Program Level Decision Package Detail Report

Date: 2/18/2013
Time: 16:32:01

Department: 5801 DEPARTMENT OF REVENUE
Version: 2015-5801-R11

Program: 08 - PROPERTY ASSESSMENT DIVISION	**DP Type:** NP	**DP Status:** Included
Sub-Program: n/a	**DP Number:** 802	**Bill Number:** n/a
Reporting Level: n/a		
DP Category: One-Time-Only		
DP Description: 6-Year Reappraisal Cycle Needs (Rst/Bien/OTO)		

Request Expenditures

		FY14	FY15	Biennium Total
61100	Salaries	$212,079	$212,079	$424,158
61101	Regular	$491,250	$491,250	$982,500
61400	Employee Benefits	$36,771	$36,351	$73,122
61500	Health Insurance	$61,572	$61,572	$123,144
61600	Vacancy Savings	($12,418)	($12,397)	($24,815)
	First Level Subtotal	**$789,254**	**$788,855**	**$1,578,109**
62190	Printing/Pub & Graphics	$0	$25,000	$25,000
62236	Ofc Supplies/Central Stores	$3,255	$3,255	$6,510
62241	Office Sup/Minor Equip-NonStat	$11,970	$0	$11,970
62245	Minor Equip - Comp Hardware	$8,925	$0	$8,925
62304	Postage & Mailing	$0	$225,000	$225,000
623B0	ITSD Voice Services	$5,264	$2,464	$7,728
623B2	ITSD Network Services	$1,680	$1,680	$3,360
62528	Rent-Non Dept of Admin	$38,500	$38,500	$77,000
62809	Education/Training Costs	$1,470	$1,470	$2,940
	First Level Subtotal	**$71,064**	**$297,369**	**$368,433**
Total Request Expenditures		**$860,318**	**$1,086,224**	**$1,946,542**

Request Funding

		Line Item	FY14 Funding and Percents		FY15 Funding and Percents		Biennium Total Funding and Percents	
01100	General Fund	No	$860,318	100.00%	$1,086,224	100.00%	$1,946,542	100.00%
	Fund Type Subtotal		**$860,318**	**100.00%**	**$1,086,224**	**100.00%**	**$1,946,542**	**100.00%**
Total Request Funding			**$860,318**		**$1,086,224**		**$1,946,542**	

EXHIBIT 6
DATE 02/19/13
HB 2

Department: 5801 DEPARTMENT OF REVENUE
Version: 2015-5801-R11

Program:	08 - PROPERTY ASSESSMENT DIVISION	**DP Type:**	NP	**DP Status:**	Included
Sub-Program:	n/a	**DP Number:**	802	**Bill Number:**	n/a
Reporting Level:	n/a				
DP Category:	One-Time-Only				
DP Description:	6-Year Reappraisal Cycle Needs (Rst/Bien/OTO)				

Position Details

Position/Sequence Number	Pay Plan	GR	Job Code	FY14 FTE	FY15 FTE	FY14 Total Cost	FY15 Total Cost	Biennium Total Cost
58108015 - 01	20	4	433214	1.00	1.00	$42,572	$42,515	$85,087
58108018 - 01	20	4	433214	1.00	1.00	$42,572	$42,515	$85,087
58108022 - 01	20	4	433214	1.00	1.00	$42,572	$42,515	$85,087
58108024 - 01	20	4	433214	1.00	1.00	$42,572	$42,515	$85,087
58108026 - 01	20	4	433214	1.00	1.00	$42,572	$42,515	$85,087
58108027 - 01	20	4	433214	1.00	1.00	$42,572	$42,515	$85,087
58108030 - 01	20	4	433214	1.00	1.00	$42,572	$42,515	$85,087
Total Position Details				**7.00**	**7.00**	**$298,004**	**$297,605**	**$595,609**

Description and Justification

The Department of Revenue, Property Assessment Division requests 7.00 FTE and $1,946,542 general fund for the 2015 biennium in order to ensure that the constitutionally required statewide appraisal cycle is completed on time and is as accurate, fair, and uniform. With the next reappraisal cycle occurring in the 2015 biennium, the division needs additional resources to complete the work. .

This entire decision package is requested as a restricted, biennial, and one-time-only appropriation in order to have the necessary resources to successfully complete the current six year cycle. This decision package provides funding for additional personal services resources in the next biennium as well as additional printing and postage costs that are incurred at the end of each six-year reappraisal cycle.

[The Legislative Audit Committee, in their September 2010 report Improving Controls Over the Property Reappraisal Process, recommended that the department: "...strengthen controls for documenting reappraisal activities..."; "...define expectations for the minimum number of property inspections to be conducted during each reappraisal cycle..."; "...comply with current procedures for department reviews..."; "...establish standardized methods for documenting supervisory review..."; "...identify, compile, and analyze management information to improve the property reappraisal process...".

Taken separately and together these recommendations require improvements to the business processes of reappraisal in order to standardize and thus equalize the valuation process to better meet constitutional standards. The funding requested will be invested in better meeting the uniformity and equalization required by the Montana Constitution and state law.

This request includes funding for additional FTE and operating expenses that will increase the productivity and efficiency of the Property Assessment Division and meet the needs of the next reappraisal cycle. The accurate identification per parcel for every property taxpayer in Montana takes people, money, and technology. The division conducts a mass

appraisal of property on a state wide basis every six years. This includes almost 1,000,000 active property records and 54 million of acres of agricultural land. Additional FTE will allow the division to more accurately value properties on a statewide basis and increase consistency across county boundaries.

To improve the equalization of Business Equipment valuation, it is critical to identify personal property accurately and consistently throughout the state and this requires additional FTE to conduct field reviews of commercial properties. To ensure that there is consistency between counties, an FTE in the Helena central office will coordinate the work of the field auditors. Central administration and technical support to all county offices addresses the audit recommendations by ensuring standardized methods, controls and business practices.]