

CENTRALLY ASSESSED PROPERTY TAXATION

LEGISLATOR NOTICE

The Legislative Services Division is required to offer a brief history on the subject matter of a bill draft request prior to drafting (5-4-105, MCA; [Chapter 309, Laws of 2017](#)). The history must include related legislation introduced over the last five sessions and hyperlinks to the bill, hearing information, and fiscal notes. The legislation links below open to the page showing the status and history of bills introduced on this topic in the past. The bill text and any related fiscal notes can be accessed through the link at the top of that page.

Legislation can be complex and this history is not intended to be exhaustive. Please contact the drafter of the requested bill for more information.

Background Materials and Research

Topic Summary: Central assessment is used for railroads, scheduled airlines, the net proceeds of mines (except bentonite mines), the gross proceeds of coal mines, and other property operating as a single and continuous property in more than one county or more than one state. Section [15-23-101](#), MCA, includes a non-exhaustive list of property operating as a single and continuous property:

- telegraph, telephone, microwave, and electric power or transmission lines;
- rate-regulated natural gas transmission or oil transmission pipelines regulated by the Public Service Commission or the Federal Energy Regulatory Commission;
- common carrier pipelines (defined in [69-13-101](#)) or a pipeline carrier defined in 49 U.S.C. 15102(2);
- natural gas distribution utilities;
- gas gathering facilities specified in [15-6-138\(5\)](#);
- dedicated communications infrastructure specified in [15-6-162\(5\)](#); and
- canals, ditches, flumes, or like properties.

Centrally assessed property is valued annually using unit valuation methodology, which means that the operating property of the entire entity is appraised, and the value is then allocated to the state and each taxing jurisdiction. The Department of Revenue values centrally assessed property using the cost approach, the income approach, and the market approach, if data is available for each method.

Because centrally assessed property is appraised as a unit, the appeal process for centrally assessed property is different than the appeal process for other property. Centrally assessed property values are not appealed to a local tax appeal board; they are appealed directly to the State Tax Appeal Board. The Department of Revenue also has an internal review process available to centrally assessed taxpayers.

Legislative Services Division Materials:

[Selected States' Treatment of Intangibles](#), 2021-2022 Revenue Interim Committee

[SJR 23 Study of Centrally Assessed and Utility Property](#), 2017-2018 Revenue and Transportation Interim Committee

[Study of Treatment of Intangible Property for Centrally Assessed Property Valuation](#), 2015-2016 Revenue and Transportation Interim Committee

[SJR 23 Study of Montana's Tax Appeal and Hearing Process](#), 2013-2014 Revenue and Transportation Interim Committee

[SJR 17 Study of the Valuation of Centrally Assessed Property and Industrial Property for Tax Purposes](#), 2011-2012 Revenue and Transportation Interim Committee

Other Materials:

[Discussion on the Intangible Personal Property Exemption of Centrally Assessed Companies](#), Department of Revenue

[IPP and Goodwill Exemptions: General Issues and State Comparison](#), Department of Revenue

[Centrally Assessed and Industrial Property](#), Department of Revenue

[Biennial Reports](#), Department of Revenue

Introduced Legislation

2021

[House Bill 431](#) – (H) Died in Process -- AN ACT PROVIDING THAT CERTAIN PERSONAL PROPERTY IS NO LONGER EXEMPT FROM PROPERTY TAXATION; REVISING THE DEFINITION OF "INTANGIBLE PERSONAL PROPERTY"; PROVIDING A TRANSITION SECTION FOR DETERMINING WHEN CERTAIN PERSONAL PROPERTY IS TREATED AS NEWLY TAXABLE PROPERTY; AMENDING SECTION 15-6-218, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

[Senate Bill 51](#) – Chapter Number Assigned -- AN ACT EXEMPTING CERTAIN FIBER OPTIC OR COAXIAL CABLE FROM PROPERTY TAXATION; AMENDING SECTIONS 15-6-135, 15-6-156, AND 15-6-219, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE.

2019

[House Bill 507](#) -- Chapter Number Assigned -- AN ACT REVISING PROPERTY TAXATION AND CLASSIFICATION OF QUALIFIED DATA CENTERS AND RELATED PROPERTY; REVISING THE DEFINITION OF A QUALIFIED DATA CENTER; AMENDING SECTION 15-6-162, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.

[House Bill 636](#) -- Chapter Number Assigned -- AN ACT REVISING PROPERTY TAX LAWS RELATED TO PROTESTED TAXES; PROVIDING FOR REIMBURSEMENT FROM THE GENERAL FUND TO LOCAL

GOVERNMENTS FOR A PORTION OF PROTESTED TAXES IF THE FINAL ASSESSED VALUE IS LESS THAN 75% OF THE ORIGINAL ASSESSED VALUE; AMENDING SECTION 15-1-402, MCA; AND PROVIDING AN APPLICABILITY DATE.

[House Bill 651](#) -- (H) Died in Standing Committee -- AN ACT PROVIDING THAT CERTAIN PERSONAL PROPERTY IS NO LONGER EXEMPT FROM PROPERTY TAXATION; REVISING THE DEFINITION OF INTANGIBLE PERSONAL PROPERTY; PROVIDING A TRANSITION SECTION FOR DETERMINING WHEN CERTAIN PERSONAL PROPERTY IS TREATED AS NEWLY TAXABLE PROPERTY; AMENDING SECTION 15-6-218, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

[Senate Bill 239](#) -- Veto Override Failed in Legislature -- AN ACT EXEMPTING CERTAIN FIBER OPTIC OR COAXIAL CABLE FROM PROPERTY TAXATION; PROVIDING A DEFINITION; PROVIDING APPROPRIATIONS; AMENDING SECTIONS 15-6-135, 15-6-156, AND 15-6-219, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE.

2017

[Senate Bill 180](#) -- Chapter Number Assigned -- AN ACT CLARIFYING WHICH AIRLINES ARE REGULARLY SCHEDULED AIRLINES FOR PURPOSES OF CENTRAL ASSESSMENT; AMENDING SECTIONS 15-23-401 AND 15-23-403, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

[Senate Bill 359](#) -- Chapter Number Assigned -- AN ACT PROVIDING FOR PROPERTY TAXATION AND CLASSIFICATION OF QUALIFIED DATA CENTERS AND RELATED PROPERTY; CREATING A CLASS SEVENTEEN PROPERTY TAX CLASSIFICATION FOR QUALIFIED DATA CENTERS; PROVIDING FOR LOCAL ASSESSMENT OF QUALIFIED DATA CENTERS AND CENTRAL ASSESSMENT OF DEDICATED COMMUNICATIONS INFRASTRUCTURE; PROVIDING A REDUCED TAX RATE FOR DEDICATED COMMUNICATIONS INFRASTRUCTURE FOR A 15-YEAR PERIOD; PROVIDING FOR NEW OR EXPANDING INDUSTRY PROPERTY TAX ABATEMENTS; PROVIDING DEFINITIONS; AMENDING SECTIONS 15-6-156, 15-23-101, AND 15-24-1401, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

[Senate Joint Resolution 23](#) -- (S) Filed with Secretary of State -- 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, CENTRALLY ASSESSED, AND INDUSTRIAL PROPERTY IN MONTANA AND THE APPRAISAL METHODS USED TO ESTABLISH TAXABLE VALUE FOR UTILITY AND INDUSTRIAL PROPERTY.

2015

[House Bill 41](#) -- Chapter Number Assigned -- AN ACT REVISING TAX APPEAL LAWS; ALLOWING CERTAIN INDUSTRIAL PROPERTY TAXPAYERS TO APPEAL TO THE STATE TAX APPEAL BOARD OR THE COUNTY TAX APPEAL BOARD; PROVIDING THAT THE STATE TAX APPEAL BOARD'S REVIEW OF INDUSTRIAL PROPERTY APPEALS MUST BE DE NOVO; CLARIFYING APPEALS THAT MUST BE MADE TO THE STATE TAX APPEAL BOARD; AND AMENDING SECTIONS 15-2-301, 15-2-302, AND 15-15-103, MCA.

[Senate Bill 394](#) – (H) Died in Standing Committee -- AN ACT REVISING THE INTANGIBLE PERSONAL PROPERTY EXEMPTION AND UNIT VALUATION METHODOLOGY; EXPANDING THE DEFINITION OF "INTANGIBLE PERSONAL PROPERTY"; PROVIDING FOR REMOVAL OF INTANGIBLE PERSONAL PROPERTY FROM A CENTRALLY ASSESSED TAXPAYER'S UNIT VALUATION; AMENDING SECTION 15-6-218, MCA; AND PROVIDING AN APPLICABILITY DATE.

2013

[Senate Bill 280](#) – Chapter Number Assigned -- AN ACT AUTHORIZING A PROPERTY TAXPAYER THAT OBJECTS TO THE ASSESSED VALUATION OF PROPERTY TO HAVE THE OBJECTION RESOLVED THROUGH MEDIATION; REQUIRING PAYMENT OF A FEE AND PROVIDING PROCEDURES FOR MEDIATION; CLARIFYING THE INFORMATION THAT MAY BE CONVEYED BETWEEN PARTIES BY A MEDIATOR; AMENDING SECTIONS 15-1-211, 15-1-402, 15-8-601, 15-23-102, 15-23-104, AND 15-24-3112, MCA; AND PROVIDING EFFECTIVE DATES AND A TERMINATION DATE.

2011

[Senate Bill 219](#) – Chapter Number Assigned -- AN ACT REVISING THE PROVISIONS RELATED TO ACCESS TO PROTESTED PROPERTY TAXES; REVISING THE PROVISIONS RELATED TO A SCHOOL DISTRICT'S ELECTION ON WHETHER TO WAIVE THE DISTRICT'S RIGHT TO RECEIVE ITS PORTION OF THE PROTESTED TAXES UPON SETTLEMENT OF THE TAX PROTEST; PROVIDING THAT THE ELECTION APPLIES ONLY TO CENTRALLY ASSESSED PROPERTY AND INDUSTRIAL PROPERTY THAT IS ASSESSED ANNUALLY BY THE DEPARTMENT; ALLOWING LOCAL TAXING JURISDICTIONS TO ACCESS PROTESTED TAXES OF CENTRALLY ASSESSED INDUSTRIAL PROPERTY; REVISING THE CALCULATION OF GUARANTEED TAX BASE AID FOR A DISTRICT THAT ELECTS TO WAIVE ITS RIGHT TO RECEIVE ITS PORTION OF CENTRALLY ASSESSED PROTESTED TAXES; AMENDING SECTIONS 15-1-402, 15-1-409, AND 20-9-366, MCA; AND PROVIDING EFFECTIVE DATES AND APPLICABILITY DATES.

[Senate Bill 406](#) – Vetoed by Governor -- AN ACT AUTHORIZING A PROPERTY TAXPAYER THAT OBJECTS TO THE ASSESSED VALUATION OF CERTAIN TYPES OF PROPERTY TO HAVE THE ASSESSED VALUATION SUBJECT TO MEDIATION; REQUIRING PAYMENT OF A FEE AND PROVIDING PROCEDURES FOR MEDIATION; ALLOWING AN OBJECTING TAXPAYER TO APPEAL THE ASSESSED VALUATION OF THE PROPERTY DIRECTLY TO DISTRICT COURT IF MEDIATION IS UNSUCCESSFUL; PROVIDING THAT THE UNIFORM DISPUTE REVIEW PROCEDURE DOES NOT APPLY TO THE ASSESSMENT OF CENTRALLY ASSESSED PROPERTY OR INDUSTRIAL PROPERTY THAT IS ASSESSED ANNUALLY BY THE DEPARTMENT OF REVENUE; AND AMENDING SECTIONS 15-1-211, 15-1-402, 15-2-302, 15-8-601, 15-15-102, 15-23-102, 15-23-104, AND 15-24-3112, MCA.

[Senate Bill 407](#) – (S) Died in Standing Committee -- AN ACT LIMITING ANNUAL INCREASES IN THE VALUATION OF CENTRALLY ASSESSED PROPERTY AND INDUSTRIAL PROPERTY THAT IS ANNUALLY ASSESSED BY THE DEPARTMENT OF REVENUE TO 1% TO FACILITATE POSSIBLE CHANGES IN THE VALUATION PROCESS FOR CENTRALLY ASSESSED PROPERTY; PROVIDING EXEMPTIONS FOR NEW PROPERTY AND PROPERTY OF MERGED OR ACQUIRED COMPANIES; AND AMENDING SECTIONS 15-8-111 AND 15-23-101, MCA.

[Senate Joint Resolution 17](#) – (S) Filed with Secretary of State -- A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY TO ANALYZE THE SYSTEM OF VALUING CENTRALLY ASSESSED PROPERTIES AND INDUSTRIAL COMPANIES ASSESSED ANNUALLY BY THE DEPARTMENT OF REVENUE; AND REQUIRING THAT THE FINAL RESULTS OF THE STUDY BE REPORTED TO THE 63RD LEGISLATURE.

2009

[House Bill 642](#) – (H) Died in Standing Committee -- AN ACT AMENDING CLASS NINE PROPERTY DESCRIPTIONS TO CONFIRM THAT ALLOCATIONS OF CENTRALLY ASSESSED NATURAL GAS PIPELINES, OIL PIPELINES, CARBON DIOXIDE PIPELINES, LIQUID PIPELINES, AND PRODUCT PIPELINES REMAIN AS CLASS NINE PROPERTY; AMENDING SECTION 15-6-141, MCA; AND PROVIDING AN EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.

[House Bill 668](#) – (H) Died in Standing Committee -- AN ACT REVISING THE METHODS USED BY THE DEPARTMENT OF REVENUE TO VALUE RAILROAD TRANSPORTATION PROPERTY FOR PROPERTY TAX PURPOSES; AMENDING SECTIONS 15-8-111, 15-23-204, AND 15-23-205, MCA; REPEALING SECTION 15-23-203, MCA; AND PROVIDING AN APPLICABILITY DATE.

[Senate Bill 362](#) – (S) Died in Standing Committee -- AN ACT ELIMINATING THE REQUIREMENT THAT COUNTY TREASURERS MUST REMIT PROTESTED PROPERTY TAX PAYMENTS ON CERTAIN CENTRALLY ASSESSED PROPERTY TO THE DEPARTMENT OF REVENUE; AMENDING SECTION 15-1-402, MCA; AND PROVIDING AN APPLICABILITY DATE.

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