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Revenue Interim Committee

66th Montana Legislature

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TO: Committee Members
FROM: Jaret Coles, Staff Attorney
RE: Administrative Rule Activity
DATE: November 16, 2020

Department of Revenue

Proposal and Adoption Notices are available on the Internet:

Department of Revenue notices can be found on the Secretary of State's website at <http://www.mtrules.org/>. Under the Montana Administrative Register heading, type the number "42" in the "Search by Notice No." box and click on the "Go" icon.

Notice of Proposed Rules:

Property Tax -- Trended Depreciation Schedules for Valuing Personal Property. [MAR42-1025](#).

A public hearing was held on November 16, 2020, and the public comment period ends on November 23, 2020. The Department proposes to amend three rules and repeal six rules by updating the web-based Personal Property Depreciation Schedules and Trend Tables authority to the 2021 version because personal property and industrial machinery and equipment depreciation and trend factoring data in the Department's valuation manuals and guides have changed since last year and it is necessary to update the publication.

Property Tax -- Updates to the Montana Reappraisal Plan and Classification and Valuation Manuals. [MAR 42-1024](#).

A public hearing was held on October 30, 2020, and the public comment period ends on December 9, 2020. The Department proposes to amend one rule regarding proposed revisions to the Plan and manuals (The Montana Residential, Commercial, and Industrial Property Classification and Valuation Manual, The Montana Agricultural Land Classification and Valuation Manual, and The Montana Forest Land Classification and Valuation Manual), adopted and incorporated by reference, and to amend the valuation cycle dates for class three agricultural land, class four residential, commercial, and industrial property, and class ten forest land, all of which begin on January 1, 2021.

Notice of Adopted Rules:

Property Tax -- Classification and Valuation of Class Three Property (i.e., agricultural land) -- House Bill No. 24 (2019). MAR 42-1023. Adopted October 23, 2020. No public comment or testimony was received and the Department amended nine rules and repealed four rules as proposed. The Department revised and relocated relevant content of four rules into one rule to provide improved rule organization for agricultural land application and classification requirements for land totaling less than 160 acres. The Department repealed the four reorganized rules based on the transfer of content. The Department further amended three rules to update land classification change criteria, to implement [House Bill No. 24](#) amendments made to 15-7-201, MCA, made by the 2019 Montana Legislature, and to update the agricultural commodity prices and values for the upcoming reappraisal cycle.

Property Tax -- Forest Land Classification Requirements and Valuation. MAR 42-1021. Adopted September 25, 2020. A public hearing was held to consider the amendments and repeals. No one appeared at the hearing, but public comment was received from two individuals. The Department amended four rules and repealed eight rules as proposed. Additionally, the Department further amended one rule based on the public comment received. The Department revised and relocated the most relevant content of six rules into two rules. The Department further repealed a rule to eliminate redundancies to statute and redundancies found in the Agricultural Land Classification and Valuation Manual and Forest Land Classification and Valuation Manual (Manual). The Manual, which is adopted and incorporated by reference, is updated each valuation cycle.