

February 18, 2014

Transportation and Revenue Interim Committee
c/o Legislative Services Division
PO Box 201706
Helena, MT 59620-1706
Phone: (406)444-3064
FAX: (406)444-3036

RE: Centrally Assessed Tax Appeal Process

I appreciate the opportunity to provide my written comments to this Committee regarding the tax appeal process for centrally assessed properties.

The Montana Constitution of 1972 -- enacted in 1973 -- brought significant changes to Montana's tax arena. The Constitution eliminated the State Board of Equalization, replacing it with two newly created entities: the Montana Department of Revenue and the State Tax Appeal Board. It was during this time that I was employed as Counsel for the Department of Revenue.

Prior to 1973, the State Board of Equalization was a three-member Board, appointed by the Governor, with numerous duties. The Board was charged with equalizing the value of taxable property in the state, it over-saw the County Boards of Equalization, it made determinations on the assessment of railroads, telephone and telegraph lines, it supervised the administration of the tax laws involving property matters and it acted as the hearings office on all suspected cases of non-compliance. The drafters of the 1972 Constitution determined that the duties of administrating tax law would henceforth be assigned to the Montana Department of Revenue while the Montana State Tax Appeal Board would be responsible for determining if those tax assessments were correct. The existing members of the State Board of Equalization became the original members of the State Tax Appeal Board.