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~~House~~ JOINT RESOLUTION NO. 7 *WISBOMM*

INTRODUCED BY *Bob Christiansen, Franklin Doherty, Simpkins, Roney, Wyatt*

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING THE LEGISLATIVE AUDIT COMMITTEE TO CONDUCT A PERFORMANCE AUDIT OF THE COMPUTER ASSISTED MASS APPRAISAL SYSTEM OF THE PROPERTY ASSESSMENT DIVISION OF THE DEPARTMENT OF REVENUE; AND REQUIRING THAT A REPORT OF THE RESULTS OF THE PERFORMANCE AUDIT BE SUBMITTED TO THE GOVERNOR AND THE LEGISLATURE.

WHEREAS, in 1992, the Property Assessment Division, Department of Revenue, completed the first reappraisal cycle of residential and commercial property since 1986; and

WHEREAS, the 1991 Legislature authorized the Property Assessment Division to implement a Computer Assisted Mass Appraisal System in order to complete that property reappraisal cycle on time; and

WHEREAS, the completion of the reappraisal cycle resulted in large increases or decreases in assessed valuation in certain areas of the state; and

WHEREAS, changes in assessed valuation, and hence taxable valuation, had a substantial impact, in many instances, on both property taxpayers and local governments in 1993; and

WHEREAS, property tax reform was a significant issue during the November 1993 Special Session due in large measure to property reappraisal; and

WHEREAS, the Property Assessment Division is required to complete the next reappraisal cycle by December 31, 1996; and

WHEREAS, beginning in 1997, the Property Assessment Division is required to administer and supervise a program for the reappraisal of all taxable property within the state at least every 3 years; and

WHEREAS, the Legislature has not extensively analyzed the technical aspects of the Computer Assisted Mass Appraisal System to the extent necessary to ensure that the reappraisal system is operating as intended; and

WHEREAS, the citizens of this state desire and deserve a property appraisal system that is equitable, effective, and efficient; and

WHEREAS, a property appraisal system that is equitable, effective, and efficient would reduce the

1 number of potentially successful property valuation appeals and other legal challenges to the property  
2 appraisal system.

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4 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE  
5 STATE OF MONTANA:

6 That the Legislative Audit Committee be requested to conduct a performance audit of the Computer  
7 Assisted Mass Appraisal System (CAMAS) used by the Property Assessment Division, Department of  
8 Revenue. The performance audit should include an evaluation of all aspects of CAMAS, including but not  
9 limited to the following:

10 (1) a review of the adequacy, efficiency, and effectiveness of CAMAS data processing,  
11 management, and procedural control systems;

12 (2) an evaluation of the flexibility of CAMAS to accurately appraise property in the absence of  
13 certain market information or other relevant information;

14 (3) a review of the number and type of property assessment appeals that may be related to the  
15 implementation of CAMAS;

16 (4) an evaluation of whether a 3-year property reappraisal cycle is appropriate given current  
17 Division staffing and expenditure levels; and

18 (5) a review of other states' experience with computer-assisted mass appraisal systems.

19 BE IT FURTHER RESOLVED, that the Legislative Audit Committee report by July 1, 1996, the  
20 findings of the performance audit to the Governor and to the Legislature and present options for legislative  
21 consideration to the 55th Legislature if the Committee determines that options are necessary.

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