

Complete Shaded Areas

Form last update 1/19/2010

Proposed 2011 Session Legislation

Agency Name & No:	DEPARTMENT OF REVENUE - 5801		
Priority Number:	1	Filename:	\\5801\08-001
Short Title:	Improve, clarify and make property tax administration more effective		
Agency Contact Person/Phone:	Alan Peura/444-3717		

1. Purpose:

The purpose of this proposed legislation is to: 1) improve efficiencies in local property tax operations by allowing flexibility in county office hours; 2) simplify reporting and improve taxpayer understanding of values assigned to their properties; 3) update statutory references to "per animal unit"; and 4) eliminate obsolete language pertaining to ag and forest land productivity.

2. Background:

Amending the law to allow a county property assessment office to be open less than continuously from 8 a.m. to 5 p.m. each day except on Saturday, Sundays and holiday will increase DOR productivity through the efficient allocation of staff in relation to workload and the use of modern communications technology. The operational flexibility will also reduce requests for future increases in staff as the number of property parcels increase in the state. DOR will still be required to maintain an office in each county.

In the majority of cases, modern property assessment practices establish a combined, single value for land and any improvements thereon. Eliminating the current law requirement to state these values separately on the assessment notice would prevent invalid allocations of value between land and improvements, eliminate taxpayer confusion, and enhance operating efficiencies while having no affect on property values.

Current use of a 1,000 pound animal in determining productivity of grazing land is outdated, given current ranching practices where 1,200 pounds is considered the typical size of grazing animals. Changing the definition of "animal unit" to reflect a 1,200 pound animal would more closely align with actual productivity and producer knowledge.

Given that ag and forest land productivity today is accurately determined using a continuous function, the need for the somewhat arbitrary, discontinuous set of range values denoted by the "grades" concept is no longer needed.

3. Fiscal Impact by Fund Type:

This impact should be as specific as possible.

These measures will improve the efficiency of the DOR Property Assessment Division. It will have a moderating effect on future requests for staff increases as the number of property parcels in the state increase.

4. Summary Checklist [Check & complete all that apply]--

<input type="checkbox"/> Housekeeping Only	<input type="checkbox"/> Federal Requirement	<input type="checkbox"/> Audit Recommendation (Audit No.: <input type="text"/>)	<input type="checkbox"/> Major Legislation
<input checked="" type="checkbox"/> Anticipated to be Controversial Legislation	<input type="checkbox"/> Bill Draft has been included in Legislation Submittal (if available)		
<input type="checkbox"/> Supports Submitted EPP Item Number: <input type="text"/>	<input type="checkbox"/> Local Government Fiscal Impact		
<input type="checkbox"/> Increases FTE, or <input type="checkbox"/> Decreases FTE by	List FTE amount and program: <input type="text"/>		
<input type="checkbox"/> Increases Existing Revenue	<input type="radio"/> Tax	<input type="radio"/> Fee	<input type="radio"/> Penalty [amount in #3]
<input type="checkbox"/> Decreases Existing Revenue	<input type="radio"/> Tax	<input type="radio"/> Fee	<input type="radio"/> Penalty [amount in #3]
<input type="checkbox"/> Establishes New Revenue	<input type="radio"/> Tax	<input type="radio"/> Fee	<input type="radio"/> Penalty [amount in #3]
<input type="checkbox"/> Leg. has been Submitted in Previous Legislative Sessions (list priority no, LC no, or bill no):	<input type="text"/>		
<input type="checkbox"/> Legislation would affect other state agencies (list):	<input type="text"/>		
<input checked="" type="checkbox"/> Special Interest Groups Affected (list):	Local Governments, MACO, League of Cities and Towns, Treasurers		
<input type="checkbox"/> Other:	Farm Bureau, MonTax		