

Senate BILL NO. 372

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INTRODUCED BY *Waterman*

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE DEPARTMENT OF REVENUE, UPON A TIMELY SHOWING OF RELIABLE EVIDENCE OF A CHANGE IN OWNERSHIP OR RELIABLE EVIDENCE OF A LAND SPLIT RESULTING IN A CHANGE OF OWNERSHIP TO CHANGE THE CURRENT OWNERSHIP RECORDS; PROVIDING THAT AT THE OPTION OF THE TAXPAYERS IN A LAND SPLIT THE DEPARTMENT MAY RECOMPUTE THE CURRENT YEAR'S TAXES BASED UPON THE PERCENTAGE OF OWNERSHIP OF EACH OWNER; AMENDING SECTIONS 15-7-304, 15-8-201, 15-10-305, AND 15-16-101, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

NEW SECTION. **Section 1. Land split.** A land split is the conveyance or transfer of a portion of a parcel of land that will require the department to change its ownerships records for the original parcel to show the creation of one or more new parcels under a new ownership.

Section 2. Section 15-7-304, MCA, is amended to read:

"15-7-304. Report of transfers -- change of ownership records. (1) All transfers of real property that are not evidenced by a recorded document, except those transfers otherwise provided for in this part, must be reported to the department on the form prescribed.

(2) (a) The department is not required to change any ownership records used for the assessment or taxation of real property unless the department ~~has received~~ receives a transfer certificate from the clerk and recorder or other reliable evidence that demonstrates that the grantee is the owner of the property for tax purposes and the transfer has been reported to the department as provided by rule. If the grantor on the transfer certificate is not the person to whom the property is assessed on the property tax record, the department may not substitute the grantee's name on the certificate for the name of the current person listed on the property tax record, but the department shall add the grantee's name to the property tax record with the name of the person to whom the property is assessed. The department shall mail notification of the change to the person to whom the property is assessed and to the grantee. The

1 department shall substitute the grantee's name on the property tax record when reliable evidence
2 demonstrates that the grantee is the owner of the property for tax purposes.

3 (b) If the parties to a land split wish to receive separate tax notices for each parcel in the land split
4 in the current year they shall provide a reallocation percentage to the department. The department shall
5 provide a space on the transfer certificate for the parties to list the percentage of assessed value that each
6 party received of the total assessed value of the land, the improvements, and any personal property subject
7 to tax liens against the real property. The department shall use the percentage as the basis for dividing the
8 assessed value among the parties if reliable evidence demonstrates that the grantee is the owner of the
9 property for tax purposes and the evidence has been provided and processed prior to the time taxes are
10 determined. If the parties to a conveyance do not list a reallocation percentage or do not provide reliable
11 evidence that demonstrates that the grantee is the owner of the property for tax purposes or if the request
12 is untimely, the department shall add the grantee's name to the property tax statement along with the name
13 of the person to whom the property has previously been assessed."
14

15 **Section 3.** Section 15-8-201, MCA, is amended to read:

16 **"15-8-201. General assessment day.** (1) The department shall, between January 1 and the second
17 Monday of July in each year, ascertain the names of all taxable inhabitants and assess all property subject
18 to taxation in each county.

19 (2) The department shall assess property to:

20 (a) the person by whom it was owned or claimed or in whose possession or control it was at
21 midnight of the preceding January 1; or

22 (b) the new owner if reliable evidence has been received and processed prior to determining the
23 taxes that are due as provided in 15-7-302(2)(a).

24 (3) The department shall also ascertain and assess all mobile homes arriving in the county after
25 midnight of the preceding January 1.

26 (4) A mistake in the name of the owner or supposed owner of real property does not invalidate the
27 assessment.

28 ~~(2)~~(5) The procedure provided by this section does not apply to:

29 (a) motor vehicles that are required by 15-8-202 to be assessed on January 1 or upon their
30 anniversary registration date;

- 1 (b) motor homes, travel trailers, and campers;
- 2 (c) watercraft;
- 3 (d) livestock;
- 4 (e) property defined in 61-1-104 as "special mobile equipment" that is subject to assessment for
- 5 personal property taxes on the date that application is made for a special mobile equipment plate;
- 6 (f) mobile homes held by a distributor or dealer of mobile homes as stock in trade; and
- 7 (g) property subject to the provisions of 15-16-203.
- 8 ~~(3)(6)~~ Credits must be assessed as provided in 15-1-101(1)(f)."
- 9

10 **Section 4.** Section 15-10-305, MCA, is amended to read:

11 **"15-10-305. Clerk and recorder to report mill levy -- department to compute and enter taxes. (1)**

12 (a) The Except as provided in subsection (1)(b), the county clerk and recorder shall by the third Monday

13 in August notify the department of the number of mills needed to be levied for each taxing jurisdiction in

14 the county. The department shall compute the taxes by multiplying the number of mills times the taxable

15 value of the property to be taxed and shall add any fees or assessments required to be levied against a

16 person owning property. All taxes, fees, and assessments must be itemized for the property listed in the

17 property tax record.

18 (b) The department shall compute the current year's taxes based upon the reallocation percentage

19 provided for in 15-7-304(2)(b) if the department is able to do so without violating the deadline provided in

20 subsection (2).

21 (2) The department shall complete the computation of the amount of taxes, fees, and assessments

22 to be levied against the property and shall notify the county clerk and recorder and the county treasurer

23 by the second Monday in October."

24

25 **Section 5.** Section 15-16-101, MCA, is amended to read:

26 **"15-16-101. Treasurer to publish notice -- manner of publication. (1)** Within 10 days after the

27 receipt of the property tax record, the county treasurer shall publish a notice specifying:

28 (a) that one-half of all taxes levied and assessed will be due and payable before 5 p.m. on the next

29 November 30 or within 30 days after the notice is postmarked and that unless paid prior to that time the

30 amount then due will be delinquent and will draw interest at the rate of 5/6 of 1% per month from the time

1 of delinquency until paid and 2% will be added to the delinquent taxes as a penalty;

2 (b) that one-half of all taxes levied and assessed will be due and payable on or before 5 p.m. on
3 the next May 31 and that unless paid prior to that time the taxes will be delinquent and will draw interest
4 at the rate of 5/6 of 1% per month from the time of delinquency until paid and 2% will be added to the
5 delinquent taxes as a penalty; and

6 (c) the time and place at which payment of taxes may be made.

7 (2) The county treasurer shall send to the last-known address of each taxpayer a written notice,
8 postage prepaid, showing the amount of taxes and assessments due for the current year, including taxes
9 computed by the department due to reallocation for land splits as provided in 15-7-304(2)(b), and the
10 amount due and delinquent for other years. The written notice must include:

11 (a) the taxable value of the property;

12 (b) the total mill levy applied to that taxable value;

13 (c) the value of each mill in that county;

14 (d) itemized city services and special improvement district assessments collected by the county;

15 (e) the number of the school district in which the property is located; and

16 (f) the amount of the total tax due that is levied as city tax, county tax, state tax, school district
17 tax, and other tax.

18 (3) The municipality shall, upon request of the county treasurer, provide the information to be
19 included under subsection (2)(d) ready for mailing.

20 (4) The notice in every case must be published once a week for 2 weeks in a weekly or daily
21 newspaper published in the county, if there is one, or if there is not, then by posting it in three public
22 places. Failure to publish or post notices does not relieve the taxpayer from any tax liability. Any failure to
23 give notice of the tax due for the current year or of delinquent tax will not affect the legality of the tax."
24

25 **NEW SECTION. Section 6. Codification instruction.** [Section 1] is intended to be codified as an
26 integral part of Title 15, chapter 7, part 1, and the provisions of Title 15, chapter 7, part 1, apply to
27 [section 1].

28
29 **NEW SECTION. Section 7. Applicability.** [This act] applies to all conveyances and transfers of
30 property resulting in a change of ownership effective after December 31, 1997.

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0372, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act requiring the Department of Revenue, upon a timely showing of reliable evidence of a change in ownership or reliable evidence of a land split resulting in a change of ownership to change the current ownership records; providing that at the option of the taxpayers in a land split the department may recompute the current year's taxes based upon the percentage of ownership of each owner; and providing a delayed effective date and an applicability date.

ASSUMPTIONS:

1. Existing staff will perform the ownership changes required by the proposal within their current work schedules.
2. Additional assessment notices detailing the ownership change will not be mailed after the initial mass mailing that occurs annually.
3. The department will update the ownerships on the county computer systems as required by the proposal during regular scheduled ownership updates.
4. The proposal may require changes in county computer systems. The department is unable to estimate the extent and costs of these changes.

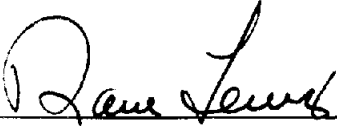
FISCAL IMPACT:

Expenditures:

State expenditures caused by the proposal will be absorbed by the department.

TECHNICAL NOTES:

1. In section 3, the statutory cite "15-7-302 (2) (a) needs to be changed to "15-7-304 (2), MCA".

 2-25-97
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 2-25-97
MIGNON WATERMAN, PRIMARY SPONSOR DATE

Fiscal Note for SB0372, as introduced

SB 372

SENATE BILL NO. 372

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6 ~~SPLIT CONVEYANCE RESULTING IN A CHANGE OF OWNERSHIP, EXCEPT IN THE CASE OF LAND SPLITS,~~
7 TO CHANGE THE CURRENT OWNERSHIP RECORDS; ~~PROVIDING THAT AT THE OPTION OF THE~~
8 ~~TAXPAYERS IN A LAND SPLIT THE DEPARTMENT MAY RECOMPUTE THE CURRENT YEAR'S TAXES~~
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10 ~~15-7-102, 15-8-201, AND 15-10-305, AND 15-16-101, MCA; AND PROVIDING A DELAYED EFFECTIVE~~
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17 show the creation of one or more new parcels under a new ownership.

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19 ~~**Section 2.** Section 15-7-304, MCA, is amended to read:~~

20 ~~"15-7-304. Report of transfers -- change of ownership records. (1) All transfers of real property~~
21 ~~that are not evidenced by a recorded document, except those transfers otherwise provided for in this part,~~
22 ~~must be reported to the department on the form prescribed.~~

23 ~~(2) (a) The department is not required to change any ownership records used for the assessment~~
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25 ~~and recorder or other reliable evidence that demonstrates that the grantee is the owner of the property for~~
26 ~~tax purposes and the transfer has been reported to the department as provided by rule. If the grantor on~~
27 ~~the transfer certificate is not the person to whom the property is assessed on the property tax record, the~~
28 ~~department may not substitute the grantee's name on the certificate for the name of the current person~~
29 ~~listed on the property tax record, but the department shall add the grantee's name to the property tax~~
30 ~~record with the name of the person to whom the property is assessed. The department shall mail~~

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 2 department shall substitute the grantee's name on the property tax record when reliable evidence
 3 demonstrates that the grantee is the owner of the property for tax purposes.

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 11 determined. If the parties to a conveyance do not list a reallocation percentage or do not provide reliable
 12 evidence that demonstrates that the grantee is the owner of the property for tax purposes or if the request
 13 is untimely, the department shall add the grantee's name to the property tax statement along with the name
 14 of the person to whom the property has previously been assessed."~~

15
 16 **SECTION 2. SECTION 15-7-102, MCA, IS AMENDED TO READ:**

17 **"15-7-102. Notice of classification and appraisal to owners -- appeals.** (1) (a) The department
 18 shall mail to each owner or purchaser under contract for deed a notice of the classification of the land
 19 owned or being purchased and the appraisal of the improvements on the land only if one or more of the
 20 following changes pertaining to the land or improvements have been made since the last notice:

- 21 (i) change in ownership;
 22 (ii) change in classification;
 23 (iii) change in valuation; or
 24 (iv) addition or subtraction of personal property affixed to the land.

25 (b) The notice must include the following for the taxpayer's informational purposes:

- 26 (i) the total amount of mills levied against the property in the prior year;
 27 (ii) the amount of the prior year's taxes resulting from levied mills;
 28 (iii) an estimate of the current year's taxes based on the prior year's mills; and
 29 (iv) a statement that the notice is not a tax bill.

30 (c) Any misinformation provided in the information required by subsection (1)(b) does not affect

1 the validity of the notice and may not be used as a basis for a challenge of the legality of the notice.

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

7 (b) The notice must advise the taxpayer that in order to be eligible for a refund of taxes from an
8 appeal of the classification or appraisal, the taxpayer is required to pay the taxes under protest as provided
9 in 15-1-402.

10 (c) The department is not required to mail the notice of classification and appraisal to a new owner
11 or purchaser under contract for deed unless the department has received the transfer certificate from the
12 clerk and recorder as provided in 15-7-304 and has processed the certificate before the notices required
13 by subsection (2)(a) are mailed. The date of mailing is the date reported to the county tax appeal board
14 pursuant to 15-15-101.

15 (3) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the
16 market value of the property as determined by the department or with the classification of the land or
17 improvements, the owner may request an assessment review by submitting an objection in writing to the
18 department, on forms provided by the department for that purpose, within 30 days after receiving the
19 notice of classification and appraisal from the department. The review must be conducted informally and
20 is not subject to the contested case procedures of the Montana Administrative Procedure Act. As a part
21 of the review, the department may consider the actual selling price of the property, independent appraisals
22 of the property, and other relevant information presented by the taxpayer in support of the taxpayer's
23 opinion as to the market value of the property. The department shall give reasonable notice to the taxpayer
24 of the time and place of the review. After the review, the department shall determine the correct appraisal
25 and classification of the land or improvements and notify the taxpayer of its determination. In the
26 notification, the department shall state its reasons for revising the classification or appraisal. When the
27 proper appraisal and classification have been determined, the land must be classified and the improvements
28 appraised in the manner ordered by the department.

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

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

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

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

6 (6) If any property owner feels aggrieved by the classification or appraisal made by the department
7 after the review provided for in subsection (3), the property owner has the right to first appeal to the
8 county tax appeal board and then to the state tax appeal board, whose findings are final subject to the right
9 of review in the courts. The appeal to the county tax appeal board must be filed within 30 days after notice
10 of the department's determination is mailed to the taxpayer. A county tax appeal board or the state tax
11 appeal board may consider the actual selling price of the property, independent appraisals of the property,
12 and other relevant information presented by the taxpayer as evidence of the market value of the property.
13 If the county tax appeal board or the state tax appeal board determines that an adjustment should be made,
14 the department shall adjust the base value of the property in accordance with the board's order."

15

16 **Section 3.** Section 15-8-201, MCA, is amended to read:

17 "**15-8-201. General assessment day.** (1) The department shall, between January 1 and the second
18 Monday of July in each year, ascertain the names of all taxable inhabitants and assess all property subject
19 to taxation in each county.

20 (2) The department shall assess property to:

21 (a) the person by whom it was owned or claimed or in whose possession or control it was at
22 midnight of the preceding January 1; or

23 (b) EXCEPT IN THE CASE OF LAND SPLITS, the new owner if reliable evidence THE PROVISIONS
24 OF 15-7-304 HAVE BEEN MET AND THE TRANSFER CERTIFICATE has been received and processed prior
25 to determining the taxes that are due as provided in 15-7-302(2)(a).

26 (3) The department shall also ascertain and assess all mobile homes arriving in the county after
27 midnight of the preceding January 1.

28 (4) A mistake in the name of the owner or supposed owner of real property does not invalidate the
29 assessment.

30 (2)(5) The procedure provided by this section does not apply to:

- 1 (a) motor vehicles that are required by 15-8-202 to be assessed on January 1 or upon their
 2 anniversary registration date;
- 3 (b) motor homes, travel trailers, and campers;
- 4 (c) watercraft;
- 5 (d) livestock;
- 6 (e) property defined in 61-1-104 as "special mobile equipment" that is subject to assessment for
 7 personal property taxes on the date that application is made for a special mobile equipment plate;
- 8 (f) mobile homes held by a distributor or dealer of mobile homes as stock in trade; and
- 9 (g) property subject to the provisions of 15-16-203.
- 10 (3)(6) Credits must be assessed as provided in 15-1-101(1)(f)."

11

12 **Section 4.** Section 15-10-305, MCA, is amended to read:

13 **"15-10-305. Clerk and recorder to report mill levy -- department to compute and enter taxes. (1)**

14 ~~(a) The Except as provided in subsection (1)(b), the~~ THE county clerk and recorder shall by the third
 15 Monday in August notify the department of the number of mills needed to be levied for each taxing
 16 jurisdiction in the county. ~~The EXCEPT AS PROVIDED IN SUBSECTION (1)(B), THE~~ department shall
 17 compute the taxes by multiplying the number of mills times the taxable value of the property to be taxed
 18 and shall add any fees or assessments required to be levied against a person owning property. All taxes,
 19 fees, and assessments must be itemized for the property listed in the property tax record.

20 ~~(b) The department shall MAY NOT compute the current year's taxes based upon the reallocation~~
 21 ~~percentage provided for in 15-7-304(2)(b) if the department is able to do so without violating FOR~~
 22 CONVEYANCES THAT RESULT IN A LAND SPLIT, AS DESCRIBED IN [SECTION 1]. THE DEPARTMENT IS
 23 NOT REQUIRED TO INCLUDE THE NAME OF THE NEW OWNER IN THE COMPUTATION OF THE AMOUNT
 24 OF TAXES, FEES, AND ASSESSMENTS TO BE LEVIED AGAINST PROPERTY THAT IS PART OF A LAND
 25 CONVEYANCE IF INCLUDING THE NEW OWNER'S NAME WOULD CAUSE THE DEPARTMENT TO VIOLATE
 26 the deadline provided in subsection (2).

27 (2) The department shall complete the computation of the amount of taxes, fees, and assessments
 28 to be levied against the property and shall notify the county clerk and recorder and the county treasurer
 29 by the second Monday in October."

30

1 ~~Section 5. Section 15-16-101, MCA, is amended to read:~~

2 ~~"15-16-101. Treasurer to publish notice -- manner of publication. (1) Within 10 days after the~~
3 receipt of the property tax record, the county treasurer shall publish a notice specifying:

4 ~~(a) that one-half of all taxes levied and assessed will be due and payable before 5 p.m. on the next~~
5 November 30 or within 30 days after the notice is postmarked and that unless paid prior to that time the
6 amount then due will be delinquent and will draw interest at the rate of 5/6 of 1% per month from the time
7 of delinquency until paid and 2% will be added to the delinquent taxes as a penalty;

8 ~~(b) that one-half of all taxes levied and assessed will be due and payable on or before 5 p.m. on~~
9 the next May 31 and that unless paid prior to that time the taxes will be delinquent and will draw interest
10 at the rate of 5/6 of 1% per month from the time of delinquency until paid and 2% will be added to the
11 delinquent taxes as a penalty; and

12 ~~(c) the time and place at which payment of taxes may be made.~~

13 ~~(2) The county treasurer shall send to the last known address of each taxpayer a written notice,~~
14 postage prepaid, showing the amount of taxes and assessments due for the current year, including taxes
15 computed by the department due to reallocation for land splits as provided in 15-7-304(2)(b), and the
16 amount due and delinquent for other years. The written notice must include:

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18 ~~(b) the total mill levy applied to that taxable value;~~

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 16 **SECTION 2. SECTION 15-7-102, MCA, IS AMENDED TO READ:**

17 **"15-7-102. Notice of classification and appraisal to owners -- appeals.** (1) (a) The department
 18 shall mail to each owner or purchaser under contract for deed a notice of the classification of the land
 19 owned or being purchased and the appraisal of the improvements on the land only if one or more of the
 20 following changes pertaining to the land or improvements have been made since the last notice:

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 23 (iii) change in valuation; or
 24 (iv) addition or subtraction of personal property affixed to the land.

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4 on a standardized form, adopted by the department, containing sufficient information in a comprehensible
5 manner designed to fully inform the taxpayer as to the classification and appraisal of the property and of
6 changes over the prior tax year.

7 (b) The notice must advise the taxpayer that in order to be eligible for a refund of taxes from an
8 appeal of the classification or appraisal, the taxpayer is required to pay the taxes under protest as provided
9 in 15-1-402.

10 (c) The department is not required to mail the notice of classification and appraisal to a new owner
11 or purchaser under contract for deed unless the department has received the transfer certificate from the
12 clerk and recorder as provided in 15-7-304 and has processed the certificate before the notices required
13 by subsection (2)(a) are mailed. The date of mailing is the date reported to the county tax appeal board
14 pursuant to 15-15-101.

15 (3) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the
16 market value of the property as determined by the department or with the classification of the land or
17 improvements, the owner may request an assessment review by submitting an objection in writing to the
18 department, on forms provided by the department for that purpose, within 30 days after receiving the
19 notice of classification and appraisal from the department. The review must be conducted informally and
20 is not subject to the contested case procedures of the Montana Administrative Procedure Act. As a part
21 of the review, the department may consider the actual selling price of the property, independent appraisals
22 of the property, and other relevant information presented by the taxpayer in support of the taxpayer's
23 opinion as to the market value of the property. The department shall give reasonable notice to the taxpayer
24 of the time and place of the review. After the review, the department shall determine the correct appraisal
25 and classification of the land or improvements and notify the taxpayer of its determination. In the
26 notification, the department shall state its reasons for revising the classification or appraisal. When the
27 proper appraisal and classification have been determined, the land must be classified and the improvements
28 appraised in the manner ordered by the department.

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

- 1 (a) the taxpayer has submitted an objection in writing; and
- 2 (b) the department has stated its reason in writing for making the adjustment.
- 3 (5) A taxpayer’s written objection to a classification or appraisal and the department’s notification
- 4 to the taxpayer of its determination and the reason for that determination are public records. The
- 5 department shall make the records available for inspection during regular office hours.
- 6 (6) If any property owner feels aggrieved by the classification or appraisal made by the department
- 7 after the review provided for in subsection (3), the property owner has the right to first appeal to the
- 8 county tax appeal board and then to the state tax appeal board, whose findings are final subject to the right
- 9 of review in the courts. The appeal to the county tax appeal board must be filed within 30 days after notice
- 10 of the department’s determination is mailed to the taxpayer. A county tax appeal board or the state tax
- 11 appeal board may consider the actual selling price of the property, independent appraisals of the property,
- 12 and other relevant information presented by the taxpayer as evidence of the market value of the property.
- 13 If the county tax appeal board or the state tax appeal board determines that an adjustment should be made,
- 14 the department shall adjust the base value of the property in accordance with the board’s order.”

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Section 3. Section 15-8-201, MCA, is amended to read:

"15-8-201. General assessment day. (1) The department shall, between January 1 and the second Monday of July in each year, ascertain the names of all taxable inhabitants and assess all property subject to taxation in each county.

(2) The department shall assess property to:

(a) the person by whom it was owned or claimed or in whose possession or control it was at midnight of the preceding January 1; or

(b) EXCEPT IN THE CASE OF LAND SPLITS, the new owner if reliable evidence THE PROVISIONS OF 15-7-304 HAVE BEEN MET AND THE TRANSFER CERTIFICATE has been received and processed prior to determining the taxes that are due as provided in 15-7-302(2)(a) 15-10-305(2).

(3) The department shall also ascertain and assess all mobile homes arriving in the county after midnight of the preceding January 1.

(4) A mistake in the name of the owner or supposed owner of real property does not invalidate the assessment.

~~(2)~~(5) The procedure provided by this section does not apply to:

- 1 (a) motor vehicles that are required by 15-8-202 to be assessed on January 1 or upon their
 2 anniversary registration date;
- 3 (b) motor homes, travel trailers, and campers;
- 4 (c) watercraft;
- 5 (d) livestock;
- 6 (e) property defined in 61-1-104 as "special mobile equipment" that is subject to assessment for
 7 personal property taxes on the date that application is made for a special mobile equipment plate;
- 8 (f) mobile homes held by a distributor or dealer of mobile homes as stock in trade; and
- 9 (g) property subject to the provisions of 15-16-203.
- 10 ~~(3)(6)~~ Credits must be assessed as provided in 15-1-101(1)(f)."

11

12 **Section 4.** Section 15-10-305, MCA, is amended to read:

13 **"15-10-305. Clerk and recorder to report mill levy -- department to compute and enter taxes. (1)**

14 ~~(a) The Except as provided in subsection (1)(b), the~~ THE county clerk and recorder shall by the third
 15 Monday in August notify the department of the number of mills needed to be levied for each taxing
 16 jurisdiction in the county. ~~The EXCEPT AS PROVIDED IN SUBSECTION (1)(B), THE~~ department shall
 17 compute the taxes by multiplying the number of mills times the taxable value of the property to be taxed
 18 and shall add any fees or assessments required to be levied against a person owning property. All taxes,
 19 fees, and assessments must be itemized for the property listed in the property tax record.

20 ~~(b) The department shall MAY NOT compute the current year's taxes based upon the reallocation~~
 21 ~~percentage provided for in 15-7-304(2)(b) if the department is able to do so without violating FOR~~
 22 CONVEYANCES THAT RESULT IN A LAND SPLIT, AS DESCRIBED IN [SECTION 1]. THE DEPARTMENT IS
 23 NOT REQUIRED TO INCLUDE THE NAME OF THE NEW OWNER IN THE COMPUTATION OF THE AMOUNT
 24 OF TAXES, FEES, AND ASSESSMENTS TO BE LEVIED AGAINST PROPERTY THAT IS PART OF A LAND
 25 CONVEYANCE IF INCLUDING THE NEW OWNER'S NAME WOULD CAUSE THE DEPARTMENT TO VIOLATE
 26 the deadline provided in subsection (2).

27 (2) The department shall complete the computation of the amount of taxes, fees, and assessments
 28 to be levied against the property and shall notify the county clerk and recorder and the county treasurer
 29 by the second Monday in October."

1 ~~Section 5. Section 15-16-101, MCA, is amended to read:~~

2 ~~"15-16-101. Treasurer to publish notice — manner of publication. (1) Within 10 days after the~~
3 ~~receipt of the property tax record, the county treasurer shall publish a notice specifying:~~

4 ~~(a) that one half of all taxes levied and assessed will be due and payable before 5 p.m. on the next~~
5 ~~November 30 or within 30 days after the notice is postmarked and that unless paid prior to that time the~~
6 ~~amount then due will be delinquent and will draw interest at the rate of 5/6 of 1% per month from the time~~
7 ~~of delinquency until paid and 2% will be added to the delinquent taxes as a penalty;~~

8 ~~(b) that one half of all taxes levied and assessed will be due and payable on or before 5 p.m. on~~
9 ~~the next May 31 and that unless paid prior to that time the taxes will be delinquent and will draw interest~~
10 ~~at the rate of 5/6 of 1% per month from the time of delinquency until paid and 2% will be added to the~~
11 ~~delinquent taxes as a penalty; and~~

12 ~~(c) the time and place at which payment of taxes may be made.~~

13 ~~(2) The county treasurer shall send to the last known address of each taxpayer a written notice,~~
14 ~~postage prepaid, showing the amount of taxes and assessments due for the current year, including taxes~~
15 ~~computed by the department due to reallocation for land splits as provided in 15-7-304(2)(b), and the~~
16 ~~amount due and delinquent for other years. The written notice must include:~~

17 ~~(a) the taxable value of the property;~~

18 ~~(b) the total mill levy applied to that taxable value;~~

19 ~~(c) the value of each mill in that county;~~

20 ~~(d) itemized city services and special improvement district assessments collected by the county;~~

21 ~~(e) the number of the school district in which the property is located; and~~

22 ~~(f) the amount of the total tax due that is levied as city tax, county tax, state tax, school district~~
23 ~~tax, and other tax.~~

24 ~~(3) The municipality shall, upon request of the county treasurer, provide the information to be~~
25 ~~included under subsection (2)(d) ready for mailing.~~

26 ~~(4) The notice in every case must be published once a week for 2 weeks in a weekly or daily~~
27 ~~newspaper published in the county, if there is one, or if there is not, then by posting it in three public~~
28 ~~places. Failure to publish or post notices does not relieve the taxpayer from any tax liability. Any failure to~~
29 ~~give notice of the tax due for the current year or of delinquent tax will not affect the legality of the tax."~~

30

1 SENATE BILL NO. 372

2 INTRODUCED BY WATERMAN

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE DEPARTMENT OF REVENUE, UPON A TIMELY
5 SHOWING OF ~~RELIABLE EVIDENCE~~ OF A CHANGE IN OWNERSHIP OR ~~RELIABLE EVIDENCE~~ OF A LAND
6 SPLIT CONVEYANCE RESULTING IN A CHANGE OF OWNERSHIP, EXCEPT IN THE CASE OF LAND SPLITS,
7 TO CHANGE THE CURRENT OWNERSHIP RECORDS; ~~PROVIDING THAT AT THE OPTION OF THE~~
8 ~~TAXPAYERS IN A LAND SPLIT THE DEPARTMENT MAY RECOMPUTE THE CURRENT YEAR'S TAXES~~
9 ~~BASED UPON THE PERCENTAGE OF OWNERSHIP OF EACH OWNER;~~ AMENDING SECTIONS ~~15-7-304~~
10 15-7-102, 15-8-201, AND 15-10-305, ~~AND 15-16-101~~, MCA; AND PROVIDING A DELAYED EFFECTIVE
11 DATE AND AN APPLICABILITY DATE."

12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:14
15 NEW SECTION. Section 1. Land split. A FOR THE PURPOSES OF THIS TITLE, A land split is the
16 conveyance or transfer of a portion of a parcel of land that will require the department to change its
17 ownerships records for the original parcel to show the creation of one or more new parcels under a new
18 ownership.19
20 ~~Section 2. Section 15-7-304, MCA, is amended to read:~~21 ~~"15-7-304. Report of transfers — change of ownership records. (1) All transfers of real property~~
22 ~~that are not evidenced by a recorded document, except those transfers otherwise provided for in this part,~~
23 ~~must be reported to the department on the form prescribed.~~24 ~~(2) (a) The department is not required to change any ownership records used for the assessment~~
25 ~~or taxation of real property unless the department has received receives a transfer certificate from the clerk~~
26 ~~and recorder or other reliable evidence that demonstrates that the grantee is the owner of the property for~~
27 ~~tax purposes and the transfer has been reported to the department as provided by rule. If the grantor on~~
28 ~~the transfer certificate is not the person to whom the property is assessed on the property tax record, the~~
29 ~~department may not substitute the grantee's name on the certificate for the name of the current person~~
30 ~~listed on the property tax record, but the department shall add the grantee's name to the property tax~~

1 ~~record with the name of the person to whom the property is assessed. The department shall mail~~
 2 ~~notification of the change to the person to whom the property is assessed and to the grantee. The~~
 3 ~~department shall substitute the grantee's name on the property tax record when reliable evidence~~
 4 ~~demonstrates that the grantee is the owner of the property for tax purposes.~~

5 ~~(b) If the parties to a land split wish to receive separate tax notices for each parcel in the land split~~
 6 ~~in the current year they shall provide a reallocation percentage to the department. The department shall~~
 7 ~~provide a space on the transfer certificate for the parties to list the percentage of assessed value that each~~
 8 ~~party received of the total assessed value of the land, the improvements, and any personal property subject~~
 9 ~~to tax liens against the real property. The department shall use the percentage as the basis for dividing the~~
 10 ~~assessed value among the parties if reliable evidence demonstrates that the grantee is the owner of the~~
 11 ~~property for tax purposes and the evidence has been provided and processed prior to the time taxes are~~
 12 ~~determined. If the parties to a conveyance do not list a reallocation percentage or do not provide reliable~~
 13 ~~evidence that demonstrates that the grantee is the owner of the property for tax purposes or if the request~~
 14 ~~is untimely, the department shall add the grantee's name to the property tax statement along with the name~~
 15 ~~of the person to whom the property has previously been assessed."~~

16
 17 **SECTION 2. SECTION 15-7-102, MCA, IS AMENDED TO READ:**

18 **"15-7-102. Notice of classification and appraisal to owners -- appeals.** (1) (a) The department
 19 shall mail to each owner or purchaser under contract for deed a notice of the classification of the land
 20 owned or being purchased and the appraisal of the improvements on the land only if one or more of the
 21 following changes pertaining to the land or improvements have been made since the last notice:

- 22 (i) change in ownership;
 23 (ii) change in classification;
 24 (iii) change in valuation; or
 25 (iv) addition or subtraction of personal property affixed to the land.

26 (b) The notice must include the following for the taxpayer's informational purposes:

- 27 (i) the total amount of mills levied against the property in the prior year;
 28 (ii) the amount of the prior year's taxes resulting from levied mills;
 29 (iii) an estimate of the current year's taxes based on the prior year's mills; and
 30 (iv) a statement that the notice is not a tax bill.

1 (c) Any misinformation provided in the information required by subsection (1)(b) does not affect
2 the validity of the notice and may not be used as a basis for a challenge of the legality of the notice.

3 (2) (a) ~~The~~ Except as provided in subsection (2)(c), the department shall assign each assessment
4 to the correct owner or purchaser under contract for deed and mail the notice of classification and appraisal
5 on a standardized form, adopted by the department, containing sufficient information in a comprehensible
6 manner designed to fully inform the taxpayer as to the classification and appraisal of the property and of
7 changes over the prior tax year.

8 (b) The notice must advise the taxpayer that in order to be eligible for a refund of taxes from an
9 appeal of the classification or appraisal, the taxpayer is required to pay the taxes under protest as provided
10 in 15-1-402.

11 (c) The department is not required to mail the notice of classification and appraisal to a new owner
12 or purchaser under contract for deed unless the department has received the transfer certificate from the
13 clerk and recorder as provided in 15-7-304 and has processed the certificate before the notices required
14 by subsection (2)(a) are mailed. The date of mailing is the date reported to the county tax appeal board
15 pursuant to 15-15-101.

16 (3) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the
17 market value of the property as determined by the department or with the classification of the land or
18 improvements, the owner may request an assessment review by submitting an objection in writing to the
19 department, on forms provided by the department for that purpose, within 30 days after receiving the
20 notice of classification and appraisal from the department. The review must be conducted informally and
21 is not subject to the contested case procedures of the Montana Administrative Procedure Act. As a part
22 of the review, the department may consider the actual selling price of the property, independent appraisals
23 of the property, and other relevant information presented by the taxpayer in support of the taxpayer's
24 opinion as to the market value of the property. The department shall give reasonable notice to the taxpayer
25 of the time and place of the review. After the review, the department shall determine the correct appraisal
26 and classification of the land or improvements and notify the taxpayer of its determination. In the
27 notification, the department shall state its reasons for revising the classification or appraisal. When the
28 proper appraisal and classification have been determined, the land must be classified and the improvements
29 appraised in the manner ordered by the department.

30 (4) Whether a review as provided in subsection (3) is held or not, the department may not adjust

1 an appraisal or classification upon the taxpayer's objection unless:

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

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

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

7 (6) If any property owner feels aggrieved by the classification or appraisal made by the department
8 after the review provided for in subsection (3), the property owner has the right to first appeal to the
9 county tax appeal board and then to the state tax appeal board, whose findings are final subject to the right
10 of review in the courts. The appeal to the county tax appeal board must be filed within 30 days after notice
11 of the department's determination is mailed to the taxpayer. A county tax appeal board or the state tax
12 appeal board may consider the actual selling price of the property, independent appraisals of the property,
13 and other relevant information presented by the taxpayer as evidence of the market value of the property.
14 If the county tax appeal board or the state tax appeal board determines that an adjustment should be made,
15 the department shall adjust the base value of the property in accordance with the board's order.."

16

17 **Section 3.** Section 15-8-201, MCA, is amended to read:

18 "**15-8-201. General assessment day.** (1) The department shall, between January 1 and the second
19 Monday of July in each year, ascertain the names of all taxable inhabitants and assess all property subject
20 to taxation in each county.

21 (2) The department shall assess property to:

22 (a) the person by whom it was owned or claimed or in whose possession or control it was at
23 midnight of the preceding January 1; or

24 (b) EXCEPT IN THE CASE OF LAND SPLITS, the new owner if ~~reliable evidence~~ THE PROVISIONS
25 OF 15-7-304 HAVE BEEN MET AND THE TRANSFER CERTIFICATE has been received and processed prior
26 to determining the taxes that are due as provided in ~~15-7-302(2)(a)~~ 15-10-305(2).

27 (3) The department shall also ascertain and assess all mobile homes arriving in the county after
28 midnight of the preceding January 1.

29 (4) A mistake in the name of the owner or supposed owner of real property does not invalidate the
30 assessment.

1 ~~(2)~~(5) The procedure provided by this section does not apply to:

2 (a) motor vehicles that are required by 15-8-202 to be assessed on January 1 or upon their
3 anniversary registration date;

4 (b) motor homes, travel trailers, and campers;

5 (c) watercraft;

6 (d) livestock;

7 (e) property defined in 61-1-104 as "special mobile equipment" that is subject to assessment for
8 personal property taxes on the date that application is made for a special mobile equipment plate;

9 (f) mobile homes held by a distributor or dealer of mobile homes as stock in trade; and

10 (g) property subject to the provisions of 15-16-203.

11 ~~(3)~~(6) Credits must be assessed as provided in 15-1-101(1)(f)."

12

13 **Section 4.** Section 15-10-305, MCA, is amended to read:

14 "**15-10-305. Clerk and recorder to report mill levy -- department to compute and enter taxes.** (1)

15 ~~(a) The~~ ~~Except as provided in subsection (1)(b), the~~ THE county clerk and recorder shall by the third
16 Monday in August notify the department of the number of mills needed to be levied for each taxing
17 jurisdiction in the county. ~~The~~ EXCEPT AS PROVIDED IN SUBSECTION (1)(B), THE department shall
18 compute the taxes by multiplying the number of mills times the taxable value of the property to be taxed
19 and shall add any fees or assessments required to be levied against a person owning property. All taxes,
20 fees, and assessments must be itemized for the property listed in the property tax record.

21 ~~(b) The department shall MAY NOT compute the current year's taxes based upon the reallocation~~
22 ~~percentage provided for in 15-7-304(2)(b) if the department is able to do so without violating~~ FOR
23 CONVEYANCES THAT RESULT IN A LAND SPLIT, AS DESCRIBED IN [SECTION 1]. IN CONVEYANCES
24 THAT RESULT IN A LAND SPLIT, THE TAXES MUST BE BASED ON THE PROPERTY AS ASSESSED ON
25 JANUARY 1 PRECEDING THE CONVEYANCE. THE DEPARTMENT IS NOT REQUIRED TO INCLUDE THE
26 NAME OF THE NEW OWNER IN THE COMPUTATION OF THE AMOUNT OF TAXES, FEES, AND
27 ASSESSMENTS TO BE LEVIED AGAINST PROPERTY THAT IS PART OF A LAND CONVEYANCE IF
28 INCLUDING THE NEW OWNER'S NAME WOULD CAUSE THE DEPARTMENT TO VIOLATE the deadline
29 provided in subsection (2).

30 (2) The department shall complete the computation of the amount of taxes, fees, and assessments

1 to be levied against the property and shall notify the county clerk and recorder and the county treasurer
2 by the second Monday in October."

3

4 ~~Section 5. Section 15-16-101, MCA, is amended to read:~~

5 ~~"15-16-101. Treasurer to publish notice — manner of publication. (1) Within 10 days after the~~
6 ~~receipt of the property tax record, the county treasurer shall publish a notice specifying:~~

7 ~~(a) that one half of all taxes levied and assessed will be due and payable before 5 p.m. on the next~~
8 ~~November 30 or within 30 days after the notice is postmarked and that unless paid prior to that time the~~
9 ~~amount then due will be delinquent and will draw interest at the rate of 5/6 of 1% per month from the time~~
10 ~~of delinquency until paid and 2% will be added to the delinquent taxes as a penalty;~~

11 ~~(b) that one half of all taxes levied and assessed will be due and payable on or before 5 p.m. on~~
12 ~~the next May 31 and that unless paid prior to that time the taxes will be delinquent and will draw interest~~
13 ~~at the rate of 5/6 of 1% per month from the time of delinquency until paid and 2% will be added to the~~
14 ~~delinquent taxes as a penalty; and~~

15 ~~(c) the time and place at which payment of taxes may be made.~~

16 ~~(2) The county treasurer shall send to the last known address of each taxpayer a written notice,~~
17 ~~postage prepaid, showing the amount of taxes and assessments due for the current year, including taxes~~
18 ~~computed by the department due to reallocation for land splits as provided in 15-7-304(2)(b), and the~~
19 ~~amount due and delinquent for other years. The written notice must include:~~

20 ~~(a) the taxable value of the property;~~

21 ~~(b) the total mill levy applied to that taxable value;~~

22 ~~(c) the value of each mill in that county;~~

23 ~~(d) itemized city services and special improvement district assessments collected by the county;~~

24 ~~(e) the number of the school district in which the property is located; and~~

25 ~~(f) the amount of the total tax due that is levied as city tax, county tax, state tax, school district~~
26 ~~tax, and other tax.~~

27 ~~(3) The municipality shall, upon request of the county treasurer, provide the information to be~~
28 ~~included under subsection (2)(d) ready for mailing.~~

29 ~~(4) The notice in every case must be published once a week for 2 weeks in a weekly or daily~~
30 ~~newspaper published in the county, if there is one, or if there is not, then by posting it in three public~~

1 ~~places. Failure to publish or post notices does not relieve the taxpayer from any tax liability. Any failure to~~
2 ~~give notice of the tax due for the current year or of delinquent tax will not affect the legality of the tax."~~

3
4 NEW SECTION. Section 5. Codification instruction. [Section 1] is intended to be codified as an
5 integral part of Title 15, chapter 7, part 1, and the provisions of Title 15, chapter 7, part 1, apply to
6 [section 1].

7
8 NEW SECTION. Section 6. Applicability. (1) [This act] applies to all conveyances and transfers
9 of property resulting in a change of ownership effective after December 31, ~~1997~~ 1998.

10 (2) [THIS ACT] APPLIES TO TAX YEARS BEGINNING AFTER DECEMBER 31, 1998.

11
12 NEW SECTION. Section 7. Effective date -- rulemaking. (1) Except as provided in subsection (2),
13 [this act] is effective January 1, ~~1998~~ 1999.

14 (2) The department may commence rulemaking to implement the provisions of [this act] prior to
15 January 1, ~~1998~~ 1999, but the date rules are adopted implementing [this act] may not be earlier than
16 January 1, ~~1998~~ 1999.

17 -END-

SENATE BILL NO. 372

INTRODUCED BY WATERMAN

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3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE DEPARTMENT OF REVENUE, UPON A TIMELY
5 SHOWING OF RELIABLE EVIDENCE OF A CHANGE IN OWNERSHIP OR RELIABLE EVIDENCE OF A LAND
6 SPLIT CONVEYANCE RESULTING IN A CHANGE OF OWNERSHIP, EXCEPT IN THE CASE OF LAND SPLITS,
7 TO CHANGE THE CURRENT OWNERSHIP RECORDS; ~~PROVIDING THAT AT THE OPTION OF THE~~
8 ~~TAXPAYERS IN A LAND SPLIT THE DEPARTMENT MAY RECOMPUTE THE CURRENT YEAR'S TAXES~~
9 ~~BASED UPON THE PERCENTAGE OF OWNERSHIP OF EACH OWNER;~~ AMENDING SECTIONS ~~15-7-304~~
10 15-7-102, 15-8-201, AND 15-10-305, AND 15-16-101, MCA; AND PROVIDING A DELAYED EFFECTIVE
11 DATE AND AN APPLICABILITY DATE."
12

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

15 NEW SECTION. Section 1. Land split. A FOR THE PURPOSES OF THIS TITLE, A land split is the
16 conveyance or transfer of a portion of a parcel of land that will require the department to change its
17 ownerships records for the original parcel to show the creation of one or more new parcels under a new
18 ownership.
19

20 ~~Section 2. Section 15-7-304, MCA, is amended to read:~~

21 ~~"15-7-304. Report of transfers change of ownership records. (1) All transfers of real property~~
22 ~~that are not evidenced by a recorded document, except those transfers otherwise provided for in this part,~~
23 ~~must be reported to the department on the form prescribed.~~

24 ~~(2) (a) The department is not required to change any ownership records used for the assessment~~
25 ~~or taxation of real property unless the department has received receives a transfer certificate from the clerk~~
26 ~~and recorder or other reliable evidence that demonstrates that the grantee is the owner of the property for~~
27 ~~tax purposes and the transfer has been reported to the department as provided by rule. If the grantor on~~
28 ~~the transfer certificate is not the person to whom the property is assessed on the property tax record, the~~
29 ~~department may not substitute the grantee's name on the certificate for the name of the current person~~
30 ~~listed on the property tax record, but the department shall add the grantee's name to the property tax~~

1 ~~record with the name of the person to whom the property is assessed. The department shall mail~~
 2 ~~notification of the change to the person to whom the property is assessed and to the grantee. The~~
 3 ~~department shall substitute the grantee's name on the property tax record when reliable evidence~~
 4 ~~demonstrates that the grantee is the owner of the property for tax purposes.~~

5 ~~(b) If the parties to a land split wish to receive separate tax notices for each parcel in the land split~~
 6 ~~in the current year they shall provide a reallocation percentage to the department. The department shall~~
 7 ~~provide a space on the transfer certificate for the parties to list the percentage of assessed value that each~~
 8 ~~party received of the total assessed value of the land, the improvements, and any personal property subject~~
 9 ~~to tax liens against the real property. The department shall use the percentage as the basis for dividing the~~
 10 ~~assessed value among the parties if reliable evidence demonstrates that the grantee is the owner of the~~
 11 ~~property for tax purposes and the evidence has been provided and processed prior to the time taxes are~~
 12 ~~determined. If the parties to a conveyance do not list a reallocation percentage or do not provide reliable~~
 13 ~~evidence that demonstrates that the grantee is the owner of the property for tax purposes or if the request~~
 14 ~~is untimely, the department shall add the grantee's name to the property tax statement along with the name~~
 15 ~~of the person to whom the property has previously been assessed."~~

16
 17 **SECTION 2. SECTION 15-7-102, MCA, IS AMENDED TO READ:**

18 **"15-7-102. Notice of classification and appraisal to owners -- appeals.** (1) (a) The department
 19 shall mail to each owner or purchaser under contract for deed a notice of the classification of the land
 20 owned or being purchased and the appraisal of the improvements on the land only if one or more of the
 21 following changes pertaining to the land or improvements have been made since the last notice:

- 22 (i) change in ownership;
 23 (ii) change in classification;
 24 (iii) change in valuation; or
 25 (iv) addition or subtraction of personal property affixed to the land.

26 (b) The notice must include the following for the taxpayer's informational purposes:

- 27 (i) the total amount of mills levied against the property in the prior year;
 28 (ii) the amount of the prior year's taxes resulting from levied mills;
 29 (iii) an estimate of the current year's taxes based on the prior year's mills; and
 30 (iv) a statement that the notice is not a tax bill.

1 (c) Any misinformation provided in the information required by subsection (1)(b) does not affect
2 the validity of the notice and may not be used as a basis for a challenge of the legality of the notice.

3 (2) (a) ~~The~~ Except as provided in subsection (2)(c), the department shall assign each assessment
4 to the correct owner or purchaser under contract for deed and mail the notice of classification and appraisal
5 on a standardized form, adopted by the department, containing sufficient information in a comprehensible
6 manner designed to fully inform the taxpayer as to the classification and appraisal of the property and of
7 changes over the prior tax year.

8 (b) The notice must advise the taxpayer that in order to be eligible for a refund of taxes from an
9 appeal of the classification or appraisal, the taxpayer is required to pay the taxes under protest as provided
10 in 15-1-402.

11 (c) The department is not required to mail the notice of classification and appraisal to a new owner
12 or purchaser under contract for deed unless the department has received the transfer certificate from the
13 clerk and recorder as provided in 15-7-304 and has processed the certificate before the notices required
14 by subsection (2)(a) are mailed. The date of mailing is the date reported to the county tax appeal board
15 pursuant to 15-15-101.

16 (3) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the
17 market value of the property as determined by the department or with the classification of the land or
18 improvements, the owner may request an assessment review by submitting an objection in writing to the
19 department, on forms provided by the department for that purpose, within 30 days after receiving the
20 notice of classification and appraisal from the department. The review must be conducted informally and
21 is not subject to the contested case procedures of the Montana Administrative Procedure Act. As a part
22 of the review, the department may consider the actual selling price of the property, independent appraisals
23 of the property, and other relevant information presented by the taxpayer in support of the taxpayer's
24 opinion as to the market value of the property. The department shall give reasonable notice to the taxpayer
25 of the time and place of the review. After the review, the department shall determine the correct appraisal
26 and classification of the land or improvements and notify the taxpayer of its determination. In the
27 notification, the department shall state its reasons for revising the classification or appraisal. When the
28 proper appraisal and classification have been determined, the land must be classified and the improvements
29 appraised in the manner ordered by the department.

30 (4) Whether a review as provided in subsection (3) is held or not, the department may not adjust

1 an appraisal or classification upon the taxpayer's objection unless:

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

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

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

7 (6) If any property owner feels aggrieved by the classification or appraisal made by the department
8 after the review provided for in subsection (3), the property owner has the right to first appeal to the
9 county tax appeal board and then to the state tax appeal board, whose findings are final subject to the right
10 of review in the courts. The appeal to the county tax appeal board must be filed within 30 days after notice
11 of the department's determination is mailed to the taxpayer. A county tax appeal board or the state tax
12 appeal board may consider the actual selling price of the property, independent appraisals of the property,
13 and other relevant information presented by the taxpayer as evidence of the market value of the property.
14 If the county tax appeal board or the state tax appeal board determines that an adjustment should be made,
15 the department shall adjust the base value of the property in accordance with the board's order."
16

17 **Section 3.** Section 15-8-201, MCA, is amended to read:

18 **"15-8-201. General assessment day.** (1) The department shall, between January 1 and the second
19 Monday of July in each year, ascertain the names of all taxable inhabitants and assess all property subject
20 to taxation in each county.

21 (2) The department shall assess property to:

22 (a) the person by whom it was owned or claimed or in whose possession or control it was at
23 midnight of the preceding January 1; or

24 (b) EXCEPT IN THE CASE OF LAND SPLITS, the new owner if ~~reliable evidence~~ THE PROVISIONS
25 OF 15-7-304 HAVE BEEN MET AND THE TRANSFER CERTIFICATE has been received and processed prior
26 to determining the taxes that are due as provided in ~~15-7-302(2)(a)~~ 15-10-305(2).

27 (3) The department shall also ascertain and assess all mobile homes arriving in the county after
28 midnight of the preceding January 1.

29 (4) A mistake in the name of the owner or supposed owner of real property does not invalidate the
30 assessment.

1 ~~(2)~~(5) The procedure provided by this section does not apply to:

2 (a) motor vehicles that are required by 15-8-202 to be assessed on January 1 or upon their
3 anniversary registration date;

4 (b) motor homes, travel trailers, and campers;

5 (c) watercraft;

6 (d) livestock;

7 (e) property defined in 61-1-104 as "special mobile equipment" that is subject to assessment for
8 personal property taxes on the date that application is made for a special mobile equipment plate;

9 (f) mobile homes held by a distributor or dealer of mobile homes as stock in trade; and

10 (g) property subject to the provisions of 15-16-203.

11 ~~(3)~~(6) Credits must be assessed as provided in 15-1-101(1)(f)."

12

13 **Section 4.** Section 15-10-305, MCA, is amended to read:

14 "**15-10-305. Clerk and recorder to report mill levy -- department to compute and enter taxes.** (1)

15 ~~(a) The~~ Except as provided in subsection (1)(b), the THE county clerk and recorder shall by the third
16 Monday in August notify the department of the number of mills needed to be levied for each taxing
17 jurisdiction in the county. ~~The~~ EXCEPT AS PROVIDED IN SUBSECTION (1)(B), THE department shall
18 compute the taxes by multiplying the number of mills times the taxable value of the property to be taxed
19 and shall add any fees or assessments required to be levied against a person owning property. All taxes,
20 fees, and assessments must be itemized for the property listed in the property tax record.

21 ~~(b) The department shall~~ MAY NOT compute the current year's taxes based upon the reallocation
22 percentage provided for in 15-7-304(2)(b) if the department is able to do so without violating FOR
23 CONVEYANCES THAT RESULT IN A LAND SPLIT, AS DESCRIBED IN [SECTION 1]. IN CONVEYANCES
24 THAT RESULT IN A LAND SPLIT, THE TAXES MUST BE BASED ON THE PROPERTY AS ASSESSED ON
25 JANUARY 1 PRECEDING THE CONVEYANCE. THE DEPARTMENT IS NOT REQUIRED TO INCLUDE THE
26 NAME OF THE NEW OWNER IN THE COMPUTATION OF THE AMOUNT OF TAXES, FEES, AND
27 ASSESSMENTS TO BE LEVIED AGAINST PROPERTY THAT IS PART OF A LAND CONVEYANCE IF
28 INCLUDING THE NEW OWNER'S NAME WOULD CAUSE THE DEPARTMENT TO VIOLATE the deadline
29 provided in subsection (2).

30 (2) The department shall complete the computation of the amount of taxes, fees, and assessments

1 to be levied against the property and shall notify the county clerk and recorder and the county treasurer
2 by the second Monday in October."

3

4 ~~Section 5. Section 15-16-101, MCA, is amended to read:~~

5 ~~"15-16-101. Treasurer to publish notice -- manner of publication. (1) Within 10 days after the~~
6 ~~receipt of the property tax record, the county treasurer shall publish a notice specifying:~~

7 ~~(a) that one half of all taxes levied and assessed will be due and payable before 5 p.m. on the next~~
8 ~~November 30 or within 30 days after the notice is postmarked and that unless paid prior to that time the~~
9 ~~amount then due will be delinquent and will draw interest at the rate of 5/6 of 1% per month from the time~~
10 ~~of delinquency until paid and 2% will be added to the delinquent taxes as a penalty;~~

11 ~~(b) that one half of all taxes levied and assessed will be due and payable on or before 5 p.m. on~~
12 ~~the next May 31 and that unless paid prior to that time the taxes will be delinquent and will draw interest~~
13 ~~at the rate of 5/6 of 1% per month from the time of delinquency until paid and 2% will be added to the~~
14 ~~delinquent taxes as a penalty; and~~

15 ~~(c) the time and place at which payment of taxes may be made.~~

16 ~~(2) The county treasurer shall send to the last known address of each taxpayer a written notice,~~
17 ~~postage prepaid, showing the amount of taxes and assessments due for the current year, including taxes~~
18 ~~computed by the department due to reallocation for land splits as provided in 15-7-304(2)(b), and the~~
19 ~~amount due and delinquent for other years. The written notice must include:~~

20 ~~(a) the taxable value of the property;~~

21 ~~(b) the total mill levy applied to that taxable value;~~

22 ~~(c) the value of each mill in that county;~~

23 ~~(d) itemized city services and special improvement district assessments collected by the county;~~

24 ~~(e) the number of the school district in which the property is located; and~~

25 ~~(f) the amount of the total tax due that is levied as city tax, county tax, state tax, school district~~
26 ~~tax, and other tax.~~

27 ~~(3) The municipality shall, upon request of the county treasurer, provide the information to be~~
28 ~~included under subsection (2)(d) ready for mailing.~~

29 ~~(4) The notice in every case must be published once a week for 2 weeks in a weekly or daily~~
30 ~~newspaper published in the county, if there is one, or if there is not, then by posting it in three public~~

1 ~~places. Failure to publish or post notices does not relieve the taxpayer from any tax liability. Any failure to~~
2 ~~give notice of the tax due for the current year or of delinquent tax will not affect the legality of the tax."~~

3

4 NEW SECTION. Section 5. Codification instruction. [Section 1] is intended to be codified as an
5 integral part of Title 15, chapter 7, part 1, and the provisions of Title 15, chapter 7, part 1, apply to
6 [section 1].

7

8 NEW SECTION. Section 6. Applicability. ~~(1)~~ [This act] applies to all conveyances and transfers
9 of property resulting in a change of ownership effective after December 31, ~~1997 1998~~ 1997.

10 ~~(2) [THIS ACT] APPLIES TO TAX YEARS BEGINNING AFTER DECEMBER 31, 1998.~~

11

12 NEW SECTION. Section 7. Effective date -- rulemaking. (1) Except as provided in subsection (2),
13 [this act] is effective January 1, ~~1998 1999~~ 1998.

14 (2) The department may commence rulemaking to implement the provisions of [this act] prior to
15 January 1, ~~1998 1999~~ 1998, but the date rules are adopted implementing [this act] may not be earlier than
16 January 1, ~~1998 1999~~ 1998.

17

-END-