



Montana Department of
REVENUE

Property Reappraisal Update

*Revenue and Transportation Interim Committee
September 25, 2015*

Overview

- Reappraisal Basics
- 2014 Reappraisal
- Request for Informal Review and Appeals
- 2017 Reappraisal Timeline

Why do reappraisal?

Constitution

- Requires all property to be valued by the state
- Equalization-the state is required to value similar property in the same manner

The Law

- The law requires the state to value residential, commercial agricultural and forest property every six years

Reappraisal Basics

All taxable property is required to be valued at 100% market value except as determined otherwise

All property is periodically revalued:

- Agricultural (class 3) – every 2 years
- Residential and Commercial real property (class 4) – every 2 years
- Forest Lands (class 10) – every 6 years
- All other property – every year
 - E.g. centrally assessed and business equipment

Reappraisal Basics

Historical look at reappraisal cycles for residential, commercial, agricultural and forest lands:

- 1972 through 1977 – 6 year cycle
- 1978 through 1985 – 8 year cycle
- 1986 through 1992 – 7 year cycle
- 1993 through 1996 – 4 year cycle
- 1997 through 2002 – 6 year cycle
- 2003 through 2008 – 6 year cycle
- 2009 through 2014 – 6 year cycle
- 2015 through 2017 – 2 year cycle
 - (except for forest lands which is on a 6 year cycle)

2014 Reappraisal Status

- Total number of parcels 934,665 Appraised
- Classification and Appraisal Notices
 - Approximately 28,000 personal property (business equipment) and 46,000 mobile home notices were mailed in May
 - Approximately 600,000 real property notices have been being mailed statewide

COUNTY	AB26			SALES DATA	COUNTY TAX APPEAL BOARD			MTAB A	TOTAL APPEALS 2015	TOTAL APPEALS 2009	% CHANGE 2009 - 2015	TOTAL NUMBER OF PARCELS	% OF TOTAL
	A	C	TOTAL		A	C	TOTAL						
Beaverhead	99	35	134	16					134	292	-54%	16664	0.80%
Big Horn	8	48	56	10					56	247	-77%	17114	0.33%
Blaine	84	1	85						85	214	-60%	13514	0.63%
Broadwater	134	15	149						149	558	-73%	7760	1.92%
Carbon	27	73	100						100	369	-73%	15696	0.64%
Carter		4	4						4	40	-90%	8327	0.05%
Cascade	836	564	1400	86	11	40	51		1451	1236	17%	46218	3.14%
Chouteau	223	51	274						274	163	68%	14723	1.86%
Custer	81	112	193	3					193	296	-35%	12701	1.52%
Daniels	64	13	77						77	496	-84%	6070	1.27%
Dawson	87	135	222	3					222	228	-3%	9912	2.24%
Deer Lodge	179	42	221	62					221	158	40%	8048	2.75%
Fallon	6	40	46	2					46	157	-71%	5489	0.84%
Fergus	62	96	158	17					158	294	-46%	21965	0.72%
Flathead	762	256	1018	163	9		9	1	1028	8074	-87%	70297	1.46%
Gallatin	371	427	798	22	21	9	30		828	4453	-81%	57206	1.45%
Garfield		10	10						10	563	-98%	9538	0.10%
Glacier	101	74	175						175	94	86%	15795	1.11%
Golden Valley	5	31	36						36	45	-20%	2626	1.37%
Granite	114	61	175	44					175	140	25%	7908	2.21%
Hill	340	47	387						387	345	12%	15628	2.48%
Jefferson	150	56	206	16					206	396	-48%	13726	1.50%
Judith Basin		27	27						27	87	-69%	7468	0.36%
Lake	290	187	477	110	10	8	18	3	498	2361	-79%	24851	2.00%
Lewis and Clark	894	94	988	225	13	1	14		1002	1623	-38%	43441	2.31%
Liberty	10	66	76	51					76	230	-67%	5028	1.51%
Lincoln	25	32	57						57	691	-92%	24337	0.23%
Madison	203	61	264	44	1	1	2		266	1758	-85%	20557	1.29%
McCone	2	68	70						70	177	-60%	7057	0.99%
Meagher	100	29	129						129	65	98%	6367	2.03%
Mineral		37	37			2	2		39	259	-85%	5904	0.66%
Missoula	259	433	692	101					692	1910	-64%	57087	1.21%
Musselshell	143	51	194						194	67	190%	8641	2.25%
Park	75	76	151	19	14	1	15		166	465	-64%	16859	0.98%
Petroleum	9	66	75						75	18	317%	4674	1.60%
Phillips	35	165	200						200	1658	-88%	15081	1.33%
Pondera	78	14	92						92	279	-67%	8775	1.05%
Powder River		16	16						16	18	-11%	8116	0.20%
Powell	105	55	160	49	3		3		163	292	-44%	8671	1.88%
Prairie	9	14	23	2					23	58	-60%	3954	0.58%
Ravalli	86	166	252	7	1	1	2		254	976	-74%	31504	0.81%
Richland	459	115	574	2					574	50	1048%	11869	4.84%
Roosevelt	8	66	74						74	204	-64%	13564	0.55%
Rosebud	18	57	75						75	49	53%	11849	0.63%
Sanders	100	13	113	11					113	423	-73%	15570	0.73%
Sheridan	1	100	101						101	164	-38%	8845	1.14%
Silver Bow	628	152	780		3	2	5		785	516	52%	23449	3.35%
Stillwater	15	94	109	172					109	237	-54%	10923	1.00%
Sweet Grass	1	44	45	13					45	38	18%	5769	0.78%
Teton	246	27	273	1					273	889	-69%	10854	2.52%
Toole	117	89	206	29					206	166	24%	9441	2.18%
Treasure	2	41	43						43	40	8%	2244	1.92%
Valley	929	181	1110						1110	2048	-46%	20006	5.55%
Wheatland	3	30	33	2					33	49	-33%	4182	0.79%
Wibaux	1	20	21						21	130	-84%	2455	0.86%
Yellowstone	1975	473	2448	69	69	34	103		2551	2633	-3%	78321	3.26%
Total	10559	5350	15909	1351	155	99	254	4	16167	39486	-59%	934638	1.7%

September 25, 2015



Centrally Assessed Appeals - Statewide

Company	Year	Total Tax	Tax Protested	Tax Not Protested	Protest %	State Portion of Protested Tax	Venue
Airlines:							
Alpine Aviation	2013	\$150,000					District Court
Alpine Aviation	2014	\$180,792	\$148,869	\$31,923	82%	\$22,548	District Court
Richland Aviation	2014	\$8,599	\$8,599	\$0	100%	\$2,383	District Court
Richland Aviation (Estimated)	2015	\$6,609					ODR
Airlines Total		\$346,000	\$157,468	\$31,923	80%	\$24,931	
Electrics:							
NorthWestern Energy (Estimated)	2015	\$119,752,646					ODR
Electrics Total		\$119,752,646	\$0	\$0	0%	\$0	
Pipelines:							
Hiland Crude, LLC	2013	\$884,998	\$688,617	\$196,381	78%	\$259,972	District Court
Hiland Crude, LLC	2014	\$3,587,391	\$3,083,345	\$504,046	86%	\$554,517	District Court
Hiland Crude, LLC (Estimated)	2015	\$8,784,862					District Court
Omimex Resources, Inc.	2011	\$1,886,979	\$1,691,204	\$195,775	90%	\$342,255	District Court
Omimex Resources, Inc.	2012	\$585,415	\$366,399	\$219,300	63%	\$71,518	District Court
Omimex Resources, Inc.	2013	\$529,981	\$382,986	\$146,995	72%	\$73,060	District Court
Omimex Resources, Inc.	2014	\$985,481	\$723,917	\$261,564	73%	\$135,865	District Court
Omimex Resources, Inc. (Estimated)	2015	\$805,967					ODR
Phillips 66 Pipeline LLC (Estimated)	2015	\$7,388,609					ODR
Plains Pipeline LP (Estimated)	2014	\$4,026,542					MTAB
Plains Pipeline LP (Estimated)	2015	\$4,567,959					MTAB
Rocky Mountain Pipeline System LLC (Estimated)	2014	\$1,583,780					MTAB
Rocky Mountain Pipeline System LLC (Estimated)	2015	\$1,948,383					MTAB
Rocky Mountain Pipeline System LLC Total		\$3,532,163	\$0	\$0	0%	\$0	
Yellowstone Pipeline Co (Estimated)	2015	\$2,869,669					ODR
Pipelines Total		\$43,968,178	\$6,936,468	\$1,524,061	17%	\$1,437,187	
Telecoms:							
Charter Communications (Estimated)	2015	\$9,824,412					ODR
Verizon Wireless (Estimated)	2015	\$8,927,303					ODR
Vision Net (Estimated)	2015	\$374,744					ODR
Telecoms Total		\$19,126,459	\$0	\$0	0%	\$0	
Wind:							
NaturEner Glacier Wind Energy 1 LLC (Estimated)	2015	\$1,334,908					ODR
NaturEner Glacier Wind Energy 2 LLC (Estimated)	2015	\$1,009,166					ODR
NaturEner Rim Rock Wind Energy LLC (Estimated)	2015	\$1,863,433					ODR
Wind Total		\$4,207,507	\$0	\$0	0%	\$0	
Centrally Assessed Total		\$187,400,790	\$7,093,936	\$1,555,984	97%	\$1,462,118	



Industrial Property Appeals

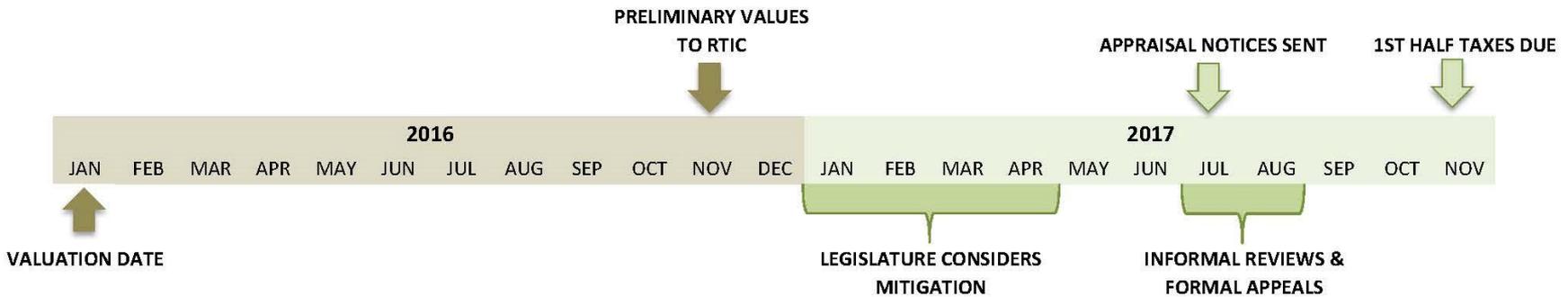
As of 9/11/2015
All Amounts are Estimated

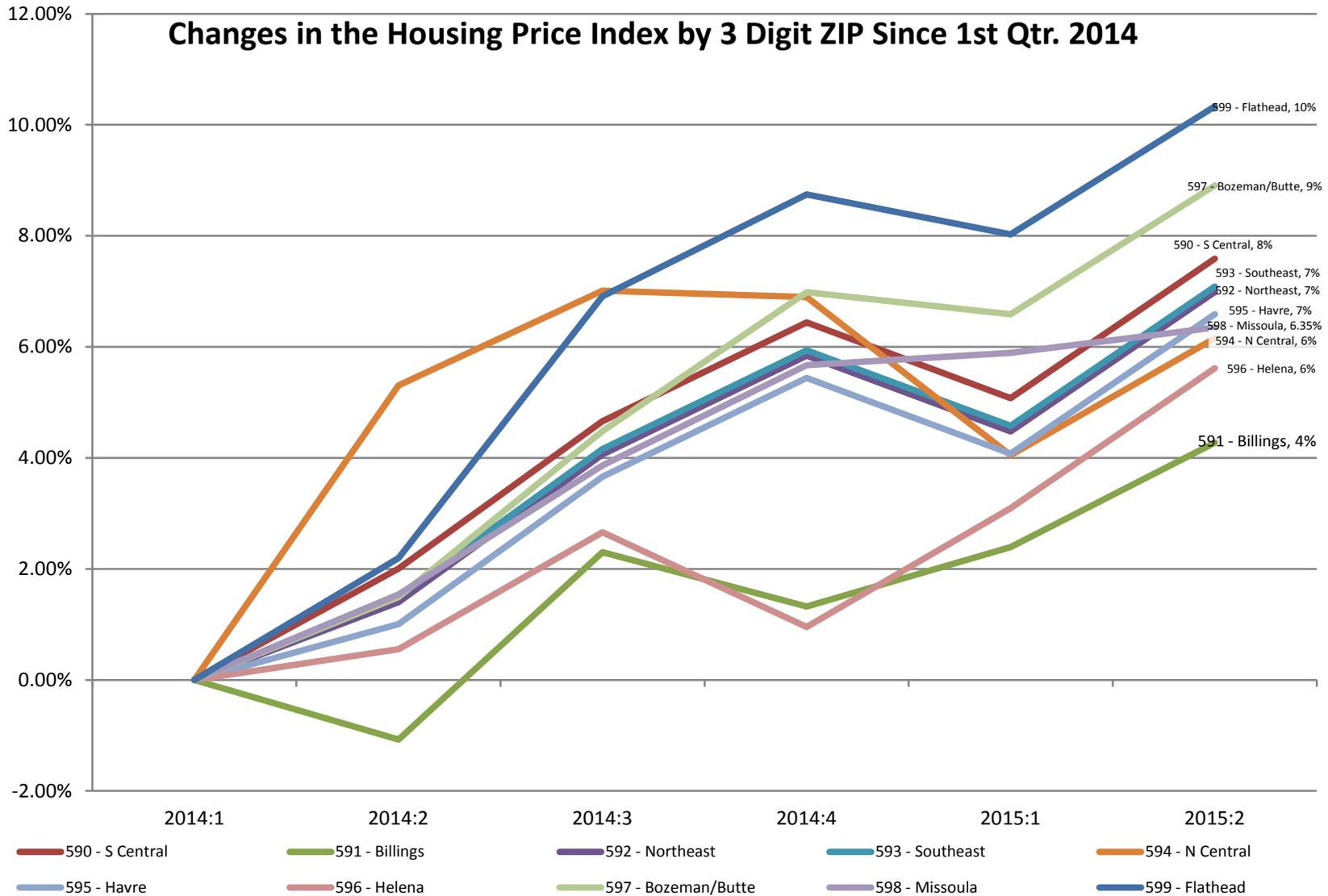
Company	Year	Total Tax	Tax Protested	Tax Not Protested	Protest %	State Portion of Protested Tax	Venue
Oil Refineries:							
CHS Refinery (estimated) - Billings MT	2014	\$13,650,054	\$8,099,942	\$5,550,112	59%	\$1,525,498	Informal - AB26
CHS Refinery (estimated) - Billings MT	2015	\$13,540,000					Informal - AB26
CHS Terminal (estimated) - Logan MT	2015	\$160,000					Informal - AB26
CHS Terminal (estimated) - Missoula MT	2015	\$200,000					Informal - AB26
CHS Terminal (estimated) - Glendive MT	2015	\$150,000					Informal - AB26
CHS Tank Farm (estimated) - Billings MT	2015	\$70,000					Informal - AB26
CHS Asphalt Plant (estimated) - Hardin MT	2015	\$180,000					Informal - AB26
Phillips 66 (estimated) - Billings MT	2015	\$9,950,000					Informal - AB26
Montana Refining Co. (estimated) - Great Falls MT	2015	\$3,300,000					Informal - AB26
Oil Refineries Total		\$41,200,054	\$8,099,942	\$5,550,112	21%	\$1,525,498	
Wind:							
Fairfield Wind (estimated)	2015	\$323,000					MTAB
Industrial Total		\$41,523,054	\$8,099,942	\$5,550,112	21%	\$1,525,498	

Grand Total – Centrally Assessed and Industrial

- Total Tax: \$228,923,844
- Tax Protested: \$15,193,878
- Tax Not Protested: \$7,106,096
- Protest %: 7%
- State Portion of Protested Tax: \$2,987,616

2017 Reappraisal Timeline





590 – Big Horn, Carbon, Garfield, Golden Valley, Meagher, Musselshell, Park, Petroleum, Powder River, Rosebud, Stillwater, Sweet Grass, Treasure, Wheatland: **591** – Yellowstone: **592** – Daniels, Dawson, McCone, Phillips, Richland, Roosevelt, Sheridan, Valley: **593** – Carter, Custer, Dawson, Fallon, Garfield, Powder River, Prairie, Rosebud, Wibaux: **594** – Cascade, Chouteau, Fergus, Glacier, Judith Basin, Liberty, Pondera, Teton, Toole, Wheatland: **595** – Blaine, Chouteau, Hill, Liberty, Phillips: **596** – Broadwater, Jefferson, Lewis and Clark, Meagher: **597** – Beaverhead, Deer Lodge, Gallatin, Jefferson, Madison, Powell, Silver Bow: **598** – Granite, Mineral, Missoula, Powell, Ravalli, Sanders: **599** – Flathead, Lake, Lincoln



Firefighter Disability and Pension Funding

19-18-503. Fund to be soundly funded. (1) Each disability and pension fund must be soundly funded. The fund is soundly funded if, subject to subsection (2):

(a) assets in the fund are maintained at a level equal to at least 0.21% but no more than 0.52% of the total assessed value of taxable property, determined as provided in 15-8-111, within the limits of the city or town; or

(b) funding is maintained at a level determined by an actuarial valuation to be sufficient to keep the fund actuarially sound.

(2) An actuarial valuation may be requested only by a city, town, or association. Once an actuarial valuation has been conducted, funding must continue to be based on actuarial determinations rather than on the total assessed value of taxable property pursuant to subsection (1)(a).

19-18-504. Special tax levy for fund required. (1) Whenever the fund contains an amount that is less than the minimum amount required to keep the fund soundly funded pursuant to 19-18-503, the city or town council shall, subject to 15-10-420, levy an annual tax on the taxable value of all taxable property within the city or town.

(2) When the fund contains an amount that is less than 0.52% but more than 0.21% of the total assessed value of all taxable property within the city or town, the city or town council may, if authorized by the voters as provided in 15-10-425, levy an annual tax.

(3) All revenue from the tax must be deposited in the fund.

Fire Pension Calculations

TY 2014 'Taxable Market' Value of Cities and Towns*	\$30,967,626,000
Sum of Min. Pension Amount (0.21%)	\$65,032,000
Sum of Max. Pension Amount (0.51%)	\$157,935,000

Sum of TY 2015 Market Value of Cities and Towns*	\$51,705,873,000
Sum of Min. TY 2014 Pension Amount	÷\$65,032,000
Percent of TY 2015 Market Value	0.13%

Sum of TY 2015 Market Value of Cities and Towns*	\$51,705,873,000
Sum of Max. TY 2014 Pension Amount	÷\$157,935,000
Percent of TY 2015 Market Value	0.31%

*Values exclude non-incorporated cities and towns

Questions?