



# FAQs

## REAL PROPERTY CLASSIFICATION AND APPRAISAL NOTICE

Q: How did the department determine the current assessed value on my property?

**A: The department uses a mass appraisal process for valuing properties across the state as of a given date utilizing standardized procedures and statistical testing. For the current appraisal cycle (tax years 2015-2016), January 1, 2014 is the statewide valuation date. Within the mass appraisal process, properties are valued using the sales comparison, cost or income approach to value. On your classification and appraisal notice, the current assessed value is the department's determination of the market/productivity value of your property as of January 1, 2014. [15-7-111, MCA](#); [15-8-201\(2\)\(a\), MCA](#)**

Q: What is the significance of the January 1, 2014 valuation date?

**A: Montana law specifically requires all residential, commercial, agricultural and industrial property to be valued on the same date every two years to equally distribute the tax burdens among property owners across the state. January 1, 2014 is the valuation date for residential, commercial, agricultural and industrial property for the current appraisal cycle (2015-2016). Forest land property has the same valuation date, January 1, 2014, but has a six-year appraisal cycle (2015-2020). [15-6-133, MCA](#); [15-6-134, MCA](#); [15-7-111, MCA](#)**

Q: How is property tax determined?

**A: The amount of property tax is not determined solely by a property's value. To determine its taxable value, the property's market/productivity value is multiplied by a tax rate the legislature sets. The taxable value is then multiplied by the millage rate that city and county governments, school districts and other taxing jurisdictions establish to provide services in the taxpayer's area. Any special assessments specific to your levy district are added to the property tax amount on your property tax bill by your county treasurer's office.**

Local county governments set their mill levies in September, annually. You can estimate your property taxes using the prior year millage rate shown on the notice. To use the prior year millage rate number in your calculation, you need to move the decimal point three spaces to the left. Example – The prior year millage rate is 507.710 so you would use .507710 in your calculation. One mill is equal to 1/1000 of a dollar or 0.1 percent.

Q: What is real property?

**A: Real property includes land and improvements attached to the land (buildings and structures). For clarification on the term "improvements," [15-1-101\(i\), MCA](#) states the term**

Further questions?

Call toll free 866-859-2254, in Helena 444-6900, or your local MT Dept. of Revenue office



**“improvements” includes all buildings, structures, fences and improvements situated upon, erected upon or affixed to land.**

Q: Where can I find a description of my property online?

**A: Go to the department’s Property Assessment Division’s web portal at [property.mt.gov](http://property.mt.gov). You can search for your property by geocode, assessment code, address or name.**

Q: How often does the department send out classification and appraisal notices?

**A: Property classification and appraisal notices are mailed out annually for properties that had one of the following changes in the past year: [15-7-102, MCA](#)**

- **Change in property ownership or legal description as a result of a parcel split or combination.**
- **Change to the property’s value resulting from an informal review value adjustment or from a county or state tax appeal board decision.**
- **Property value increase/decrease reflecting a change to the property (for example, a new structure, an addition to the property or the removal of an old structure).**
- **Change in the classification of the property.**

**If your property did not have any of the above listed changes, you will get a classification and appraisal notice the first year of each appraisal cycle.**

Q: Is the taxable value figure on my classification and appraisal notice the amount of property tax I owe?

**A: The classification and appraisal notice is not a tax bill. After your local treasurer has set the mill levy for your county (most likely in September or October), you will be able to estimate your current year property taxes by using the following formula. [15-6-133, MCA](#); [15-6-134, MCA](#); [15-6-143, MCA](#)**

**Market/Productivity Value x Tax Rate = Taxable Value**

**Taxable Value x Current Year Millage Rate = Current Year Property Tax Amount (One mill is equal to 1/1000 of a dollar or 0.1 percent).**

**Please keep in mind that additional special fees from your local government could also be added to your property tax bill for street maintenance, irrigation, sewer, fire service, garbage and other services.**

Q: Does the department value property at its full value?

**A: State law requires the department to value real and personal property at 100% of its market value, which is the value at which property would change hands between a willing buyer and a willing seller when both have reasonable knowledge of relevant facts and neither is under any compulsion to buy or sell. Timber and agricultural land are valued by their productivity value rather than their market value. [15-8-111, MCA](#)**

Further questions?

Call toll free 866-859-2254, in Helena 444-6900, or your local MT Dept. of Revenue office