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INTRODUCED BY

Cobb

House BILL NO. *294*

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE LEGISLATIVE AUDIT COMMITTEE TO CONDUCT A PERFORMANCE AUDIT OF THE PROPERTY REAPPRAISAL SYSTEM USED BY THE PROPERTY ASSESSMENT DIVISION OF THE DEPARTMENT OF REVENUE FOR THE APPRAISAL OF RESIDENTIAL AND COMMERCIAL PROPERTY; REQUIRING THAT A REPORT OF THE RESULTS OF THE PERFORMANCE AUDIT BE SUBMITTED TO THE GOVERNOR AND THE 56TH LEGISLATURE; APPROPRIATING FUNDS; AND PROVIDING EFFECTIVE DATES AND A TERMINATION DATE."

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

NEW SECTION. Section 1. Performance audit of property appraisal system. (1) (a) The legislative audit committee shall conduct a performance audit of the property appraisal system used by the property assessment division of the department of revenue for the periodic reappraisal of residential and commercial property.

(b) In the performance audit, the audit committee shall contract with an independent appraiser to conduct a random sample of residential property for the purposes of comparing the appraised value obtained from the random sample with the appraised value obtained by the property assessment division on the same property.

(2) The performance audit must also include an evaluation of all aspects of the computer assisted mass appraisal system (CAMAS) used by the property assessment division, including but not limited to the following:

(a) a review of the adequacy, efficiency, and effectiveness of the CAMAS data processing system;

(b) an evaluation of the flexibility of CAMAS to accurately appraise residential and commercial property;

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

(d) an evaluation of whether a 3-year property reappraisal cycle of residential and commercial property is appropriate given current division staffing and expenditure levels; and

1 (e) a review of other states' experience with property appraisal systems.

2 (3) The legislative audit committee shall report by December 1, 1998, the findings of the
3 performance audit to the governor and, as provided in 5-11-210, to the legislature and shall present options
4 for legislative consideration to the 56th legislature if the committee determines that options are necessary.

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6 **NEW SECTION. Section 2. Appropriation.** (1) For the purposes of [section 1(1)(a)], there is
7 appropriated from the general fund to the legislative audit division \$50,000 for the contract entered into
8 with the independent appraiser.

9 (2) The appropriation provided for in subsection (1) is a biennial appropriation.

10 (3) Funds appropriated to the legislative audit division pursuant to subsection (1), but not expended
11 before July 1, 1999, revert to the general fund.

12

13 **NEW SECTION. Section 3. Effective dates.** (1) [Section 1 and this section] are effective on
14 passage and approval.

15 (2) [Section 2] is effective July 1, 1997.

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17 **NEW SECTION. Section 4. Termination.** [This act] terminates July 1, 1999.

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