



Property Reappraisal Update

Post Assessment Notice Overview of House Bill 658 Impacts

September 17, 2009

In this report, we provide information about the cyclically reappraised classes of property — Class 4 Residential, Class 4 Commercial, Class 3 Agricultural Land and Class 10 Forest Land. The tables and graphs on the following three pages compare the 2009 legislative session estimates to the actual values on assessment notices, as well as show the change in tax liability and the percentage of change.

Page 2: Comparison of legislative session estimated values to post assessment-notice values

Table 1 on page 2 compares the estimates of reappraised property values used during the legislative session to those values actually mailed as assessment notices of like properties. It is important to note that we continuously refine the reappraisal valuations to ensure maximum accuracy right up to the distribution of assessment notices.

For residential property, the Legislature used the estimated statewide average increase of 55.50 percent to help determine a strategy to mitigate increases in property tax. When comparing properties that fit the same statistical screens as used during the legislative session — HB658 data set — the change was 54.14 percent.

For commercial property, the increase was 43.38 percent. The estimate used during the legislative session was 34.06 percent.

For agricultural property, the increase was 32.8 percent. The estimate used during the legislative session was 29.29 percent.

The estimate for forest land used during the legislative session was 19.06 percent. This figure was never formatted into a county-by-county change like the rest of the classes of property, but was the value used to set policy.

These percentage changes in value may decline after informal reviews are completed.

Page 3: Change in tax liability for residential properties

The third page shows the change in tax liability for residential properties that met the same statistical tests as used during the legislative session. Comparing 2008 to 2009, assuming that the mills are constant, 58 percent of all Montana property taxpayers are projected to see a tax change of plus or minus \$40 in 2009 because of reappraisal. The policy in HB 658 is based on 321,798 properties. There are 321,400 properties that meet the same statistical criteria based on the values printed on assessment notices.

Page 4: Percentage change in tax liability for residential properties

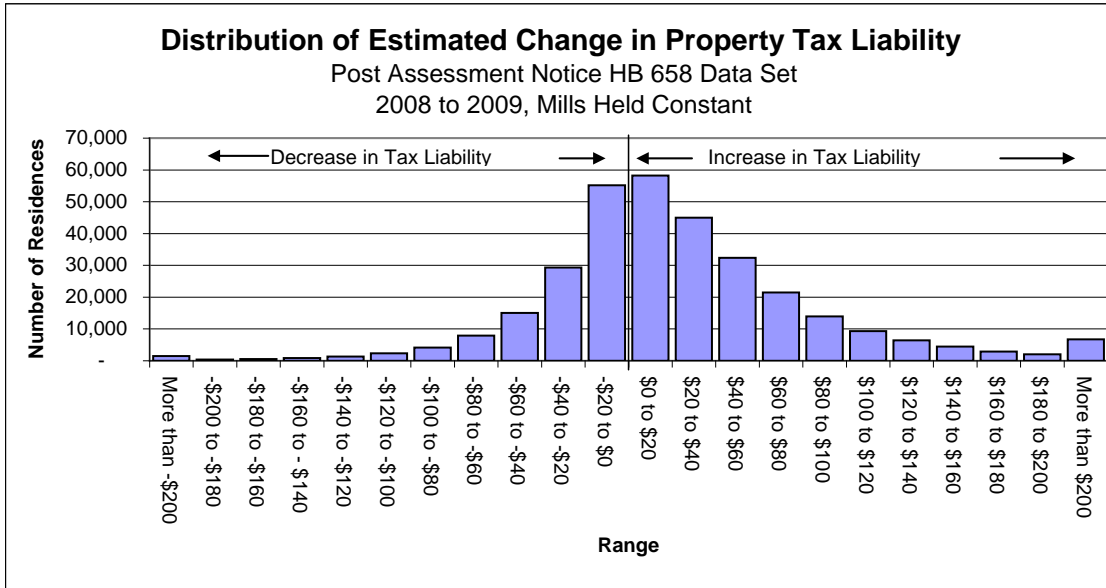
The fourth page shows the percentage change in tax liability for the same properties used on page two's graph. Between 2008 and 2009, 94 percent of taxpayers will see an increase of less than 10 percent, assuming mills do not change. No properties in the data set will have more than an 18 percent increase in 2009 than 2008.

Table 1
Percent Change in Property Values Due to Reappraisal
Comparison between Estimates During 2009 Legislative Session and Post Assessment Values (HB 658 Data Set)

County	Class 4 Residential		Class 4 Commercial		Class 3 Agricultural Land		Class 10 Forest Land	
	2009 Legislative Session Estimate	2009 Post Assessment Notice - HB 658 Data Set	2009 Legislative Session Estimate	2009 Post Assessment Notice - HB 658 Data Set	2009 Legislative Session Estimate	2009 Post Assessment Notice - HB 658 Data Set	2009 Legislative Session Estimate	2009 Post Assessment Notice - HB 658 Data Set
Beaverhead	57.07%	53.70%	42.68%	43.16%	-2.49%	10.72%	8.19%	164.31%
Big Horn	40.92%	45.20%	45.27%	35.83%	3.42%	10.65%	-68.06%	-38.81%
Blaine	38.03%	23.58%	31.73%	77.51%	53.15%	50.82%	236.73%	309.99%
Broadwater	61.11%	55.01%	55.33%	39.55%	51.99%	58.47%	12.21%	24.66%
Carbon	52.48%	63.39%	29.04%	45.81%	11.49%	15.96%	-50.73%	-16.55%
Carter	37.38%	17.24%	41.39%	63.57%	30.24%	37.85%	-54.59%	-35.95%
Cascade	39.86%	38.45%	19.33%	36.91%	19.08%	20.60%	8.26%	7.73%
Chouteau	41.82%	28.28%	35.90%	31.24%	3.66%	4.02%	129.45%	133.71%
Custer	54.94%	42.70%	24.79%	43.10%	56.25%	55.14%	-33.33%	-7.05%
Daniels	24.68%	12.87%	31.88%	10.21%	43.01%	42.77%	0.00%	
Dawson	79.36%	58.21%	59.63%	37.71%	41.06%	44.07%	0.00%	
Deer Lodge	48.85%	46.95%	40.57%	48.48%	24.03%	34.04%	-12.96%	-9.17%
Fallon	54.24%	30.95%	59.28%	49.72%	66.84%	75.25%	-82.77%	51.77%
Fergus	51.56%	48.17%	42.57%	48.07%	20.84%	32.79%	76.60%	93.97%
Flathead	72.61%	65.55%	46.92%	40.74%	-20.07%	36.43%	9.53%	12.10%
Gallatin	51.09%	66.96%	42.79%	45.64%	30.90%	54.47%	-51.86%	-47.90%
Garfield	76.92%	19.95%	18.64%	17.32%	40.35%	50.85%	-100.00%	
Glacier	32.52%	23.68%	49.85%	39.72%	32.70%	34.90%	9.10%	31.22%
Golden Valley	37.67%	28.32%	6.80%	39.03%	25.68%	31.37%	47.30%	148.22%
Granite	53.70%	53.70%	20.39%	46.74%	2.95%	24.72%	-24.76%	-20.96%
Hill	41.39%	37.79%	37.19%	40.42%	31.62%	31.95%	134.95%	135.72%
Jefferson	49.56%	47.76%	57.09%	30.94%	29.57%	32.30%	73.33%	82.89%
Judith Basin	44.03%	27.97%	53.13%	50.38%	15.40%	29.22%	36.41%	49.23%
Lake	74.01%	66.67%	49.13%	44.87%	18.06%	30.65%	24.49%	27.51%
Lewis And Clark	61.70%	52.53%	45.79%	55.40%	29.07%	28.00%	54.40%	57.96%
Liberty	21.66%	28.70%	39.64%	61.41%	17.07%	17.50%	0.00%	
Lincoln	35.52%	74.66%	23.52%	53.71%	-30.62%	28.24%	47.03%	49.25%
Madison	37.28%	65.26%	35.29%	42.10%	22.65%	32.85%	-3.29%	3.60%
McCone	54.28%	15.18%	7.90%	27.77%	51.26%	53.34%	0.00%	
Meagher	48.02%	30.45%	29.46%	52.33%	22.91%	22.56%	0.36%	2.12%
Mineral	58.79%	58.70%	37.07%	42.72%	-44.24%	-3.58%	44.85%	48.47%
Missoula	60.40%	55.85%	25.19%	35.02%	-28.18%	-8.43%	26.23%	27.00%
Musselshell	35.95%	23.10%	29.43%	47.48%	6.46%	6.09%	29.97%	34.57%
Park	64.78%	60.56%	49.69%	55.72%	40.70%	52.81%	-43.67%	-41.06%
Petroleum	69.66%	21.21%	14.84%	25.65%	16.28%	24.34%	-50.95%	292.65%
Phillips	39.19%	37.71%	39.53%	65.47%	50.71%	54.68%	57.68%	199.72%
Pondera	25.26%	19.39%	34.80%	34.64%	25.66%	27.50%	-33.57%	752.39%
Powder River	42.35%	21.60%	40.40%	43.59%	25.82%	33.11%	103.66%	146.25%
Powell	46.39%	50.36%	67.27%	58.16%	7.88%	22.25%	8.02%	7.52%
Prairie	34.97%	20.83%	11.99%	33.44%	23.06%	35.55%	-100.00%	
Ravalli	59.86%	54.71%	28.88%	71.54%	12.23%	13.32%	40.99%	51.13%
Richland	79.63%	68.30%	29.12%	25.82%	51.15%	33.51%	0.00%	
Roosevelt	26.13%	14.44%	24.91%	14.66%	42.58%	45.75%	0.00%	
Rosebud	60.48%	51.71%	57.77%	35.88%	35.30%	36.42%	-8.42%	56.46%
Sanders	61.68%	54.75%	51.39%	50.43%	16.40%	53.51%	43.27%	43.58%
Sheridan	30.96%	24.47%	50.45%	21.42%	46.46%	46.62%	0.00%	
Silver Bow	61.94%	48.99%	47.48%	32.87%	-54.10%	-33.99%	54.41%	60.95%
Stillwater	41.45%	27.60%	16.77%	21.62%	-0.61%	9.04%	-13.17%	4.35%
Sweet Grass	33.57%	22.27%	30.92%	37.59%	81.23%	67.04%	28.52%	31.17%
Teton	51.05%	33.22%	26.78%	40.55%	27.83%	29.95%	-53.93%	-28.44%
Toole	30.00%	22.59%	40.82%	25.60%	24.99%	25.39%	0.00%	
Treasure	28.88%	12.70%	14.39%	34.08%	51.19%	46.11%	-90.50%	-54.27%
Valley	44.67%	38.98%	46.42%	28.99%	45.00%	41.94%	0.00%	
Wheatland	43.12%	27.69%	22.57%	53.25%	44.54%	50.51%	67.47%	98.40%
Wibaux	70.75%	24.98%	53.77%	74.06%	29.64%	41.98%	0.00%	
Yellowstone	49.43%	43.07%	22.48%	51.57%	41.02%	15.27%	0.73%	35.21%
Statewide	55.50%	54.14%	34.06%	43.38%	29.29%	32.48%	19.06%	23.67%

*Estimates published during the session showed a 52% increase in productivity value of forest land. The figure above of 19.06% is the estimate actually used as the bench mark for mitigating the increase in forest land productivity values based upon legislative decisions to use a weighted mean productivity and an 8% capitalization rate.

Statewide Class 4 Residences



Decreases in Tax Liability

Range	Residences
More than -\$200	1,486
-\$200 to -\$180	379
-\$180 to -\$160	561
-\$160 to -\$140	844
-\$140 to -\$120	1,330
-\$120 to -\$100	2,369
-\$100 to -\$80	4,153
-\$80 to -\$60	7,899
-\$60 to -\$40	15,044
-\$40 to -\$20	29,310
-\$20 to \$0	55,152
Total Decreases	118,527

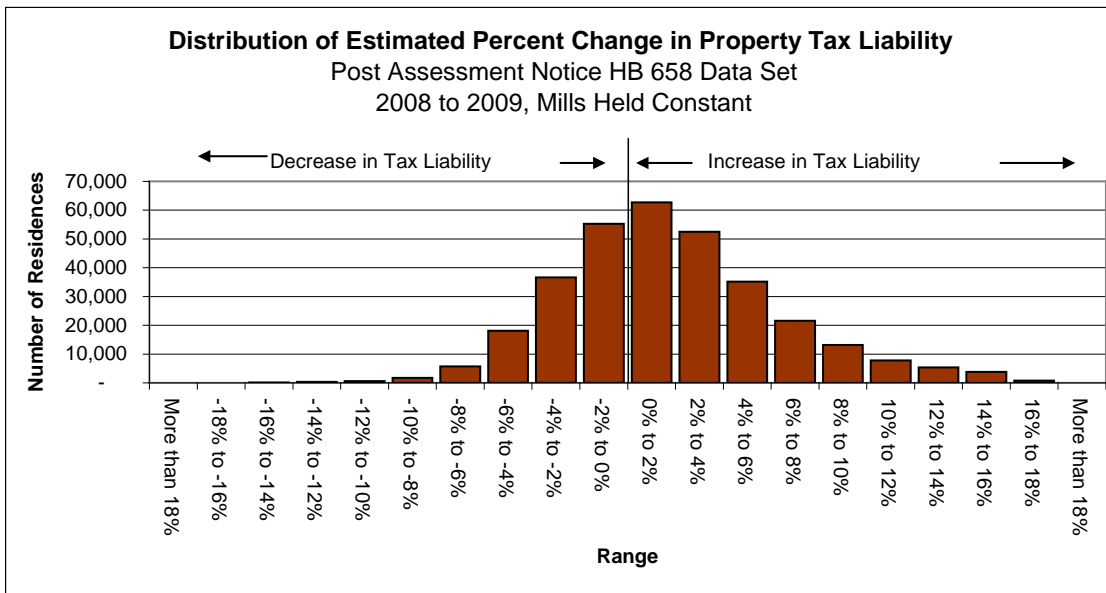
Increases in Tax Liability

Range	Residences
\$0 to \$20	58,223
\$20 to \$40	44,956
\$40 to \$60	32,336
\$60 to \$80	21,499
\$80 to \$100	13,941
\$100 to \$120	9,352
\$120 to \$140	6,432
\$140 to \$160	4,448
\$160 to \$180	2,903
\$180 to \$200	2,054
More than \$200	6,729
Total Increases	202,873

Total Residential Taxpayers

321,400

Statewide Class 4 Residences



Decreases in Tax Liability

Increases in Tax Liability

Range	Residences	Range	Residences
More than 18%	-	0% to 2%	62,728
-18% to -16%	-	2% to 4%	52,499
-16% to -14%	122	4% to 6%	35,211
-14% to -12%	330	6% to 8%	21,578
-12% to -10%	591	8% to 10%	13,184
-10% to -8%	1,752	10% to 12%	7,779
-8% to -6%	5,725	12% to 14%	5,330
-6% to -4%	18,118	14% to 16%	3,826
-4% to -2%	36,633	16% to 18%	738
-2% to 0%	55,256	More than 18%	-
Total Decreases	118,527	Total Increases	202,873

Total Residential Taxpayers

321,400