



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill # SB0335

Title: Adjust remuneration for county tax appeal boards

Primary Sponsor: Tutvedt, Bruce

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$20,000	\$15,000	\$10,000	\$5,000
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$20,000)</u>	<u>(\$15,000)</u>	<u>(\$10,000)</u>	<u>(\$5,000)</u>

Description of fiscal impact: SB 335 adjusts the compensation paid to county tax appeal board members. The fiscal impact of the increase is estimated to be \$35,000 for the 2017 biennium.

FISCAL ANALYSIS

Assumptions:

Montana Tax Appeal Board

- Currently, county tax appeal board members are paid \$45 per day, plus travel expenses, to conduct tax appeal hearings or to attend meetings called by the Montana Tax Appeal Board, in 15-15-101 (1), MCA. SB 335 increases the pay to \$90 for a full day of hearings or meetings. \$45 would be the remuneration for a half day of hearings.
- Due to the reappraisal cycle, FY 2010 data was used for this fiscal note to estimate workload for FY 2016. County tax appeal board members are anticipated to work full days in the first year to get through the appeal load.
- The overall statewide value of class four properties for the upcoming appraisal cycle is down by 2.85%. In the previous cycle, the same value was a significant increase in valuations, which generated numerous tax appeals. In addition, the previous cycle had additional factors such as new agricultural valuations and new methodologies in valuations including front foot (the method to value recreational properties such as a cabin on a lake), which triggered more appeals because they had not been used in previous appraisal cycles.

Therefore, the number of appeals at the county level is anticipated to be less than the number in the previous FY 2010 cycle.

4. FY 2010 county tax appeal board per diem (at \$45 per day) totaled \$31,140. FY 2011 county tax appeal board per diem totaled \$20,385. FY 2012 county tax appeal board per diem totaled \$13,680. FY 2013 county tax appeal board per diem totaled \$8,955.
5. Most boards conduct half day hearing sessions and only conduct all day hearings with high caseloads early in the cycle. Therefore, the reimbursement costs are not anticipated to “double” in direct relationship to the previous cost levels. The most significant impact of the change is anticipated in the early part of the new appraisal cycle.
6. Adoption of the bill is anticipated to cost an additional \$20,000 in FY 2016, \$15,000 in FY 2017, \$10,000 in FY 2018, and \$5,000 in FY 2019.

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$20,000	\$15,000	\$10,000	\$5,000
TOTAL Expenditures	<u>\$20,000</u>	<u>\$15,000</u>	<u>\$10,000</u>	<u>\$5,000</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$20,000	\$15,000	\$10,000	\$5,000
TOTAL Funding of Exp.	<u>\$20,000</u>	<u>\$15,000</u>	<u>\$10,000</u>	<u>\$5,000</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$20,000)	(\$15,000)	(\$10,000)	(\$5,000)

Sponsor's Initials

Date

Budget Director's Initials

Date