

## Memorandum

**TO:** Revenue Interim Committee

**FROM:** Kory Hofland, Property Assessment Division Administrator  
Robin Rude, Property Assessment Division Deputy Administrator

**DATE:** October 4, 2021

**SUBJECT:** Revenue Interim Committee Question from September 23, 2021

Question:

Is eligibility for the Property Tax Assistance Program (PTAP) or Montana Disabled Veteran (MDV) program based on residency?

Answer:

To receive either of the above benefits, you must file on your primary residence, and you must reside on the property for at least 7 months during the tax year.

Once an application is received and the income eligibility determined in the first year, the department automatically tests for income eligibility each subsequent year through our Business and Income Tax Division. The percentage of eligibility may change for an applicant from year to year based on their reported income.

Question:

Of those property owners potentially eligible for the PTAP Program, how many actually apply?

Answer:

Tax Policy and Research are looking into this question for you. There will need to be some research regarding those with income levels that meet the qualifications and their property ownership. We may only be able to provide data on PTAP and perhaps 2EC as we may not have available data to determine who would qualify as a 100% disabled veteran.

Question:

When are the agricultural commodity prices determined for the agricultural land valuation?

Answer:

By recommendation of the Agricultural Land Advisory Committee, the commodity prices are determined in June of the year prior to the assessment date. Prices for alfalfa hay, spring wheat and private grazing fees are gathered from the USDA website. For 2021 reappraisal cycle, our value as of date is January 1, 2020. Commodity prices for this cycle were identified June 1, 2020.

Commodity prices are calculated on a 10-year Olympic average. This means we take the average commodity prices for each of the 10 years, remove the top and the bottom prices and average the remaining values.

In the table below, you will see we have gathered 10 years of data, removed older years, and then reviewed for highs and lows. Highlighted in yellow are the commodity prices not considered for the 2021 cycle in the average.

2021 Olympic Average	Indicates price not included in average				
	Commodity	Spring Wheat	Alfalfa price	Alfalfa @80%	Private Grazing Fee
2019	4.85	\$145.00	116.00	24.50	24.50
2018	5.37	\$148.00	118.40	24.50	24.50
2017	6.21	\$142.00	113.60	24.50	24.50
2016	4.76	\$134.00	107.20	24.00	24.00
2015	4.80	\$125.00	100.00	23.00	23.00
2014	6.08	\$127.00	101.60	23.00	23.00
2013	6.70	\$141.00	112.80	21.00	21.00
2012	8.39	\$146.00	116.80	20.50	20.50
2011	8.36	\$98.00	78.40	19.40	19.40
2010	6.87	\$79.00	63.20	18.40	18.40
2009	5.72		76.80	18.00	18.00
2008	7.36		93.60	18.10	18.10
<b>2021 Estimated Average</b>	<b>\$6.16</b>		<b>105.80</b>	<b>\$22.49</b>	
<i>2021 Average</i>	\$6.16		\$105.80	\$22.49	
<i>% change from 2019</i>	-5.31%		7.74%	7.44%	
<i>2019 Average</i>	\$6.50		\$98.20	\$20.93	
<i>% change from 2017</i>	-2.55%		13.92%	7.17%	
<i>2017 Average</i>	\$6.67		\$86.20	\$19.53	
<i>% change from 2015</i>	4.87%		12.68%	8.02%	
<i>2015 Average</i>	\$6.36		\$76.50	\$18.08	