

## 1 SENATE BILL NO. 318

2 INTRODUCED BY J. ESSMANN

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO THE ASSESSMENT REVIEW AND APPEAL OF A  
5 PROPERTY REAPPRAISAL FOR TAX PURPOSES; PROHIBITING THE DEPARTMENT OF REVENUE,  
6 UNDER CERTAIN CONDITIONS, FROM INCREASING THE APPRAISAL OF A PROPERTY UNDER AN  
7 ASSESSMENT REVIEW; EXTENDING THE DEADLINE FOR A PROPERTY OWNER TO REQUEST AN  
8 ASSESSMENT REVIEW; EXTENDING THE DEADLINE FOR A PROPERTY OWNER TO APPEAL AN  
9 APPRAISAL TO THE COUNTY TAX APPEAL BOARD; AMENDING SECTIONS 15-7-102, 15-8-601, AND  
10 15-15-102, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

13  
14 **Section 1.** Section 15-7-102, MCA, is amended to read:  
15 **"15-7-102. Notice of classification and appraisal to owners -- appeals.** (1) (a) Except as provided  
16 in 15-7-138, the department shall mail to each owner or purchaser under contract for deed a notice of the  
17 classification of the land owned or being purchased and the appraisal of the improvements on the land only if one  
18 or more of the following changes pertaining to the land or improvements have been made since the last notice:  
19 (i) change in ownership;  
20 (ii) change in classification;  
21 (iii) except as provided in subsection (1)(b), change in valuation; or  
22 (iv) addition or subtraction of personal property affixed to the land.  
23 (b) After the first year, the department is not required to mail the notice provided for in subsection  
24 (1)(a)(iii) if the change in valuation is the result of an annual incremental change in valuation caused by the  
25 phasing in of a reappraisal under 15-7-111 or the application of the exemptions under 15-6-222 or caused by an  
26 incremental change in the tax rate.  
27 (c) The notice must include the following for the taxpayer's informational purposes:  
28 (i) a notice of the availability of all the property tax assistance programs available to property taxpayers,  
29 including the property tax assistance program under 15-6-134, the extended property tax assistance program  
30 under 15-6-193, the disabled or deceased veterans' residence exemption under 15-6-211, and the residential

1 property tax credit for the elderly under 15-30-2337 through 15-30-2341;

2 (ii) the total amount of mills levied against the property in the prior year; and

3 (iii) a statement that the notice is not a tax bill.

4 (d) Any misinformation provided in the information required by subsection (1)(c) does not affect the  
5 validity of the notice and may not be used as a basis for a challenge of the legality of the notice.

6 (2) (a) Except as provided in subsection (2)(c), the department shall assign each assessment to the  
7 correct owner or purchaser under contract for deed and mail the notice of classification and appraisal on a  
8 standardized form, adopted by the department, containing sufficient information in a comprehensible manner  
9 designed to fully inform the taxpayer as to the classification and appraisal of the property and of changes over  
10 the prior tax year.

11 (b) The notice must advise the taxpayer that in order to be eligible for a refund of taxes from an appeal  
12 of the classification or appraisal, the taxpayer is required to pay the taxes under protest as provided in 15-1-402.

13 (c) The department is not required to mail the notice of classification and appraisal to a new owner or  
14 purchaser under contract for deed unless the department has received the transfer certificate from the clerk and  
15 recorder as provided in 15-7-304 and has processed the certificate before the notices required by subsection  
16 (2)(a) are mailed. The department shall notify the county tax appeal board of the date of the mailing.

17 (3) (a) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the  
18 market value of the property as determined by the department or with the classification of the land or  
19 improvements, the owner may request an assessment review by submitting an objection in writing to the  
20 department, on forms provided by the department for that purpose, within ~~30~~ 90 days after receiving the notice  
21 of classification and appraisal from the department.

22 (b) The review must be conducted informally and is not subject to the contested case procedures of the  
23 Montana Administrative Procedure Act. As a part of the review, the department may consider the actual selling  
24 price of the property, independent appraisals of the property, and other relevant information presented by the  
25 taxpayer in support of the taxpayer's opinion as to the market value of the property. The department shall give  
26 reasonable notice to the taxpayer of the time and place of the review. After the review, the department shall,  
27 subject to the provisions of subsection (3)(c), determine the correct appraisal and classification of the land or  
28 improvements and notify the taxpayer of its determination. In the notification, the department shall state its  
29 reasons for revising the classification or appraisal. When the proper appraisal and classification have been  
30 determined, the land must be classified and the improvements appraised in the manner ordered by the

1 department.

2 (c) The department may not increase the appraisal of a property under review unless it discovers  
 3 improvements to the property that should have been included in the appraisal of the property for which the notice  
 4 under this section applies.

5 (4) Whether a review as provided in subsection (3) is held or not, the department may not adjust an  
 6 appraisal or classification upon the taxpayer's objection unless:

7 (a) the taxpayer has submitted an objection in writing; and

8 (b) the department has stated its reason in writing for making the adjustment.

9 (5) A taxpayer's written objection to a classification or appraisal and the department's notification to the  
 10 taxpayer of its determination and the reason for that determination are public records. The department shall make  
 11 the records available for inspection during regular office hours.

12 (6) (a) If any a property owner feels is aggrieved by the classification or appraisal made by the  
 13 department after the review provided for in subsection (3), the property owner has the right to first appeal to the  
 14 county tax appeal board and then to the state tax appeal board, whose findings are final subject to the right of  
 15 review in the courts.

16 (b) The appeal to the county tax appeal board must be filed within 30 days after notice of the  
 17 department's determination is mailed to the taxpayer. A county tax appeal board or the state tax appeal board  
 18 may consider the actual selling price of the property, independent appraisals of the property, and other relevant  
 19 information presented by the taxpayer as evidence of the market value of the property.

20 (c) If the county tax appeal board or the state tax appeal board determines that an adjustment should  
 21 be made, the department shall adjust the base value of the property in accordance with the board's order."

22

23 **Section 2.** Section 15-8-601, MCA, is amended to read:

24 **"15-8-601. Assessment revision -- conference for review.** (1) (a) Except as provided in subsection  
 25 (1)(b), ~~whenever~~ when the department discovers that ~~any~~ the taxable property of ~~any a~~ a person has in any year  
 26 escaped assessment, been erroneously assessed, or been omitted from taxation, the department may assess  
 27 the property ~~provided that~~ if the property is under the ownership or control of the same person who owned or  
 28 controlled it at the time it escaped assessment, was erroneously assessed, or was omitted from taxation. ~~All A~~  
 29 ~~revised assessments~~ assessment must be made within 10 years after the end of the calendar year in which the  
 30 original assessment was or should have been made.

1 (b) Within the time limits set by 15-23-116, ~~whenever~~ when the department discovers property subject  
 2 to assessment under Title 15, chapter 23, that has escaped assessment, been erroneously assessed, or been  
 3 omitted from taxation, the department may issue a revised assessment to the person, firm, or corporation who  
 4 owned the property at the time it escaped assessment, was erroneously assessed, or was omitted from taxation,  
 5 regardless of the ownership of the property at the time of the department's revised assessment.

6 (2) When the department proposes to revise the statement reported by the taxpayer under 15-8-301,  
 7 the action of the department is subject to the notice and conference provisions of this section. Revised  
 8 assessments of centrally assessed property are subject to review pursuant to 15-1-211.

9 (3) (a) Notice of a revised assessment pursuant to this section must be made by the department by  
 10 postpaid letter addressed to the person interested within 10 days after the revised assessment has been made.  
 11 If the property is locally assessed, the notice must include the opportunity for a conference on the matter, at the  
 12 request of the ~~person interested~~ property owner, within ~~30~~ 90 days after notice is given.

13 (b) An assessment ~~revision~~ review conference is not a contested case as defined in the Montana  
 14 Administrative Procedure Act. The department shall keep minutes in writing of each assessment ~~revision~~ review  
 15 conference, and the minutes are public records.

16 (c) Following an assessment ~~revision~~ review conference or expiration of the opportunity for a conference,  
 17 the department shall order an assessment that it considers proper. ~~Any party to the conference aggrieved by the~~  
 18 ~~action of the department or a~~ A taxpayer who does not request a conference may appeal to the county tax appeal  
 19 board within 30 90 days of receipt of the revised assessment, or A party to the conference who is aggrieved by  
 20 the action of the department may appeal to the county tax appeal board within 30 days of the department's  
 21 assessment made pursuant to the conference.

22 (4) The department shall enter in the property tax record all changes and corrections made by it."  
 23

24 **Section 3.** Section 15-15-102, MCA, is amended to read:

25 **"15-15-102. Application for reduction in valuation.** The valuation of property may not be reduced by  
 26 the county tax appeal board unless either the taxpayer or the taxpayer's agent makes and files a written  
 27 application for reduction with the county tax appeal board. The application for reduction may be obtained at the  
 28 local appraisal office or from the county tax appeal board. The completed application must be submitted to the  
 29 county clerk and recorder. The date of receipt is the date stamped on the appeal form by the county clerk and  
 30 recorder upon receipt of the form. The county tax appeal board is responsible for obtaining the applications from

1 the county clerk and recorder. The application must be submitted on or before the first Monday in June or ~~30~~ 90  
2 days after receiving ~~either~~ a notice of classification and appraisal, whichever date is later, or 30 days after  
3 receiving a determination from the department after review under 15-7-102(3) or 15-8-601(3) ~~from the~~  
4 ~~department, whichever is later~~. If the department's determination after review is not made in time to allow the  
5 county tax appeal board to review the matter during the current tax year, the appeal must be reviewed during the  
6 next tax year, but the decision by the county tax appeal board is effective for the year in which the request for  
7 review was filed with the department. The application must state the post-office address of the applicant,  
8 specifically describe the property involved, and state the facts upon which it is claimed the reduction should be  
9 made."

10

11 NEW SECTION. Section 4. Effective date. [This act] is effective on passage and approval.

12

- END -