

HOUSE BILL NO. 250

INTRODUCED BY REAM  
BY REQUEST OF THE DEPARTMENT OF REVENUE

IN THE HOUSE

JANUARY 20, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
JANUARY 28, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
JANUARY 29, 1993	PRINTING REPORT.
JANUARY 30, 1993	SECOND READING, DO PASS.
FEBRUARY 1, 1993	ENGROSSING REPORT.
FEBRUARY 3, 1993	THIRD READING, PASSED. AYES, 92; NOES, 5.
FEBRUARY 4, 1993	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 4, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
MARCH 2, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 3, 1993	SECOND READING, CONCURRED IN.
MARCH 4, 1993	THIRD READING, CONCURRED IN. AYES, 49; NOES, 0.
	RETURNED TO HOUSE.

IN THE HOUSE

MARCH 16, 1993	RECEIVED FROM SENATE.
	SENT TO ENROLLING.
	REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 250  
2 INTRODUCED BY Ream  
3 BY REQUEST OF THE DEPARTMENT OF REVENUE  
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5 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT AN  
6 OBJECTION TO A PROPERTY TAX CLASSIFICATION OR APPRAISAL MAY  
7 FIRST BE HEARD BY THE DEPARTMENT OF REVENUE; REVISING THE  
8 DEPARTMENT'S PROCESS FOR HANDLING AN OBJECTION; REVISING THE  
9 PROCEDURE FOR APPEALS TO THE COUNTY AND STATE TAX APPEAL  
10 BOARDS; AMENDING SECTIONS 15-1-303, 15-7-102, AND 15-15-102,  
11 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A  
12 RETROACTIVE APPLICABILITY DATE."  
13

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

15 **Section 1.** Section 15-1-303, MCA, is amended to read:

16 "15-1-303. Penalty for refusal to furnish information.

17 (1) If any a person ~~shall-refuse~~ refuses to allow inspection  
18 of any books or records when requested by the department or  
19 its authorized agent or ~~shall-refuse-or-neglect~~ refuses or  
20 neglects to furnish any information called for by the  
21 department in the performance of its official duties  
22 relating to the assessment and taxation of property, the  
23 department shall make such a determination and assessment of  
24 his-or-its the property as in its judgment appears to be  
25 just and equitable and may add to its the assessment thus

1 made an amount not more-than to exceed 20% thereof of the  
2 assessment as a penalty for such the refusal or neglect. The  
3 department shall immediately notify the person so assessed  
4 of its action, either by certified or-registered mail or by  
5 personal service of such the notice.

6 (2) Upon receiving an assessment made pursuant to  
7 subsection (1), the taxpayer has the following remedies:

8 (a) Within 15 days after receipt of the assessment, or  
9 ~~by--April-17-whichever-is-later,~~ he the taxpayer may request  
10 an informal conference with the agent of the department. At  
11 the conference, the taxpayer may present evidence in  
12 mitigation or extenuation of his the failure to supply the  
13 information requested by the department. Within 10 days  
14 after the conference, the agent of the department shall  
15 notify the taxpayer by certified mail whether the assessment  
16 will be modified. The department may modify the penalty if  
17 the taxpayer presents sufficient evidence in mitigation or  
18 extenuation of his the failure to supply the information  
19 sought by the department and if it finds that the taxpayer  
20 did not willfully refuse to supply the information.

21 (b) If the taxpayer is aggrieved as a result of the  
22 informal conference, he the taxpayer may appeal to the  
23 county tax appeal board within 20 days after receipt of the  
24 decision of the department. The county tax appeal board has  
25 the authority to modify the:

(i) assessment only if it finds that the assessment exceeds 100% of the value of the property specified in 15-8-111; and

(ii) penalty if the taxpayer presents by a preponderance of the evidence facts in mitigation or extenuation of his the failure to supply the information which that the department sought.

(c) If the county tax appeal board modifies a penalty pursuant to subsection (2)(b)(ii), it may not reduce the penalty to less than 20% of the assessment, or if the assessment is modified pursuant to subsection (2)(b)(i), to less than 20% of the modified assessment.

(3) Either party aggrieved as a result of the decision of the county tax appeal board may appeal to the state tax appeal board within 20 days after receipt of the county tax appeal board's decision. When deciding an appeal brought under this subsection, the state tax appeal board must shall follow the provisions of subsections (2)(b) and (2)(c).

(4) Either party aggrieved as a result of the decision of the state tax appeal board may seek judicial review pursuant to 15-2-303."

**Section 2.** 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~~ The department of revenue shall, through its agent as specified

in subsection (2), ~~to--cause--to--be--mailed~~ mail to each owner and or 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 on the land 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 department's agent shall assign each assessment to the correct owner or purchaser under contract for deed and mail the notice of classification and appraisal 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 the property and of changes over the prior tax year.

(3) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the market value of the property as determined by the department or with the classification of his the land or improvements, he the owner may ~~submit--his~~ request an assessment review by submitting an objection in writing to the department's agent

1 department, on forms provided by the department for that  
 2 purpose, within 15 days after receiving the notice of  
 3 classification and appraisal from the department. The review  
 4 must be conducted informally and is not subject to the  
 5 contested case procedures of the Montana Administrative  
 6 Procedure Act. In an objection to the appraisal of the  
 7 property As a part of the review, the department may  
 8 consider the actual selling price of the property,  
 9 independent appraisals of the property, and other relevant  
 10 information presented by the taxpayer as evidence of in  
 11 support of the taxpayer's opinion as to the market value of  
 12 the property. The department shall give reasonable notice to  
 13 the taxpayer of the time and place of hearing and hear any  
 14 testimony or other evidence that the taxpayer may desire to  
 15 produce at that time and afford the opportunity to other  
 16 interested persons to produce evidence at the hearing the  
 17 review. After the hearing review, the department shall  
 18 determine the true and correct appraisal and classification  
 19 of the land or improvements and notify the taxpayer of its  
 20 determination. In the notification, the department must  
 21 shall state its reasons for revising the classification or  
 22 appraisal. When the proper appraisal and classification have  
 23 been determined, the land ~~shall~~ must be classified and the  
 24 improvements appraised in the manner ordered by the  
 25 department.

1 (4) Whether a hearing review as provided in subsection  
 2 (3) is held or not, the department or its agent may not  
 3 adjust an appraisal or classification upon taxpayer's  
 4 objection unless:  
 5 (a) the taxpayer has submitted his an objection in  
 6 writing; and  
 7 (b) the department or its agent has stated its reason  
 8 in writing for making the adjustment.  
 9 (5) A taxpayer's written objection to a classification  
 10 or appraisal and the department's notification to the  
 11 taxpayer of its determination and the reason for that  
 12 determination are public records. Each county appraiser The  
 13 department shall make the records available for inspection  
 14 during regular office hours.  
 15 (6) If any property owner feels aggrieved at by the  
 16 classification ~~and/or~~ or appraisal made by the  
 17 department after the review provided for in subsection (3),  
 18 ~~he shall have~~ the property owner has the right to first  
 19 appeal to the county tax appeal board and then to the state  
 20 tax appeal board, whose findings ~~shall be~~ are final subject  
 21 to the right of review in the courts. The appeal to the  
 22 county tax appeal board must be filed within 15 days after  
 23 notice of the department's determination is mailed to the  
 24 taxpayer. The property owner may appeal the base valuation  
 25 and the classification determination. A county tax appeal

board or the state tax appeal board may consider the actual selling price of the property, independent appraisals of the property, and other relevant information presented by the taxpayer as evidence of the market value of the property. If the county tax appeal board or the state tax appeal board determines that an adjustment should be made, the department shall adjust the base value of the property in accordance with the board's order."

**Section 3.** Section 15-15-102, MCA, is amended to read:

"15-15-102. ~~Application for reduction in valuation. No reduction may be made in the~~ The valuation of property ~~may not be reduced by the county tax appeal board unless either~~ the party-affected taxpayer or his the taxpayer's agent makes and files a written application for reduction with the county tax appeal board. The application must be filed on or before the first Monday in June or 15 days after receiving either a notice of classification and appraisal or determination after review under 15-7-102(3) from the department of revenue or its agent, whichever is later, ~~a written application for reduction.~~ If the department's determination after review is not made in time to allow the county tax appeal board to review the matter during the current tax year, the appeal must be reviewed during the next tax year, but the decision by the county tax appeal board is effective for the year in which the request for

review was filed with the department. The application ~~shall~~ must state the post-office address of the applicant, ~~shall~~ specifically describe the property involved, and shall state the facts upon which it is claimed the reduction should be made."

**NEW SECTION. Section 4.** Effective date -- retroactive applicability. [This act] is effective on passage and approval and applies retroactively, within the meaning of 1-2-109, to objections submitted under 15-7-102(3) after December 31, 1992.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0250, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act clarifying that an objection to a property tax classification or appraisal may first be heard by the Department of Revenue; revising the department's process for handling an objection; revising the procedure for appeals to the county and state tax appeal boards; and providing an immediate effective date and a retroactive applicability date.

FISCAL IMPACT:

The proposal would not materially impact Department of Revenue expenditures or revenues. The proposal may result in fewer appeals brought to the county tax appeal boards and state tax appeal board, which are funded from the state general fund. Minor savings are potential but inestimable.

*David Lewis* 1-25-93

DAVID LEWIS, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

*Bob Ream* 1-25-93

BOB REAM, PRIMARY SPONSOR      DATE

Fiscal Note for HB0250, as introduced

**HB 250**

APPROVED BY COMMITTEE  
ON TAXATION

HOUSE BILL NO. 250

INTRODUCED BY REAM

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DEPARTMENT'S PROCESS FOR HANDLING AN OBJECTION; REVISING THE  
PROCEDURE FOR APPEALS TO THE COUNTY AND STATE TAX APPEAL  
BOARDS; AMENDING SECTIONS 15-1-303, 15-7-102, AND 15-15-102,  
AND 15-15-103, 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 15-1-303, MCA, is amended to read:**"15-1-303. Penalty for refusal to furnish information.**

(1) If any ~~a~~ person shall-refuse refuses to allow inspection  
of any books or records when requested by the department or  
its authorized agent or ~~shall-refuse-or-neglect~~ refuses or  
neglects to furnish any information called for by the  
department in the performance of its official duties  
relating to the assessment and taxation of property, the  
department shall make such a determination and assessment of  
his--or--its the property as in its judgment appears to be  
just and equitable and may add to its the assessment thus

made an amount not more-than to exceed 20% thereof of the  
assessment as a penalty for such the refusal or neglect. The  
department shall immediately notify the person so assessed  
of its action, either by certified or-registered mail or by  
personal service of such the notice.

(2) Upon receiving an assessment made pursuant to  
subsection (1), the taxpayer has the following remedies:

(a) Within 15 days after receipt of the assessment, or  
~~by-April-1, whichever-is-later,~~ he the taxpayer may request  
an informal conference with the agent of the department. At  
the conference, the taxpayer may present evidence in  
mitigation or extenuation of his the failure to supply the  
information requested by the department. Within 10 days  
after the conference, the agent of the department shall  
notify the taxpayer by certified mail whether the assessment  
will be modified. The department may modify the penalty if  
the taxpayer presents sufficient evidence in mitigation or  
extenuation of his the failure to supply the information  
sought by the department and if it finds that the taxpayer  
did not willfully refuse to supply the information.

(b) If the taxpayer is aggrieved as a result of the  
informal conference, he the taxpayer may appeal to the  
county tax appeal board within 20 days after receipt of the  
decision of the department. The county tax appeal board has  
the authority to modify the:

(i) assessment only if it finds that the assessment exceeds 100% of the value of the property specified in 15-8-111; and

(ii) penalty if the taxpayer presents by a preponderance of the evidence facts in mitigation or extenuation of his the failure to supply the information which that the department sought.

(c) If the county tax appeal board modifies a penalty pursuant to subsection (2)(b)(ii), it may not reduce the penalty to less than 20% of the assessment, or if the assessment is modified pursuant to subsection (2)(b)(i), to less than 20% of the modified assessment.

(3) Either party aggrieved as a result of the decision of the county tax appeal board may appeal to the state tax appeal board within ~~20~~ 30 CALENDAR days after receipt of the county tax appeal board's decision. When deciding an appeal brought under this subsection, the state tax appeal board must shall follow the provisions of subsections (2)(b) and (2)(c).

(4) Either party aggrieved as a result of the decision of the state tax appeal board may seek judicial review pursuant to 15-2-303."

**Section 2.** 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~~ The

department of revenue shall, through its agent as specified in subsection (2), ~~to--cause--to--be--mailed~~ mail to each owner and or 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 on the land 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 ~~department's--agent~~ COUNTY ASSESSOR shall assign each assessment to the correct owner or purchaser under contract for deed and mail the notice of classification and appraisal 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 the property and of changes over the prior tax year.

(3) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the market value of the property as determined by the department or with the classification of his the land or improvements, he the owner may submit--his request an assessment review by



1 submitting an objection in writing to the department's agent  
 2 department, on forms provided by the department for that  
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 9 consider the actual selling price of the property,  
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 11 information presented by the taxpayer as evidence of in  
 12 support of the taxpayer's opinion as to the market value of  
 13 the property. The department shall give reasonable notice to  
 14 the taxpayer of the time and place of hearing and hear any  
 15 testimony or other evidence that the taxpayer may desire to  
 16 produce at that time and afford the opportunity to other  
 17 interested persons to produce evidence at the hearing the  
 18 review. After the hearing review, the department shall  
 19 determine the true and correct appraisal and classification  
 20 of the land or improvements and notify the taxpayer of its  
 21 determination. In the notification, the department must  
 22 shall state its reasons for revising the classification or  
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 24 been determined, the land ~~shall~~ must be classified and the  
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 3 (3) is held or not, the department or its agent may not  
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10 (5) A taxpayer's written objection to a classification  
 11 or appraisal and the department's notification to the  
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 13 determination are public records. ~~Each county appraiser~~ The  
 14 department shall make the records available for inspection  
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 18 department after the review provided for in subsection (3).  
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 20 appeal to the county tax appeal board and then to the state  
 21 tax appeal board, whose findings ~~shall be~~ are final subject  
 22 to the right of review in the courts. The appeal to the  
 23 county tax appeal board must be filed within 15 days after  
 24 notice of the department's determination is mailed to the  
 25 taxpayer. The property owner may appeal the base valuation

and-the-classification-determination: A county tax appeal board or the state tax appeal board may consider the actual selling price of the property, independent appraisals of the property, and other relevant information presented by the taxpayer as evidence of the market value of the property. If the county tax appeal board or the state tax appeal board determines that an adjustment should be made, the department shall adjust the base value of the property in accordance with the board's order."

**Section 3. Section 15-15-102, MCA, is amended to read:**

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board is effective for the year in which the request for review was filed with the department. The application shall must state the post-office address of the applicant, shall specifically describe the property involved, and shall state the facts upon which it is claimed the reduction should be made."

**SECTION 4. SECTION 15-15-103, MCA, IS AMENDED TO READ:**

"15-15-103. Examination of applicant -- failure to hear application. (1) Before the county tax appeal board grants any application or makes any reduction applied for, it must examine on oath the person or agent making the application, touching the value of the property of each person. No reduction must be made unless such person or agent makes an application, as provided in 15-15-102, and attends and answers all questions pertinent to the inquiry. The testimony of all witnesses upon such hearing must be taken in shorthand or by stenotype or electronically recorded and preserved for 1 year. If the decision of the county tax appeal board is appealed, all testimony must be transcribed or otherwise reduced to writing and forwarded, together with all exhibits, to the state tax appeal board. The date of hearing, the proceedings before the board, and the decision must be entered upon the minutes of the board, and the board shall notify the applicant of its decision by mail within 3 days thereafter. A copy of the minutes of the county tax

1 appeal board must be transmitted to the state tax appeal  
2 board no later than 3 days after the board holds its final  
3 hearing of the year.

1 December 31, 1992.

-End-

4 (2) If a county tax appeal board refuses or fails to  
5 hear a taxpayer's timely application for a reduction in  
6 valuation of property, the taxpayer's application is  
7 considered to be granted on the day following the board's  
8 final meeting for that year. The county treasurer shall  
9 enter the appraisal or classification sought in the  
10 application in the assessment book. An application is not  
11 automatically granted for the following appeals: except that

12 (a) those listed in 15-2-3027; and

13 (b) if a taxpayer's appeal from the department's  
14 determination of classification or appraisal made pursuant  
15 to 15-7-102 was not received in time, as provided for in  
16 15-15-102, to be considered by the board during its current  
17 60-day session the taxpayer's application is considered to  
18 be granted on the day following the board's final meeting  
19 for that year. The county treasurer shall enter the  
20 appraisal or classification sought in the application in the  
21 assessment book."

22 NEW SECTION. Section 5. Effective date -- retroactive  
23 applicability. [This act] is effective on passage and  
24 approval and applies retroactively, within the meaning of  
25 1-2-109, to objections submitted under 15-7-102(3) after

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23 department shall make such a determination and assessment of  
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9 ~~by-April-1, whichever is later, he~~ the taxpayer may request  
10 an informal conference with the agent of the department. At  
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12 mitigation or extenuation of his the failure to supply the  
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14 after the conference, the agent of the department shall  
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8 (c) If the county tax appeal board modifies a penalty  
9 pursuant to subsection (2)(b)(ii), it may not reduce the  
10 penalty to less than 20% of the assessment, or if the  
11 assessment is modified pursuant to subsection (2)(b)(i), to  
12 less than 20% of the modified assessment.

13 (3) Either party aggrieved as a result of the decision  
14 of the county tax appeal board may appeal to the state tax  
15 appeal board within ~~20~~ 30 CALENDAR days after receipt of the  
16 county tax appeal board's decision. When deciding an appeal  
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23 **Section 2.** Section 15-7-102, MCA, is amended to read:

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1 department of revenue shall, through its agent as specified  
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5 and the appraisal of the improvements on the land only if  
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14 ASSESSOR shall assign each assessment to the correct owner  
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 12 taxpayer of its determination and the reason for that  
 13 determination are public records. Each county appraiser The  
 14 department shall make the records available for inspection  
 15 during regular office hours.

16 (6) If any property owner feels aggrieved at by the  
 17 classification and/or the or appraisal made by the  
 18 department after the review provided for in subsection (3),  
 19 he shall have the property owner has the right to first  
 20 appeal to the county tax appeal board and then to the state  
 21 tax appeal board, whose findings shall be are final subject  
 22 to the right of review in the courts. The appeal to the  
 23 county tax appeal board must be filed within 15 days after  
 24 notice of the department's determination is mailed to the  
 25 taxpayer. The property owner may appeal the base valuation

~~and the classification determination.~~ A county tax appeal board or the state tax appeal board may consider the actual selling price of the property, independent appraisals of the property, and other relevant information presented by the taxpayer as evidence of the market value of the property. If the county tax appeal board or the state tax appeal board determines that an adjustment should be made, the department shall adjust the base value of the property in accordance with the board's order."

**Section 3.** Section 15-15-102, MCA, is amended to read:

"15-15-102. Application for reduction in valuation. No ~~reduction may be made in the~~ The valuation of property may not be reduced by the county tax appeal board unless either the party-affected taxpayer or his the taxpayer's agent makes and files a written application for reduction with the county tax appeal board. The application must be filed on or before the first Monday in June or 15 days after receiving either a notice of classification and appraisal or determination after review under 15-7-102(3) from the department of revenue or its agent, whichever is later;--a written--application--for--reduction. If the department's determination after review is not made in time to allow the county tax appeal board to review the matter during the current tax year, the appeal must be reviewed during the next tax year, but the decision by the county tax appeal

board is effective for the year in which the request for review was filed with the department. The application shall must state the post-office address of the applicant, shall specifically describe the property involved, and shall state the facts upon which it is claimed the reduction should be made."

**SECTION 4.** SECTION 15-15-103, MCA, IS AMENDED TO READ:

"15-15-103. Examination of applicant -- failure to hear application. (1) Before the county tax appeal board grants any application or makes any reduction applied for, it must examine on oath the person or agent making the application, touching the value of the property of each person. No reduction must be made unless such person or agent makes an application, as provided in 15-15-102, and attends and answers all questions pertinent to the inquiry. The testimony of all witnesses upon such hearing must be taken in shorthand or by stenotype or electronically recorded and preserved for 1 year. If the decision of the county tax appeal board is appealed, all testimony must be transcribed or otherwise reduced to writing and forwarded, together with all exhibits, to the state tax appeal board. The date of hearing, the proceedings before the board, and the decision must be entered upon the minutes of the board, and the board shall notify the applicant of its decision by mail within 3 days thereafter. A copy of the minutes of the county tax

1 appeal board must be transmitted to the state tax appeal  
2 board no later than 3 days after the board holds its final  
3 hearing of the year.

4 (2) If a county tax appeal board refuses or fails to  
5 hear a taxpayer's timely application for a reduction in  
6 valuation of property, the taxpayer's application is  
7 considered to be granted on the day following the board's  
8 final meeting for that year. The county treasurer shall  
9 enter the appraisal or classification sought in the  
10 application in the assessment book. An application is not  
11 automatically granted for the following appeals: except that

12 (a) those listed in 15-2-302; and

13 (b) if a taxpayer's appeal from the department's  
14 determination of classification or appraisal made pursuant  
15 to 15-7-102 was not received in time, as provided for in  
16 15-15-102, to be considered by the board during its current  
17 60-day session the taxpayer's application is considered to  
18 be granted on the day following the board's final meeting  
19 for that year. The county treasurer shall enter the  
20 appraisal or classification sought in the application in the  
21 assessment book."

22 NEW SECTION. Section 5. Effective date -- retroactive  
23 applicability. [This act] is effective on passage and  
24 approval and applies retroactively, within the meaning of  
25 1-2-109, to objections submitted under 15-7-102(3) after

1 December 31, 1992.

-End-



HOUSE BILL NO. 250

INTRODUCED BY REAM

BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT AN OBJECTION TO A PROPERTY TAX CLASSIFICATION OR APPRAISAL MAY FIRST BE HEARD BY THE DEPARTMENT OF REVENUE; REVISING THE DEPARTMENT'S PROCESS FOR HANDLING AN OBJECTION; REVISING THE PROCEDURE FOR APPEALS TO THE COUNTY AND STATE TAX APPEAL BOARDS; AMENDING SECTIONS 15-1-303, 15-7-102, AND 15-15-102, AND 15-15-103, 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 15-1-303, MCA, is amended to read:

"15-1-303. Penalty for refusal to furnish information.

(1) If any a person ~~shall-refuse~~ refuses to allow inspection of any books or records when requested by the department or its authorized agent or ~~shall-refuse-or-neglect~~ refuses or neglects to furnish any information called for by the department in the performance of its official duties relating to the assessment and taxation of property, the department shall make such a determination and assessment of ~~his--or--its~~ the property as in its judgment appears to be just and equitable and may add to its the assessment thus

made an amount not more-than to exceed 20% thereof of the assessment as a penalty for such the refusal or neglect. The department shall immediately notify the person so assessed of its action, either by certified or-registered mail or by personal service of such the notice.

(2) Upon receiving an assessment made pursuant to subsection (1), the taxpayer has the following remedies:

(a) Within 15 days after receipt of the assessment, or ~~by-April-17-whichever-is-later~~, he the taxpayer may request an informal conference with the agent of the department. At the conference, the taxpayer may present evidence in mitigation or extenuation of his the failure to supply the information requested by the department. Within 10 days after the conference, the agent of the department shall notify the taxpayer by certified mail whether the assessment will be modified. The department may modify the penalty if the taxpayer presents sufficient evidence in mitigation or extenuation of his the failure to supply the information sought by the department and if it finds that the taxpayer did not willfully refuse to supply the information.

(b) If the taxpayer is aggrieved as a result of the informal conference, he the taxpayer may appeal to the county tax appeal board within 20 days after receipt of the decision of the department. The county tax appeal board has the authority to modify the:

(i) assessment only if it finds that the assessment exceeds 100% of the value of the property specified in 15-8-111; and

(ii) penalty if the taxpayer presents by a preponderance of the evidence facts in mitigation or extenuation of his the failure to supply the information which that the department sought.

(c) If the county tax appeal board modifies a penalty pursuant to subsection (2)(b)(ii), it may not reduce the penalty to less than 20% of the assessment, or if the assessment is modified pursuant to subsection (2)(b)(i), to less than 20% of the modified assessment.

(3) Either party aggrieved as a result of the decision of the county tax appeal board may appeal to the state tax appeal board within ~~20~~ 30 CALENDAR days after receipt of the county tax appeal board's decision. When deciding an appeal brought under this subsection, the state tax appeal board ~~must~~ shall follow the provisions of subsections (2)(b) and (2)(c).

(4) Either party aggrieved as a result of the decision of the state tax appeal board may seek judicial review pursuant to 15-2-303."

**Section 2.** 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~~ The

department of revenue shall, through its agent as specified in subsection (2), ~~to-cause-to-be-mailed~~ mail to each owner and or 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 on the land 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~~ department's--agent COUNTY ASSESSOR shall assign each assessment to the correct owner or purchaser under contract for deed and mail the notice of classification and appraisal 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 the property and of changes over the prior tax year.

(3) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the market value of the property as determined by the department or with the classification of his the land or improvements, he the owner may ~~submit--his~~ request an assessment review by

1 submitting an objection in writing to the department's agent  
 2 department, on forms provided by the department for that  
 3 purpose, within 15 days after receiving the notice of  
 4 classification and appraisal from the department. The review  
 5 must be conducted informally and is not subject to the  
 6 contested case procedures of the Montana Administrative  
 7 Procedure Act. In an objection to the appraisal of the  
 8 property As a part of the review, the department may  
 9 consider the actual selling price of the property,  
 10 independent appraisals of the property, and other relevant  
 11 information presented by the taxpayer as evidence of in  
 12 support of the taxpayer's opinion as to the market value of  
 13 the property. The department shall give reasonable notice to  
 14 the taxpayer of the time and place of hearing and hear any  
 15 testimony or other evidence that the taxpayer may desire to  
 16 produce at that time and afford the opportunity to other  
 17 interested persons to produce evidence at the hearing the  
 18 review. After the hearing review, the department shall  
 19 determine the true and correct appraisal and classification  
 20 of the land or improvements and notify the taxpayer of its  
 21 determination. In the notification, the department must  
 22 shall state its reasons for revising the classification or  
 23 appraisal. When the proper appraisal and classification have  
 24 been determined, the land shall must be classified and the  
 25 improvements appraised in the manner ordered by the

1 department.

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

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

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

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

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and-the-classification-determination: A county tax appeal board or the state tax appeal board may consider the actual selling price of the property, independent appraisals of the property, and other relevant information presented by the taxpayer as evidence of the market value of the property. If the county tax appeal board or the state tax appeal board determines that an adjustment should be made, the department shall adjust the base value of the property in accordance with the board's order."

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17 60-day session the-taxpayer's-application-is-considered-to  
18 be-granted-on-the-day-following-the-board's-final-meeting  
19 for-that-year--The-county-treasurer-shall-enter-the  
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21 assessment-book."

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23 applicability. (This act) is effective on passage and  
24 approval and applies retroactively, within the meaning of  
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