65th Legislature SJ0023.01

1	SENATE JOINT RESOLUTION NO. 23
2	INTRODUCED BY F. THOMAS
3	
4	A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF
5	MONTANA REQUESTING AN INTERIM STUDY TO REVIEW THE FAIRNESS AND SUSTAINABILITY OF THE
6	CURRENT CLASSIFICATION AND TAXATION OF UTILITY PROPERTY IN MONTANA AND THE APPRAISAL
7	METHODS USED TO ESTABLISH TAXABLE VALUE FOR UTILITY AND INDUSTRIAL PROPERTY.
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9	WHEREAS, class nine property in Montana is primarily the centrally assessed property of public utilities;
10	and
11	WHEREAS, the Montana Department of Revenue reported that in 2015, class nine property constituted
12	about 2.66% of market value of all taxable property in Montana but paid 13.78% of all property taxes; and
13	WHEREAS, the annual Montana property tax liability of Montana's largest property taxpayer,
14	NorthWestern Energy, increased from approximately \$121.9 million in 2015 to approximately \$136.2 million in
15	2016; and
16	WHEREAS, the Legislature has heard from the Montana Public Service Commission that the State of
17	Montana is unreasonably burdening utility customers with excessively high property taxes; and
18	WHEREAS, complaints have been made about the appraisal methods used by the Montana Department
19	of Revenue to establish market value for both centrally assessed and industrial property.
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21	NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE
22	STATE OF MONTANA:
23	That the Legislative Council be requested to designate an appropriate interim committee, pursuant to
24	section 5-5-217, MCA, to:
25	(1) review the fairness and sustainability of the current classification and taxation of utility property in
26	Montana, including the 12% tax rate on class nine property;
27	(2) compare the property tax burdens imposed on utility customers in Montana with the property tax
28	burdens imposed on utility customers in other states;
29	(3) review the fairness and predictability of the appraisal methods used by the Montana Department of
30	Revenue to establish the market value of utility and industrial property;

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1	(4) review dispute review procedures with specific attention to the timeline for resolving disputes
2	informally; and
3	(5) consider any other matters relating to central assessment or appraisal, such as equalization with
4	other classes of property, that the committee considers appropriate.
5	BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review
6	requirements, be concluded prior to September 15, 2018.
7	BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions,

comments, or recommendations of the appropriate committee, be reported to the 66th Legislature.

9 - END -

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