EXHIBIT 13
DATE 1-8-09
HB organizational meeting

BRIAN SCHWEITZER
GOVERNOR

JOHN BOHLINGER
LT. GOVERNOR

STATE OF MONTANA
STATE TAX APPEAL BOARD

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January 2009

To: Montana House of Representatives, Committee on Taxation
From: Karen Powell, Chairwoman, Montana State Tax Appeal Board
on behalf of the county and state tax appeal boards

The Montana Constitution directs *"[t]he legislature shall provide independent appeal procedures for taxpayer grievances about appraisals, assessments, equalization, and taxes. The legislature shall include a review procedure at the local government unit level."*

The Legislature created 56 county tax appeal boards and a singe state tax appeal board to address the Constitutional requirement for an independent appeal process. The State Tax Appeal Board is a three-member Board, with staff, who work full-time to address tax appeals. The 56 county tax appeal boards are appointed by county commissioners and work part-time, as needed to timely hear appeals. The county tax appeal boards, and the state board, are especially busy when reappraisal occurs due to the increases in property tax appeals.

Both the county and state Boards provide a neutral forum for taxpayers and state taxing authorities to raise issues relating to tax appeals. County appeals are informal and appealable to the state board. State appeals generally go through an administrative hearing procedure. State appeals may be appealed to the district court. The state Board, however, is the court of record in tax appeals.

The Board hears appeals from decisions of the 56 county tax appeal boards and takes original jurisdiction in matters involving income taxes (§15-30-147, MCA); corporate taxes (§15-31-532, MCA); and severance taxes, centrally assessed property, new industry (§15-2-302, MCA), cabin site lease valuations (§15-2-302, MCA and §77-1-208, MCA.); motor fuels taxes (§15-70-111, MCA); motor vehicle taxes (§15-8-202, MCA) and tobacco taxes (§16-11-149, MCA.)

As directed by law, the Board travels throughout the state to hear appeals from decisions of the county tax appeal boards. The Board also conducts training for county tax appeal boards, as well as pays all costs for the county boards and secretaries.

The State Tax Appeal Board is attached to the Department of Administration for administrative purposes and is funded through the general fund. All recent decisions of the Board, procedures of the Board, and future hearing dates are available on the Board's website.

The following table depicts the effects (by number of appeals) of the 1986, 1993, 1996, and 2003 statewide reappraisals:

Calendar year	Appeals filed with County Tax Appeal Boards	Appeals filed with State Tax Appeal Board From the County (not including direct appeals)
1986 (reappraisal year)	14,789	3,933
1987	2,291	814
1988	1,799	541
1989	876	204
1990	2,197	392
1991	4,909	458
1992	1,331	139
1993 (reappraisal year)	4,072	2,537
1994	694	109
1995	173	53
1996 (reappraisal year) – 1st year with phase-in	105	22
1997	571	170
1998	156	37
1999	165	51
2000 -2002	474	39
2003 (reappraisal year)	341	128
2004	67	18
2005	35	15
2006-2008	46	16

Please do not hesitate to contact the Board with any questions:

Karen Powell, Chairwoman, (406) 444-5394 (direct)
Sue Bartlett, member
Douglas Kaercher, member

(406) 444-2720 (general number)

www.stab.mt.gov