

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_  
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN EXEMPTION FOR A CERTAIN VALUE OF  
5 CLASS FOUR PROPERTY WHEN THE VALUE OF THE LAND IS DISPROPORTIONATE TO THE VALUE OF  
6 THE RESIDENTIAL IMPROVEMENTS ON THE LAND; AMENDING SECTION 15-7-111, MCA; AND  
7 PROVIDING AN APPLICABILITY DATE."

8

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

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11 **Section 1.** Section 15-7-111, MCA, is amended to read:

12 **"15-7-111. Periodic revaluation of certain taxable property.** (1) The department shall administer  
13 and supervise a program for the revaluation of all taxable property within classes three, four, and ten. All  
14 other property must be revalued annually. The revaluation of class three, four, and ten property is complete  
15 on December 31, 1996. The amount of the change in valuation from the 1996 base year for each property  
16 in classes three, four, and ten must be phased in each year at the rate of 25% of the change in valuation  
17 from December 31, 1998, to the appropriate percentage of taxable market value for each class.

18 (2) The department shall value and phase in the value of newly constructed, remodeled, or  
19 reclassified property in a manner consistent with the valuation within the same class and the values  
20 established pursuant to subsection (1). The department shall adopt rules for determining the assessed  
21 valuation and phased-in value of new, remodeled, or reclassified property within the same class.

22 (3) Beginning January 1, 2001, the department ~~of revenue~~ shall administer and supervise a  
23 program for the revaluation of all taxable property within classes three, four, and ten. A comprehensive  
24 written reappraisal plan must be promulgated by the department. The reappraisal plan adopted must  
25 provide that all class three, four, and ten property in each county is revalued by January 1, 2003, and  
26 each succeeding 6 years. The resulting valuation changes must be phased in for each year until the next  
27 reappraisal. If a percentage of change for each year is not established, then the percentage of phasein for  
28 each year is 16.66%. The department shall furnish a copy of the plan and all amendments to the plan to  
29 the board of county commissioners of each county.

30 (4) (a) If the value of an individual parcel of land that has improvements situated on it is equal to

1 or less than the appraised value of the improvements, then the assessed value of the land is the land's  
2 appraised value as phased in under subsection (1) and the other provisions of this subsection (4) do not  
3 apply.

4 (b) Subject to subsection (4)(c), if the value of an individual parcel of land that has improvements  
5 situated on it is greater than the appraised value of the improvements, then the value of the land must be  
6 determined as follows:

7 (i) the department shall calculate the average value of improvements in the state;

8 (ii) if the value of the improvements on an individual parcel of land is greater than the state average  
9 value of improvements, then the land is valued at the appraised value of the improvements and the  
10 remainder of the land value is exempt from taxation; and

11 (iii) if the value of the improvements on an individual parcel of land is less than or equal to the state  
12 average value of improvements, then the land is valued at the state average value of improvements and  
13 the remainder of the land value is exempt from taxation.

14 (c) The value of land upon which improvements are situated may not exceed the phased-in value  
15 of the land and improvements.

16 (5) For purposes of subsection (4), the following definitions apply:

17 (a) "Average value of improvements" means the statewide arithmetic mean of the appraised value  
18 of all improvements that have a market value in excess of \$7,500.

19 (b) "Improvements" means residential dwellings and includes housetrailers, mobile homes, and  
20 manufactured homes.

21 (c) "Land" includes contiguous parcels or lots up to 5 acres in size under single ownership."  
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23 NEW SECTION. Section 2. Applicability. [This act] applies to tax years beginning after December  
24 31, 2001.

25 - END -