

1 SENATE BILL NO. 212

2 INTRODUCED BY R. OSMUNDSON, M. BLASDEL, S. FITZPATRICK, C. GLIMM, C. SMITH, G. VANCE, L.

3 JONES, R. LYNCH

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATED TO PROPERTY TAX BILLS;
 6 REQUIRING A PROPERTY TAX BILL TO BE ITEMIZED BY MILL LEVY AND INDICATE WHICH LEVIES ARE
 7 VOTED LEVIES; REQUIRING PROPERTY TAX COMPARISON INFORMATION FOR THE COUNTY TO BE
 8 PROVIDED WITH ~~THE TAX BILL~~ NOTICES OF REAPPRAISAL AND PUBLISHED IN NEWSPAPERS;
 9 PROVIDING AN APPROPRIATION; AND AMENDING ~~SECTION~~ SECTIONS 15-7-111 AND 15-16-101, MCA."

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11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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13 SECTION 1. SECTION 15-7-111, MCA, IS AMENDED TO READ:

14 **"15-7-111. Periodic reappraisal of certain taxable property.** (1) The department shall administer
 15 and supervise a program for the reappraisal of all taxable property within class three under 15-6-133, class four
 16 under 15-6-134, and class ten under 15-6-143 as provided in this section. All other property must be revalued
 17 annually. Beginning January 1, 2015, all property within class three and class four must be revalued every 2
 18 years, and all property within class ten must be revalued every 6 years.

19 (2) The department shall value newly constructed, remodeled, or reclassified property in a manner
 20 consistent with the valuation within the same class and the values established pursuant to subsection (1) and
 21 shall phase in the value of class ten property. The department shall adopt rules for determining the assessed
 22 valuation of new, remodeled, or reclassified property within the same class and the phased-in value of class ten
 23 property.

24 (3) The reappraisal of class three and class four property is complete on December 31 of every
 25 second year of the reappraisal cycle, and the reappraisal of class ten property is complete on December 31 of
 26 the sixth year of the reappraisal cycle. The amount of the change in valuation from the base year for class ten
 27 property must be phased in each year at the rate of 16.66% of the change in valuation.

28 (4) During the second year of each reappraisal cycle, the department shall provide the revenue

1 interim committee with a report, in accordance with 5-11-210, of tax rates for the upcoming reappraisal cycle
2 that will result in taxable value neutrality for each property class.

3 (5) The department shall administer and supervise a program for the reappraisal of all taxable
4 property within classes three and four. The department shall adopt a reappraisal plan by rule. The reappraisal
5 plan adopted must provide that all class three and class four property in each county is revalued by January 1
6 of the second year of the reappraisal cycle, effective for January 1 of the following year, and each succeeding 2
7 years, and must provide that all class ten property in each county is revalued by January 1, 2015, effective for
8 January 1, 2015, and each succeeding 6 years. The resulting valuation changes for class ten property must be
9 phased in for each year until the next reappraisal. If a percentage of change for each year is not established,
10 then the percentage of phasein for class ten property each year is 16.66%.

11 (6) (a) In completing the appraisal or adjustments under subsection (5), the department shall, as
12 provided in the reappraisal plan, conduct individual property inspections, building permit reviews, sales data
13 verification reviews, and electronic data reviews. The department may adopt new technologies for recognizing
14 changes to property.

15 (b) The department shall conduct a field inspection of a sufficient number of taxable properties to
16 meet the requirements of subsection (5).

17 (7) (a) In each notice of reappraisal sent to a taxpayer, the department, with the support of the
18 department of administration, shall provide to the taxpayer information on:

19 (i) the consumer price index adjusted for population and the average annual growth rate of Montana
20 personal income; and

21 (ii) the estimated annualized change in property taxes levied over the previous 10 years by the state,
22 county, and any incorporated cities or towns within the county and local school average mills by county.

23 (b) In every even-numbered year, the department shall publish in a newspaper of general circulation
24 in each county the information required pursuant to subsection (7)(a) by the second Monday in October."

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26 **Section 2.** Section 15-16-101, MCA, is amended to read:

27 **"15-16-101. Treasurer to publish notice -- manner of publication.** (1) Within 10 days after the
28 receipt of the property tax record, the county treasurer shall publish a notice specifying:

1 (a) that one-half of all taxes levied and assessed will be due and payable before 5 p.m. on the next
 2 November 30 or within 30 days after the notice is postmarked and that unless paid prior to that time the amount
 3 then due will be delinquent and will draw interest at the rate of 5/6 of 1% a month from the time of delinquency
 4 until paid and 2% will be added to the delinquent taxes as a penalty;

5 (b) that one-half of all taxes levied and assessed will be due and payable on or before 5 p.m. on the
 6 next May 31 and that unless paid prior to that time the taxes will be delinquent and will draw interest at the rate
 7 of 5/6 of 1% a month from the time of delinquency until paid and 2% will be added to the delinquent taxes as a
 8 penalty; and

9 (c) the time and place at which payment of taxes may be made.

10 (2) (a) The county treasurer shall send to the last-known address of each taxpayer a written notice,
 11 postage prepaid, showing the amount of taxes and assessments due for the current year and the amount due
 12 and delinquent for other years. The written notice must include:

13 (i) the taxable value of the property;

14 (ii) the total mill levy applied to that taxable value;

15 (iii) itemized city services and special improvement district assessments collected by the county;

16 (iv) the number of the school district in which the property is located;

17 (v) the amount of the total tax due itemized by mill levy that is levied as city tax, county tax, state tax,
 18 school district tax, and other tax;

19 (vi) an indication of which mill levies are voted levies, including voted levies to impose a new mill levy,
 20 to increase a mill levy that is required to be submitted to the electors, or to exceed the mill levy limit provided for
 21 in 15-10-420; and

22 ~~(vi)~~(vii) a notice of the availability of all the property tax assistance programs available to property
 23 taxpayers, including the intangible land value assistance program provided for in 15-6-240, the property tax
 24 assistance programs under Title 15, chapter 6, part 3, and the residential property tax credit for the elderly
 25 under 15-30-2337 through 15-30-2341.

26 ~~(b) The county treasurer shall include with the written notice information on the change in property~~
 27 ~~taxes levied over the previous 10 years. The information must include the consumer price index adjusted for~~
 28 ~~population, the average annual growth rate of Montana personal income, and property taxes levied by the state.~~

1 ~~the county, the county seat, and the five largest incorporated cities or towns by population within the county.~~
 2 ~~The department of revenue shall provide to county treasurers the consumer price index adjusted for population~~
 3 ~~and the average annual growth rate of Montana personal income. The department of administration shall~~
 4 ~~provide to county treasurers the information on property taxes levied.~~

5 ~~(b) (i) THE DEPARTMENT OF REVENUE, WITH THE SUPPORT OF THE DEPARTMENT OF ADMINISTRATION, SHALL~~
 6 ~~PROVIDE TO COUNTY TREASURERS THE TAXPAYER INFORMATION ON:~~

7 ~~(A) THE CONSUMER PRICE INDEX ADJUSTED FOR POPULATION AND THE AVERAGE ANNUAL GROWTH RATE OF~~
 8 ~~MONTANA PERSONAL INCOME; AND~~

9 ~~(B) ESTIMATED PROPERTY TAXES LEVIED OVER THE PREVIOUS 10 YEARS BY THE STATE, THE COUNTY, AND~~
 10 ~~ANY INCORPORATED CITIES OR TOWNS WITHIN THE COUNTY AND LOCAL SCHOOL AVERAGE MILLS BY COUNTY.~~

11 ~~(ii) THE COUNTY TREASURER SHALL INCLUDE THE INFORMATION RECEIVED FROM THE DEPARTMENT OF~~
 12 ~~REVENUE SHALL PROVIDE TO THE TAXPAYER THE INFORMATION REQUIRED PURSUANT TO SUBSECTION (2)(B)(i) WITH THE~~
 13 ~~WRITTEN NOTICE BY THE SECOND MONDAY IN OCTOBER.~~

14 ~~(b)(c) (B)~~ If a tax lien is attached to the property, the notice must also include, in a manner calculated
 15 to draw attention, a statement that a tax lien is attached to the property, that failure to respond will result in loss
 16 of property, and that the taxpayer may contact the county treasurer for complete information.

17 (3) The municipality shall, upon request of the county treasurer, provide the information to be included
 18 under subsection (2)(a)(iii) ready for mailing.

19 (4) The notice in every case must be given as provided in 7-1-2121. Failure to publish or post notices
 20 does not relieve the taxpayer from any tax liability. Any failure to give notice of the tax due for the current year
 21 or of delinquent tax will not affect the legality of the tax.

22 (5) If the department revises an assessment that results in an additional tax of \$5 or less, an
 23 additional tax is not owed and a new tax bill does not need to be prepared."
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25 NEW SECTION. SECTION 3. APPROPRIATION. THERE IS APPROPRIATED \$25,000 FROM THE GENERAL FUND
 26 TO THE DEPARTMENT OF REVENUE FOR THE BIENNIUM BEGINNING JULY 1, 2021, FOR PUBLICATION COSTS RELATED TO
 27 [THIS ACT].

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