

HOUSE BILL NO. 567

INTRODUCED BY S. REICHNER

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A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING AN OWNER OF CLASS THREE AGRICULTURAL LAND, CLASS FOUR RESIDENTIAL AND COMMERCIAL LAND AND IMPROVEMENTS, AND CLASS TEN FOREST LAND TO APPEAL THE APPRAISAL OR CLASSIFICATION OF LAND OR IMPROVEMENTS DURING THE REVALUATION CYCLE; AMENDING SECTION 15-7-102, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. 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) a notice of the availability of all the property tax assistance programs available to property taxpayers, including the property tax assistance program under 15-6-134, the extended property tax assistance program under 15-6-193, the disabled or deceased veterans' residence exemption under 15-6-211, and the residential property tax credit for the elderly under 15-30-2337 through 15-30-2341;
- (ii) the total amount of mills levied against the property in the prior year; and

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

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

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

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

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

15 (3) (a) ~~Except as provided in subsection (3)(b), if the owner of any land and improvements is~~
16 ~~dissatisfied with the appraisal as it reflects the market value of the property as determined by the department or~~
17 ~~with the classification of the land or improvements, the owner may request an assessment review by submitting~~
18 ~~an objection in writing to the department, on forms provided by the department for that purpose, within 30 days~~
19 ~~after receiving the notice of classification and appraisal from the department. The review must be conducted~~
20 ~~informally and is not subject to the contested case procedures of the Montana Administrative Procedure Act. As~~
21 ~~a part 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 opinion as~~
23 ~~to the market value of the property.~~

24 (b) The owner of class three property under 15-6-133, class four property under 15-6-134, and class ten
25 property under 15-6-143 subject to revaluation under 15-7-111 may request an assessment review at any time
26 after the completion of the revaluation and before the effective date of the next revaluation subject to the
27 provisions of this subsection (3)(b). A request for an assessment review made after the time specified in
28 subsection (3)(a) must be made by June 30, 2011, for the 2011 tax year or by March 1 of the tax year in which
29 the request is made. A property owner may not request more than one assessment review for the revaluation.
30 The review must be conducted as provided in subsection (3)(a). If the department revises the classification or

1 appraisal as provided in subsection (3)(c), adjustments to taxable value will be reflected only in the tax year in
2 which the revised classification or appraisal is made AND IN THE SUBSEQUENT TAX YEARS BEFORE THE EFFECTIVE
3 DATE OF THE NEXT REVALUATION.

4 (c) The department shall give reasonable notice to the taxpayer of the time and place of the review. After
5 the review, the department shall determine the correct appraisal and classification of the land or improvements
6 and notify the taxpayer of its determination. In the notification, the department shall state its reasons for revising
7 the classification or appraisal. When the proper appraisal and classification have been determined, the land must
8 be classified and the improvements appraised in the manner ordered by the department.

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

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

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

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

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

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26 NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

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