

Reappraisal - GIS Staff		Agency/Program #: 5801-08-11
		Division: Property Assessment
		Program: Property Assessment
Agency Name:	Department of Revenue	
Agency Contact:	Larry Finch / Randy Wilke	3526/841-2562
LFC Contact:	Rep. Sesso and Rep. Taylor	
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Program or Project Description:

Appropriation, Expenditure and Source					
Fund Name:	2008		2009		Approp & Expenditure numbers are as of April 15, 2008
	Approp.	Expended	Approp.	Expended	
General Fund					
State Special					
Federal Funds					
Total:	\$0	\$0	\$0	\$0	

Legislative Goal(s):

Complete Current Reappraisal Cycle in a Uniform and Equitable Fashion by January 1, 2009

Complete in a timely and accurate fashion the uniform and equitable reappraisal and valuation of all properties subject to the current 6-year reappraisal cycle (Class 4 residential, commercial, and industrial properties, Class 3 agricultural land, and Class 10 forest land). Specifically:

Objective I: By January 1, 2009 complete the discovery of, and establish new appraisal (current market) values for, all Class 4 residential, commercial and industrial properties in a manner that meets or exceeds the uniformity and equalization reappraisal standards inherent in Montana's Constitution, the Montana Code Annotated, and generally recognized reappraisal standards.

Objective II: By January 1, 2009 complete the valuation and reappraisal of all Class 3 agricultural and Class 10 forestland properties by establishing uniform and equitable values that accurately reflect current land use and productivity in a manner that meets or exceeds the reappraisal standards inherent in Montana's Constitution, the Montana Code Annotated, and generally recognized reappraisal standards. Class 3 agricultural land has not undergone classification review, yield updates, and valuation schedule updates - that is, a complete statewide reappraisal - since 1963.

Legislative Performance Measures :

- 1) Based on a comprehensive quality of reappraisal study, and measured against widely-recognized national standards, verify by the end of fiscal year 2009 that the overall sales/assessment ratio of Class 4 residential property lies between 0.9 and 1.1; that the coefficient of dispersion is less than 15%; and that the price-related differential lies between 0.98 and 1.03.
- 2) By the end of the 1st quarter of 2010, verify that the statewide number of Class 4 residential property appeals, excluding any statewide class-action appeals, to County Tax Appeal Boards is 2% or less of the number of statewide parcels, and that 80% of those appeals are either withdrawn by the appellant, adjusted by no more than 10% by the department or the appeal board, or have the original department value sustained in a final appeals decision.
- 3) By the end of the 1st quarter of 2010, verify for agricultural parcels of 160 acres or more that no more than 2% of those parcels have their agricultural land use type (classification) appealed.
- 4) By mid-year 2009, verify that the statewide productivity or yield of agricultural lands as determined by the Department of Revenue is within 10% of the productivity or yield determination made by the Natural Resource and Conservation Service (NRCS) for each land use type as defined by the Department of Revenue. (To our knowledge, the external information used to make the comparison for this performance measure is the best comparative information available.)

2009 Biennium Significant Milestones:

		Completion Dates	
		Target	Actual
1	Major target dates for completion of the reappraisal process are included in the performance measures, above.		
2			
3			
4			

Agency Performance Report:

The measurements of the overall success of the Department's reappraisal efforts cannot be computed until the reappraisal process is complete. Prior to that time, the Property Assessment Division, under the direction and guidance of regional and central office supervisors, will continue to make every effort to discover and value all properties subject to reappraisal.

With respect to those measurements that address agricultural land classification, the Property Assessment Division is using the latest GIS technology, available imagery, Farm Services Agency data, and photo interpretation. The Division completed by its May 16, 2008, target date the final data adjustments associated with the classification of agricultural land use. Division staff is now integrating Natural Resource and Conservation Service (NRCS) soil survey productivity information with land use classification and ownership information.

Regarding forest land classification, the Division has completed the initial reclassification and final review of all 48 counties that have commercial forest land. The Division completed ahead of schedule the initial integration of the agricultural land use review and the forest land use review into a seamless data set. The target date for this task was May 31, 2008, but it was completed by May 19, 2008. The Division is now beginning to integrate the productivity or yield component into this data. In the final phase, the Division will assign productivity levels, using the productivity model being created by the University of Montana – College of Forestry and Conservation.

LFD Narrative:

LFD ASSESSMENT - On-Track

DATA RELEVANCE - The data received appears to be relevant to the legislative goal

APPROPRIATION STATUS - No appropriation or expenditure information was provided

COMMENTS - The working group is reminded that the measures for assessing if the goal of completing a uniform and equitable reappraisal was attained take place after the reappraisal is complete (into 2010).

OPTIONS - Since the reassessment is required in statute to be completed by January 1, 2009, and the activities are still ongoing, the committee may want to receive an update at its October 2008 meeting.

The working group may also want to direct the agency to report on appropriations and associated expenditures for this activity

Version	Date	Author
June 08 LFD	5/21/2008	G. DeWitt
June 08 LFD	5/28/2008	G. DeWitt

Change Description
Input agency update into form and added LFD Narrative
Input revised agency update and modified LFD Narrative