (d) coefficients of dispersion with respect to the
15 weighted mean assessment ratio for other types of real
16 property and improvements located within each area
17 identified in subsection (6) are equal to or less than 20%.

18 (10) (a) When the overall assessment level of each
19 stratum exceeds 10% of the legal level of assessment and
20 when the coefficients of dispersion with respect to the
21 weighted mean for each stratum exceed 20%, the department
22 shall make percentage adjustments to the valuations of all
23 the properties in a specific area stratum. The percentage
24 adjustments must create compliance with subsection (9). The
25 percentage adjustments must account for unique factors that

1 affect values in the various areas.

2 (b) Under this method, all taxable property in each
3 area is considered revalued for each tax year, based on the
4 results of the sales assessment ratio study and any
5 percentage adjustments required by that study."

6 NEW SECTION. **Section 4.** Extension of authority. Any
7 existing authority to make rules on the subject of the
8 provisions of [this act] is extended to the provisions of
9 [this act].

10 NEW SECTION. **Section 5.** Effective date. [This act] is
11 effective on passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15


In compliance with a written request, there is hereby submitted a Fiscal Note for SB190, as introduced.

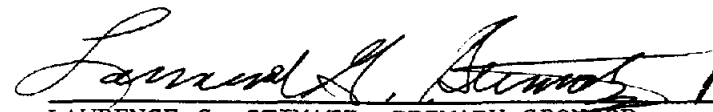
DESCRIPTION OF PROPOSED LEGISLATION:

An Act to allow public access to information contained in certificates filed on the transfer of real property; and provide an immediate effective date.

ASSUMPTIONS:

This bill is not anticipated to impact Department of Revenue expenditures or revenues.


RAY SHACKLEFORD, BUDGET DIRECTOR 1/23/89
OFFICE OF BUDGET AND PROGRAM PLANNING DATE


LAWRENCE G. STIMATZ, PRIMARY SPONSOR 1-24-89
DATE

Fiscal Note for SB190, as introduced

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