

Montana Department of  
**REVENUE**

**Mike Kadas, Director**  
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SEPTEMBER 24, 2013

# PRESENTATION OVERVIEW

- **Reappraisal Cycles**
  - 2015 Reappraisal Timeline
- **Valuation Appeals and Protested Taxes**
  - Number of Appeals
  - Centrally Assessed and Industrial Property Taxes Protested
  - Centrally Assessed Resolved Appeals
- **Calculation of Special Fees and Assessment Charges**

# PROPERTY REAPPRAISAL CYCLES

PROPERTY ASSESSMENT DIVISION

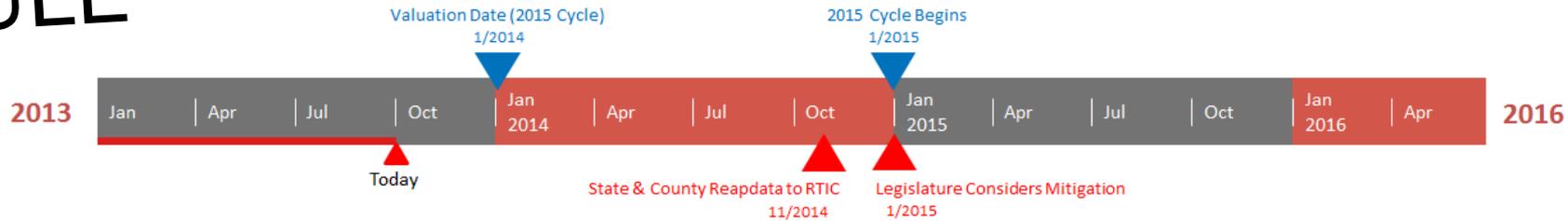
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# PROPERTY REAPPRAISAL

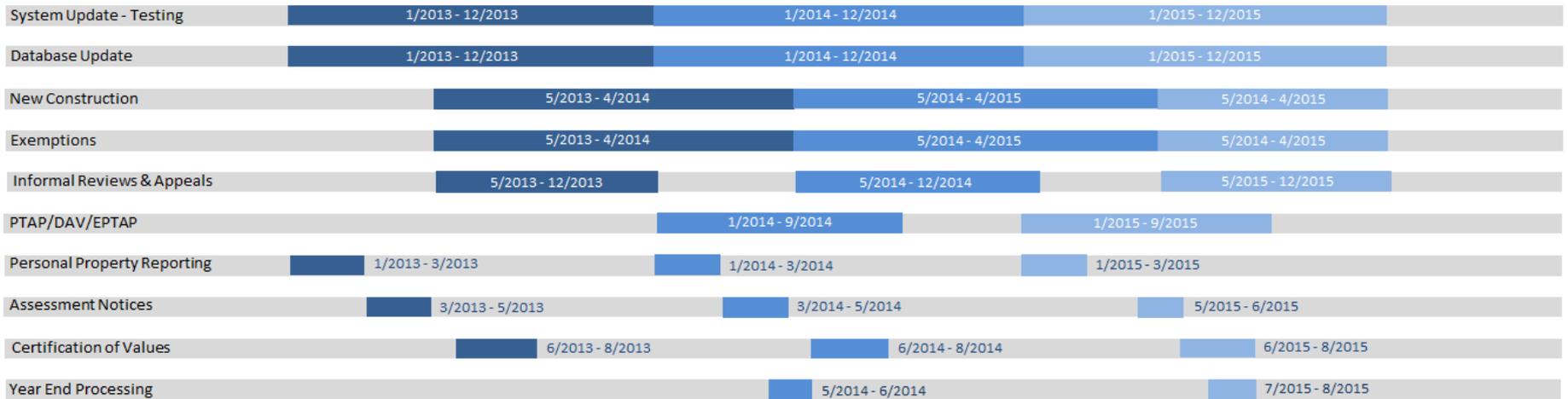
- Montana law requires all real property to be reappraised every six years
- Tax year 2013 is the 5<sup>th</sup> year of the current reappraisal cycle, which began January 1, 2009
- The next reappraisal will begin January 1, 2015

# SCHEDULE

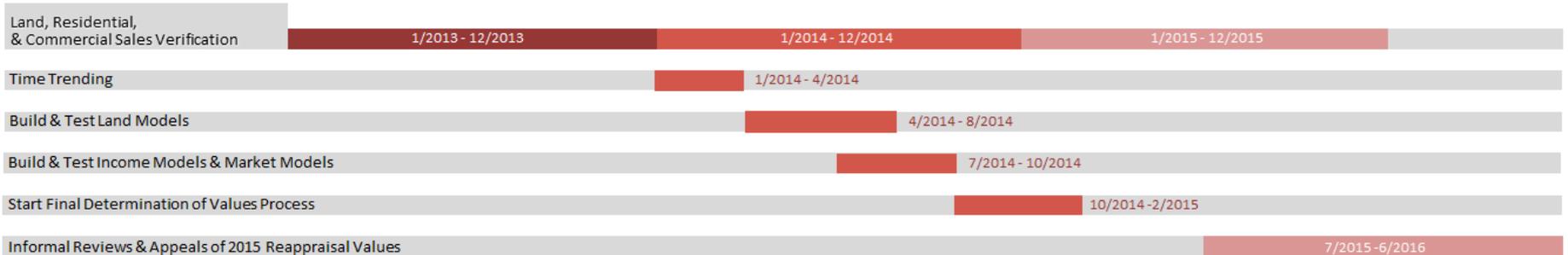
## Property Assessment Division 2015 Reappraisal Work Timeline



### Ongoing Annual Work



### Reappraisal Work



**DEPARTMENT VALUATION  
APPEALS AND PROTESTED  
TAXES**

SEPTEMBER 24, 2013

# VALUATION APPEALS AND PROTESTED TAXES

- **2009 Reappraisal Cycle - Record of informal reviews and appeals from the current cycle**
- **2012 Centrally Assessed and Industrial Property Taxes Paid Under Protest**
- **Centrally Assessed Appeals Resolved**

# VALUATION APPEALS

Appeal Counts for 2009 - 2013						
Tax Year	AB26	CTAB	STAB	District Court	Supreme Court	Total Count
2009	42452	3855	929	258	32	47526
2010	12520	979	45	102		13646
2011	2731	379	44	33		3224
2012 *	3516	563	44	3	2	4230
2013 *	2414	71	6	3	3	2545
Grand Total	63633	5847	1068	399	37	71173
Percent of Total	89.4%	8.2%	1.5%	0.6%	0.1%	100.0%

# CENTRALLY ASSESSED AND INDUSTRIAL PROPERTY PROTESTED TAXES

## *2012 Statewide Aggregate Information*

<i>Tax Year</i>	<i>Total Statewide Property Taxes</i>	<i>Total Taxes Paid by Centrally Assessed and Industrial Companies</i>	<i>Percent of Centrally Assessed and Industrial Property Taxes Paid to Total Taxes</i>	<i>Current Taxes Paid under Protest by Centrally Assessed and Industrial Companies</i>	<i>Percent of Current Taxes Paid Under Protest to Total Taxes</i>
2012	\$ 1,342,056,097	\$ 369,714,637	28%	\$ 19,807,967	1.48%

# CENTRALLY ASSESSED PROTESTED TAXES RESOLVED

*Summary of Appeals Resolved - Tax Years 2005 through 2012*

*Statewide Aggregate Information*

Year	Tax Protested	Total Uncontested	Total Tax	Percent of Total Taxes Protested	Protested Taxes Released to TP	Protested Taxes Released to State & Local Gov	Resolution Percentage Reduction
2005	\$ 2,699,269	\$ 6,298,293	\$ 8,997,562	30.00%	\$ 915,335	\$ 1,783,934	10.17%
2006	\$ 5,163,343	\$ 7,769,187	\$ 12,932,530	39.93%	\$ 1,839,493	\$ 3,323,850	14.22%
2007	\$ 15,282,096	\$ 17,655,335	\$ 32,937,431	46.40%	\$ 4,444,926	\$ 10,837,170	13.50%
2008	\$ 12,253,357	\$ 13,654,846	\$ 25,908,203	47.30%	\$ 3,704,185	\$ 8,549,172	14.30%
2009	\$ 16,271,893	\$ 19,404,916	\$ 35,676,809	45.61%	\$ 3,969,540	\$ 12,302,352	11.13%
2010	\$ 3,637,590	\$ 8,312,988	\$ 11,950,578	30.44%	\$ 903,430	\$ 2,734,160	7.56%
2011	\$ 2,996,573	\$ 6,571,681	\$ 9,568,254	31.32%	\$ 970,434	\$ 2,026,139	10.14%
2012	\$ 3,042,696	\$ 7,099,625	\$ 10,142,321	30.00%	\$ 1,015,452	\$ 2,027,244	10.01%
Total	\$ 61,346,817	\$ 86,766,871	\$ 148,113,688	41.42%	\$ 17,762,795	\$ 43,584,022	11.99%

# 2013 LEGISLATURE SENATE BILL 56

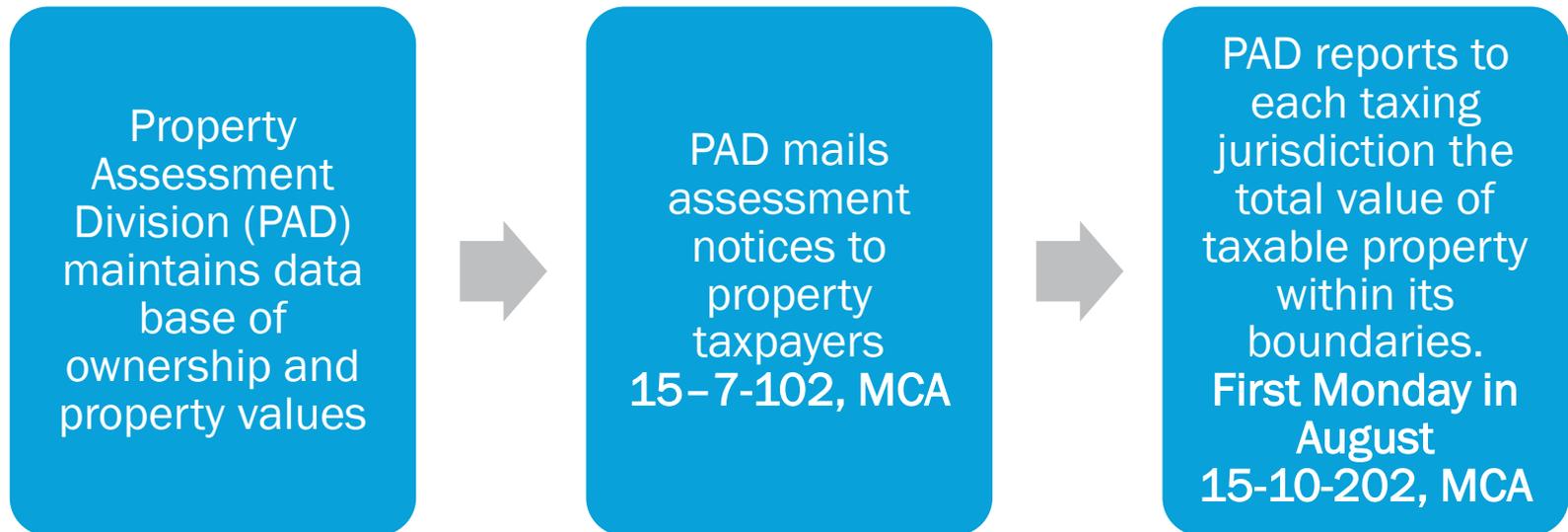
AN ACT REQUIRING THE CALCULATION OF FEES AND ASSESSMENTS BY LOCAL  
GOVERNMENTS FOR THE COMPUTATION OF PROPERTY TAXES

SEPTEMBER 24, 2013

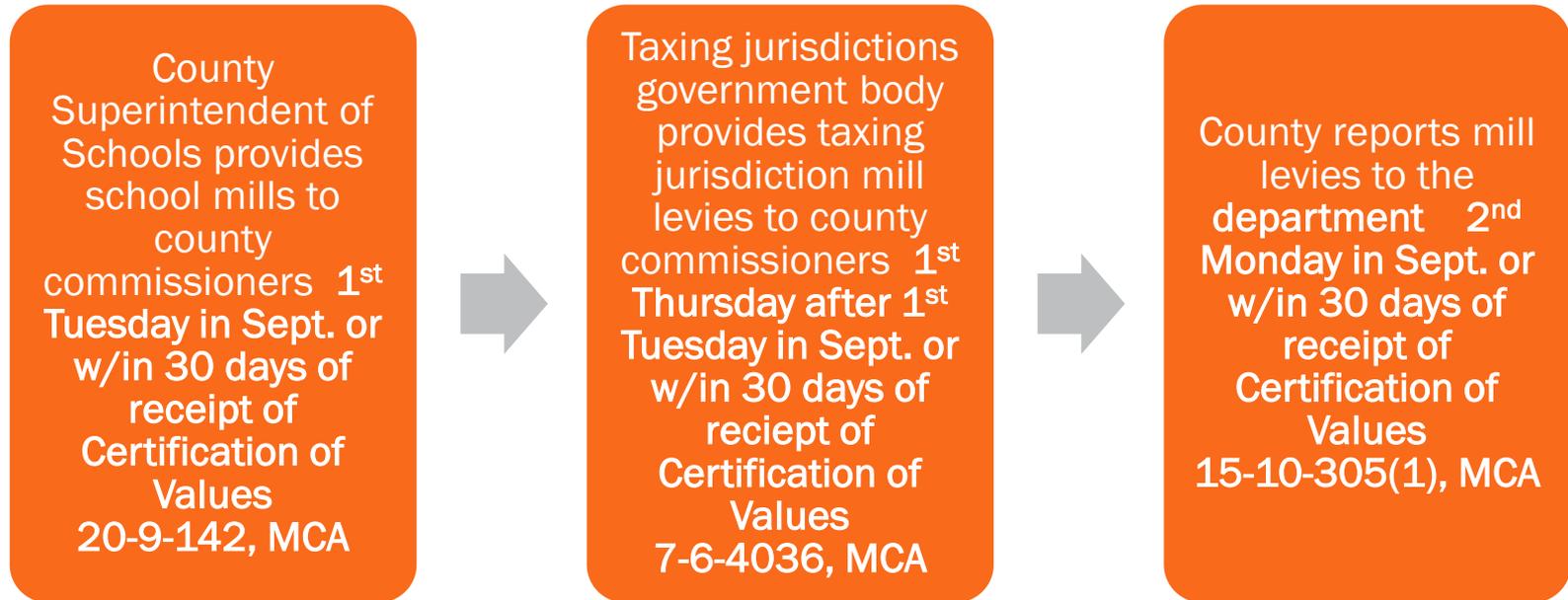
# CALCULATION OF SPECIAL FEES AND CHARGES

- Senate Bill 56 was intended to remove the Department from entering special fees and charges into the county computer system and leave this local government function with the county
- The Department is committed to working with the County Commissioners, County Treasurers, County Clerk and Recorders, and county vendors to make this process more efficient and accurate
- The Department seeks to work with the county officials in moving toward a unified presentation of similar legislation in the 2015 Legislative Session

# PROPERTY ASSESSMENT CYCLE



# PROPERTY ASSESSMENT CYCLE (CONT.)



# PROPERTY ASSESSMENT CYCLE (CONT.)

Special districts provide notice of updated parcel lists, fees and assessments to the department **2<sup>nd</sup> Thursday after 2<sup>nd</sup> Tuesday in Sept.** or w/in 30 days of receipt of Certification of Values  
HB 47  
effective 07/01/13  
7-11-1025, MCA



Department computes taxes, fees and assessments to be levied **2<sup>nd</sup> Monday in October** delivers tax roll, notifies County Clerk and Recorder and Treasurer  
15-10-305(2), MCA

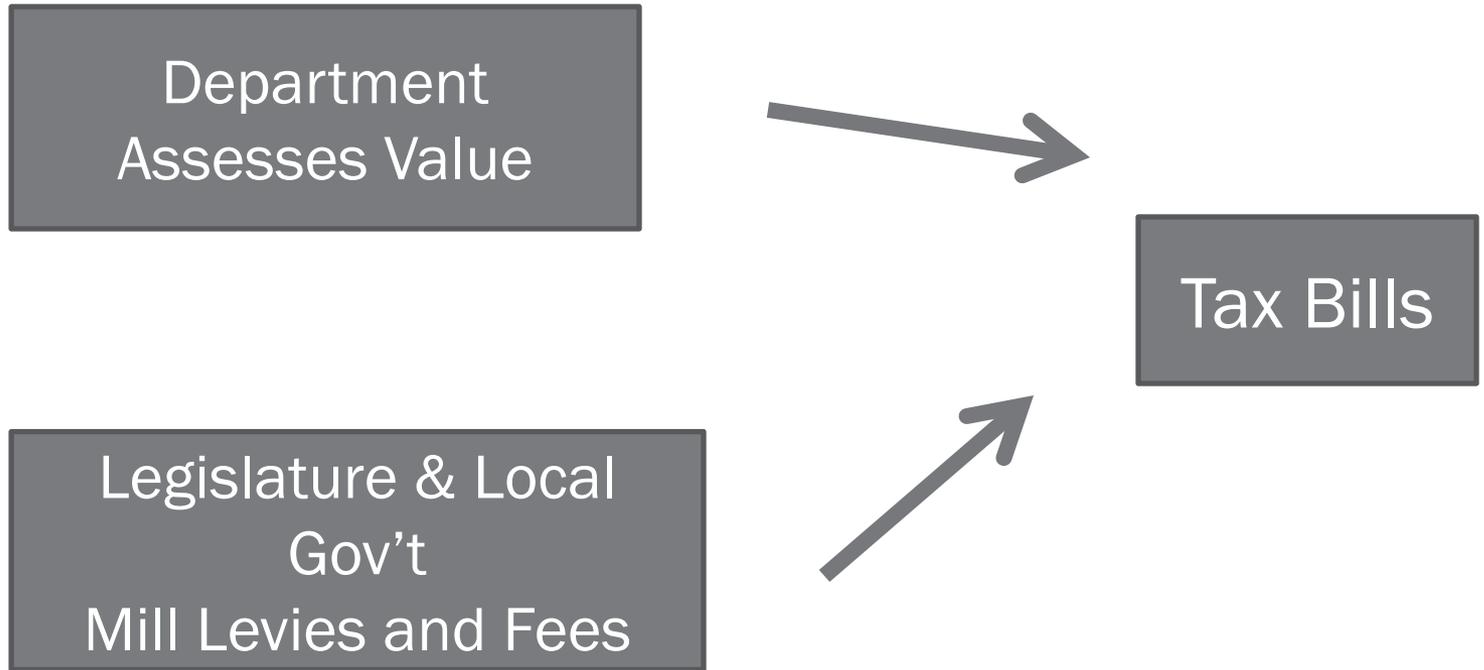


**Within 10 days** Treasurer publishes notice and generates tax bills  
15-16-101, MCA

# PROPERTY ASSESSMENT CYCLE (CONT.)



# DEPARTMENT AND COUNTY'S WORK = TAX BILL



# COUNTY COMMISSIONERS OVERSIGHT

## Special District Boards:

- **Determines the properties to be assessed and billed**
- **Determines the special assessment amount**
- **Determines the special assessment method**
- **Special assessment functionality is already on the county computer systems**

# SUMMARY

- The special fees and assessments are already in the county computer system the department stands ready to:
  - Relinquish control of this local assessment function that is governed by local government statutes back to the local government where it belongs
  - Assist in the transition by providing training and consultation
  - Help make the updating more efficient and accurate

# NEXT STEPS – OPTIONS TO CONSIDER

- Develop a working group with the county vendors, department property managers, county commissioners, treasurers, and clerk and recorders
  - Include a mix of large counties, small counties, counties with complex mills, counties already inputting special fees into their system, and counties from the differing vendors
- Present to the Local Government Advisory Council and have the council report to their counties
- Department to assist in transition of duties to county staff through continued cooperative working relationships with local government and with county system vendors
- Other Options for the Department to consider?

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**QUESTIONS OR COMMENTS?**

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