

SENATE JOINT RESOLUTION NO. 23

INTRODUCED BY F. THOMAS

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY TO REVIEW THE FAIRNESS AND SUSTAINABILITY OF THE CURRENT CLASSIFICATION AND TAXATION OF UTILITY PROPERTY IN MONTANA AND THE APPRAISAL METHODS USED TO ESTABLISH TAXABLE VALUE FOR UTILITY AND INDUSTRIAL PROPERTY.

WHEREAS, class nine property in Montana is primarily the centrally assessed property of public utilities; and

WHEREAS, the Montana Department of Revenue reported that in 2015, class nine property constituted about 2.66% of market value of all taxable property in Montana but paid 13.78% of all property taxes; and

WHEREAS, the annual Montana property tax liability of Montana's largest property taxpayer, NorthWestern Energy, increased from approximately \$121.9 million in 2015 to approximately \$136.2 million in 2016; and

WHEREAS, the Legislature has heard from the Montana Public Service Commission that the State of Montana is unreasonably burdening utility customers with excessively high property taxes; and

WHEREAS, complaints have been made about the appraisal methods used by the Montana Department of Revenue to establish market value for both centrally assessed and industrial property.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Legislative Council be requested to designate an appropriate interim committee, pursuant to section 5-5-217, MCA, to:

- (1) review the fairness and sustainability of the current classification and taxation of utility property in Montana, including the 12% tax rate on class nine property;
- (2) compare the property tax burdens imposed on utility customers in Montana with the property tax burdens imposed on utility customers in other states;
- (3) review the fairness and predictability of the appraisal methods used by the Montana Department of Revenue to establish the market value of utility and industrial property;



