EXHIBIT 6
DATE 3-26-09
HB 658

Amendments to House Bill No. 658
1st Reading Copy

Requested by Representative Dick Barrett

For the House Taxation Committee

Prepared by Jeff Martin
March 26, 2009 (6:55am)

1. Title, page 1, line 10 through line 11.
Strike: "AND PHASING" on line 10 through "YEARS" on line 11

2. Title, page 1, line 13.
Following: "FACTORS;"
Insert: "PHASING OUT THE BASIC CREDIT FOR FEDERAL ADJUSTED GROSS INCOMES OVER A CERTAIN AMOUNT;"

3. Title, page 1, line 14.
Following: "VETERANS,"
Insert: "THE EXTENDED PROPERTY TAX ASSISTANCE PROGRAM,"

4. Title, page 1, line 15 through line 16.
Strike: "PROVIDING" on line 15 through "HOMES;" on line 16

5. Title, page 1, line 22.
Strike: "15-6-193,"
Following: "15-6-222,"
Insert: "15-7-102,"

6. Title, page 1, line 23.
Strike: "AND"
Following: "53-6-1001,"
Insert: "AND 77-1-208,"
Following: "15-6-191,"
Insert: "15-6-193,"

7. Page 1, line 29.
Following: "taxes"
Insert: "-- phaseout of basic credit"

8. Page 2, line 8.
Strike: "3%"
Insert: "3.5%"

9. Page 2, line 9.
Strike: "$1,500"
Insert: "$5,000. The dollar amount of the basic credit is reduced by $1 for every $10 that the claimant's federal adjusted gross income exceeds $100,000. A basic credit may not be

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claimed under this section if the claimant's federal adjusted gross income exceeds $150,000"

10. Page 2.
Following: line 18
Insert: "(c) The credits in lieu of the basic credit allowed under subsection (4)(b) are not subject to the reductions of the basic credit as provided in subsection (4)(a)."

11. Page 3, line 8 through page 4, line 18.
Strike: section 2 in its entirety
Insert: "NEW SECTION. **Section 2. Tax levy to fund circuit breaker program.** There is levied upon the taxable value of all real estate and personal property subject to taxation in the state of Montana 50 mills or so much of 50 mills as is necessary to fund the property tax income tax credit established in [section 1]. Proceeds of the levy must be remitted to the department as provided in 15-1-504 and must be deposited to the credit of the state general fund. The mill levy established by this section is not subject to the provisions of 15-10-420."

12. Page 11, line 2 through page 13, line 20.
Strike: section 8 in its entirety
Renumber: subsequent sections

13. Page 13, line 24.
Following: "of the"
Insert: "first $300,000 or less of the"

14. Page 14.
Following: line 5
Insert: "**Section 9.** Section 15-7-102, MCA, is amended to read:
"**15-7-102. Notice of classification and appraisal to owners -- appeals.** (1) (a) Except as provided in 15-7-138, the department shall mail to each owner or purchaser under contract for deed a notice of the classification of the land owned or being purchased and the appraisal of the improvements on the land only if one or more of the following changes pertaining to the land or improvements have been made since the last notice:
(i) change in ownership;
(ii) change in classification;
(iii) except as provided in subsection (1)(b), change in valuation; or
(iv) addition or subtraction of personal property affixed to the land.
(b) After the first year, the department is not required to mail the notice provided for in subsection (1)(a)(iii) if the change in valuation is the result of ~~an annual incremental change in valuation caused by the phasing in of a reappraisal under~~

~~15-7-111 or~~ the application of the exemptions under 15-6-222 or caused by an incremental change in the tax rate.

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

(i) the total amount of mills levied against the property in the prior year; and

(ii) a statement that the notice is not a tax bill.

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

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

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

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

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

the proper appraisal and classification have been determined, the land must be classified and the improvements appraised in the manner ordered by the department.

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

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

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

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

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

{*Internal References to 15-7-102:*
*15-7-103** *15-7-138 x* *15-7-138 x* *15-7-208x*
15-15-102 x *15-15-103 x*}"

Renumber: subsequent sections

15. Page 14, line 15 through line 17.
Strike: "<u>The amount</u>" on line 15 through "<u>valuation.</u>" on line 17

16. Page 14, line 25 through line 27.
Strike: "The resulting" on line 25 through "<u>25%</u>." on line 27

17. Page 23.
Following: line 21
Insert: "Section 17. Section 77-1-208, MCA, is amended to read:

"77-1-208. Cabin site licenses and leases -- method of establishing value. (1) The board shall set the annual fee based on full market value for each cabin site and for each licensee or lessee who at any time wishes to continue or assign the license or lease. The fee must attain full market value based on appraisal of the cabin site value as determined by the department of revenue. The licensee or lessee has the option to pay the

entire fee on March 1 or to divide the fee into two equal payments due March 1 and September 1. The value may be increased or decreased as a result of the statewide periodic revaluation of property pursuant to 15-7-111 ~~without any adjustments as a result of phasing in values~~. An appeal of a cabin site value determined by the department of revenue must be conducted pursuant to Title 15, chapter 15.

(2) The board shall set the fee of each initial cabin site license or lease or each current cabin site license or lease of a person who does not choose to retain the license or lease. The initial fee must be based upon a system of competitive bidding. The fee for a person who wishes to retain that license or lease must be determined under the method provided for in subsection (1).

(3) The board shall follow the procedures set forth in 77-6-302, 77-6-303, and 77-6-306 for the disposal or valuation of any fixtures or improvements placed upon the property by the then-current licensee or lessee and shall require the subsequent licensee or lessee whose bid is accepted by the board to purchase those fixtures or improvements in the manner required by the board."

{*Internal References to 77-1-208:*
77-1-106 x *77-1-106 x* *77-1-106 x* *77-1-106 x*}"

Renumber: subsequent sections

18. Page 23, line 23.
Following: "15-6-191,"
Insert: "15-6-193,"

19. Page 23, line 28.
Strike: "6"
Insert: "10"
Strike: "2"
Insert: "1"

20. Page 23, line 29.
Strike: "6"
Insert: "10"
Following: "part"
Strike: "2"
Insert: "1"

- END -