



Montana Department of
REVENUE

Property Reappraisal Update

League of Cities and Towns

October 8, 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 740,000 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 OR PARCELS	% OF TOTAL
	A	C	TOTAL		A	C	TOTAL						
Beaverhead	77	57	134	18	1		1		135	292	-54%	16664	0.81%
Big Horn	11	59	70	11			0		70	247	-72%	17114	0.41%
Blaine	76	10	86				0		86	214	-60%	13514	0.64%
Broadwater	101	36	137				0		137	558	-75%	7760	1.77%
Carbon		111	111				0		111	369	-70%	15696	0.71%
Carter		4	4				0		4	40	-90%	8327	0.05%
Cascade	691	717	1408	122	8	14	22		1430	1236	16%	46218	3.09%
Chouteau	190	86	276				0		276	163	69%	14723	1.87%
Custer	55	142	197	8			0		197	296	-33%	12701	1.55%
Daniels	39	38	77				0		77	496	-84%	6070	1.27%
Dawson	66	159	225	3			0		225	228	-1%	9912	2.27%
Deer Lodge	168	54	222	63			0		222	158	41%	8048	2.76%
Fallon	1	37	38	2			0		38	157	-76%	5489	0.69%
Fergus	16	148	164	18			0		164	294	-44%	21965	0.75%
Flathead	715	335	1050	164	11	1	12		1062	8074	-87%	70297	1.51%
Gallatin	152	658	810	29	21	10	31		841	4453	-81%	57206	1.47%
Garfield		10	10				0		10	563	-98%	9538	0.10%
Glacier	54	114	168				0		168	94	79%	15795	1.06%
Golden Valley	6	32	38				0		38	45	-16%	2626	1.45%
Granite	108	62	170	45			0		170	140	21%	7908	2.15%
Hill	327	56	383				0		383	345	11%	15628	2.45%
Jefferson	96	114	210	17			0		210	396	-47%	13726	1.53%
Judith Basin		29	29				0		29	87	-67%	7468	0.39%
Lake	238	252	490	102	11	10	21	3	514	2361	-78%	24851	2.07%
Lewis & Clark	773	211	984	229	12	4	16		1000	1623	-38%	43441	2.30%
Liberty	5	70	75	50			0		75	230	-67%	5028	1.49%
Lincoln	17	37	54				0		54	691	-92%	24337	0.22%
Madison	176	85	261	45	4		4		265	1758	-85%	20557	1.29%
McCone	1	68	69				0		69	177	-61%	7057	0.98%
Meagher	46	61	107				0		107	65	65%	6367	1.68%
Mineral		37	37			2	2		39	259	-85%	5904	0.66%
Missoula	171	529	700	103	24	1	25		725	1910	-62%	57087	1.27%
Musselshell	103	81	184				0		184	67	175%	8641	2.13%
Park	45	94	139	20	13	1	14		153	465	-67%	16859	0.91%
Petroleum	2	81	83				0		83	18	361%	4674	1.78%
Phillips		191	191				0		191	1658	-88%	15081	1.27%
Pondera	53	39	92				0		92	279	-67%	8775	1.05%
Powder River		16	16				0		16	18	-11%	8116	0.20%
Powell	89	56	145	49	5		5		150	292	-49%	8671	1.73%
Prairie	1	21	22	2			0		22	58	-62%	3954	0.56%
Ravalli	51	198	249	10		2	2		251	976	-74%	31504	0.80%
Richland	390	182	572	1			0		572	50	1044%	11869	4.82%
Roosevelt	7	70	77				0		77	204	-62%	13564	0.57%
Rosebud	5	99	104	3			0		104	49	112%	11849	0.88%
Sanders	86	29	115	12			0		115	423	-73%	15570	0.74%
Sheridan		97	97				0		97	164	-41%	8845	1.10%
Silver Bow	484	294	778	173	3	1	4		782	516	52%	23449	3.33%
Stillwater	3	106	109	16			0		109	237	-54%	10923	1.00%
Sweet Grass		38	38	1			0		38	38	0%	5769	0.66%
Teton	169	96	265	29		1	1		266	889	-70%	10854	2.45%
Toole	56	146	202				0		202	166	22%	9441	2.14%
Treasure	2	44	46				0		46	40	15%	2244	2.05%
Valley	886	224	1110				0		1110	2048	-46%	20006	5.55%
Wheatland	1	30	31	2			0		31	49	-37%	4182	0.74%
Wibaux		21	21				0		21	130	-84%	2455	0.86%
Yellowstone	1515	931	2446	114	56	48	104		2550	2633	-3%	78321	3.26%
Total	8324	7602	15926	1461	169	95	264	3	16193	39486	-59%	934638	1.73%

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Centrally Assessed Appeals - Statewide

As of 9/30/15

All amounts are estimated

Company	Year	Total Tax	Tax Protested	Tax Not Protested	Protest %	Venue
Alpine Aviation	2013	\$ 150,000				District Court
Alpine Aviation	2014	\$ 180,792	\$ 148,869	\$ 31,923	82.34%	District Court
Richland Aviation	2014	\$ 8,599	\$ 8,599	\$ -	100.00%	District Court
Richland Aviation (Estimated)	2015	\$ 6,609				ODR
Airlines Total		\$ 346,000	\$ 157,468	\$ 31,923		
NorthWestern Energy (Estimated)	2015	\$ 119,752,646				ODR
Electrics Total		\$ 119,752,646	\$ -	\$ -		
Hiland Crude, LLC	2013	\$ 884,998	\$ 688,617	\$ 196,381	77.81%	District Court
Hiland Crude, LLC	2014	\$ 3,587,391	\$ 3,083,345	\$ 504,046	85.95%	District Court
Hiland Crude, LLC (Estimated)	2015	\$ 8,784,862				District Court
Omimex Resources, Inc.	2011	\$ 1,886,979	\$ 1,691,204	\$ 195,775	89.62%	District Court
Omimex Resources, Inc.	2012	\$ 585,415	\$ 366,399	\$ 219,300	62.59%	District Court
Omimex Resources, Inc.	2013	\$ 529,981	\$ 382,986	\$ 146,995	72.26%	District Court
Omimex Resources, Inc.	2014	\$ 985,481	\$ 723,917	\$ 261,564	73.46%	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
Yellowstone Pipeline Co (Estimated)	2015	\$ 2,869,669				ODR
Pipelines Total		\$ 40,436,016	\$ 6,936,468	\$ 1,524,061		
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	\$ -	\$ -		
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	\$ -	\$ -		
Centrally Assessed Total		\$ 183,868,628	\$ 7,093,936	\$ 1,555,984		

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Industrial Property Appeals

as of 9/30/15

All amounts are estimated

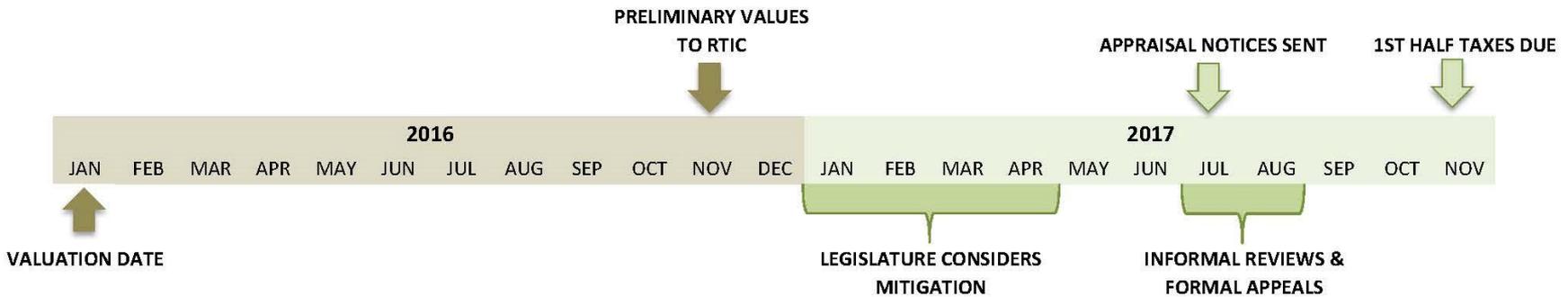
Company	Year	Total Tax	Tax Protested	Tax Not Protested	Protest %	Venue
CHS Refinery (estimated) - Billings MT	2014	\$ 13,650,054	\$ 8,099,942	\$ 5,550,112	59.34%	Informal - AB26
CHS Refinery (estimated) - Billings MT	2015	\$ 13,540,000				Informal - AB26
CHS Terminal (estimated) - Logan MT	2015	\$ 160,000				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		
Fairfield Wind (estimated)	2015	\$ 323,000				MTAB
Industrial Total		\$ 41,523,054	\$ 8,099,942	\$ 5,550,112		
Grand Total		\$ 225,391,682	\$ 15,193,878	\$ 7,106,096		

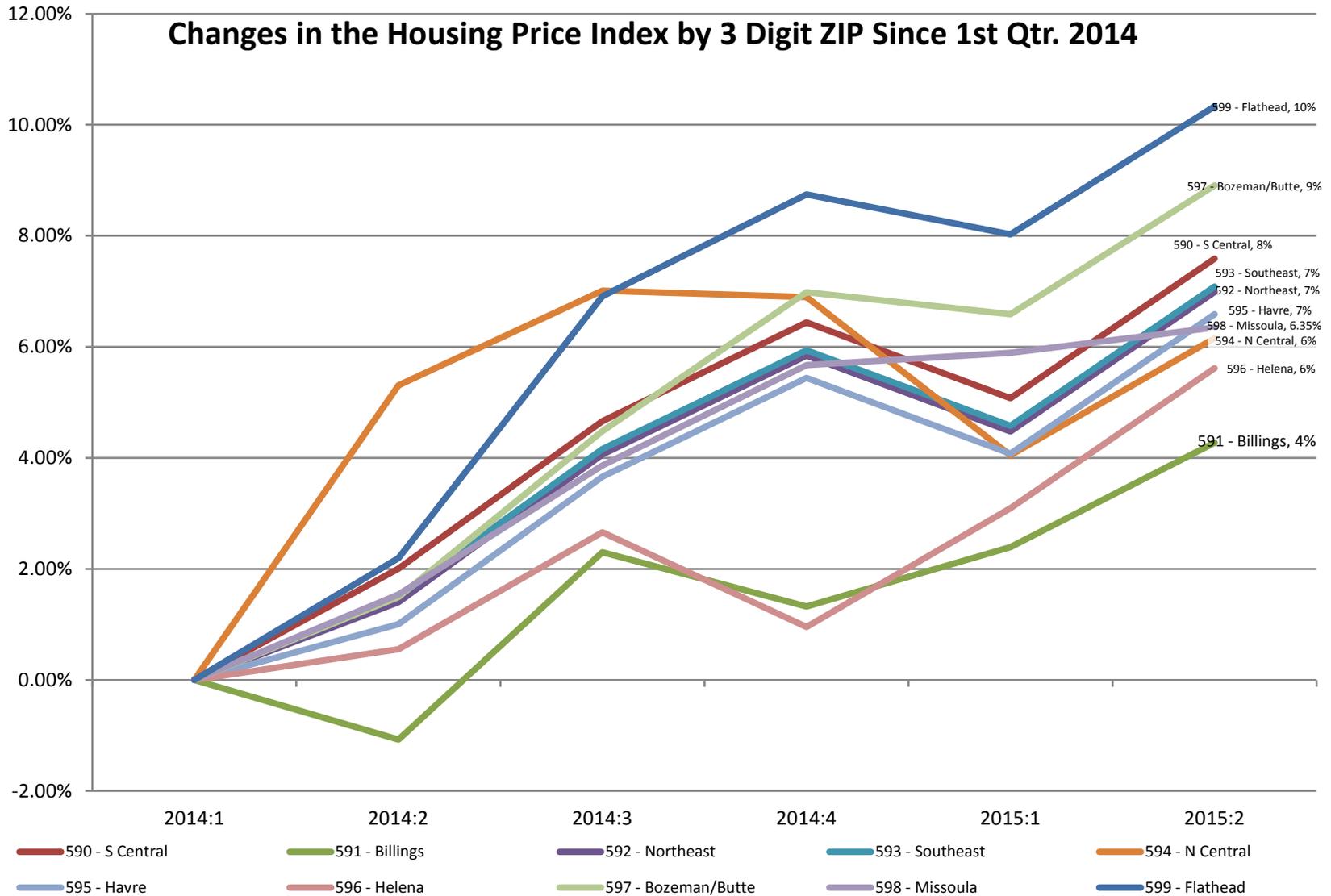
Grand Total – Centrally Assessed and Industrial

- Total Tax: \$225,391,682
- Tax Protested: \$15,193,878
- Tax Not Protested: \$7,106,096



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.

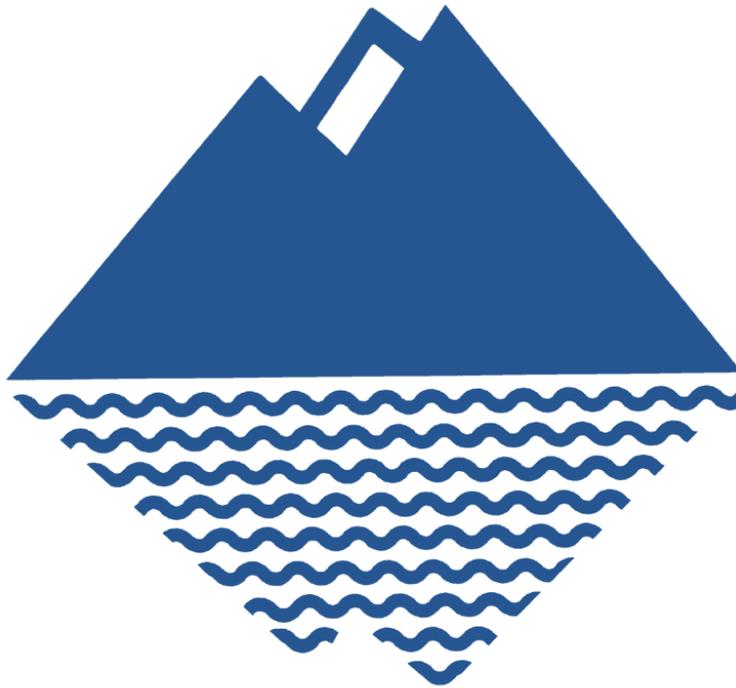
Fire Pension Calculations

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



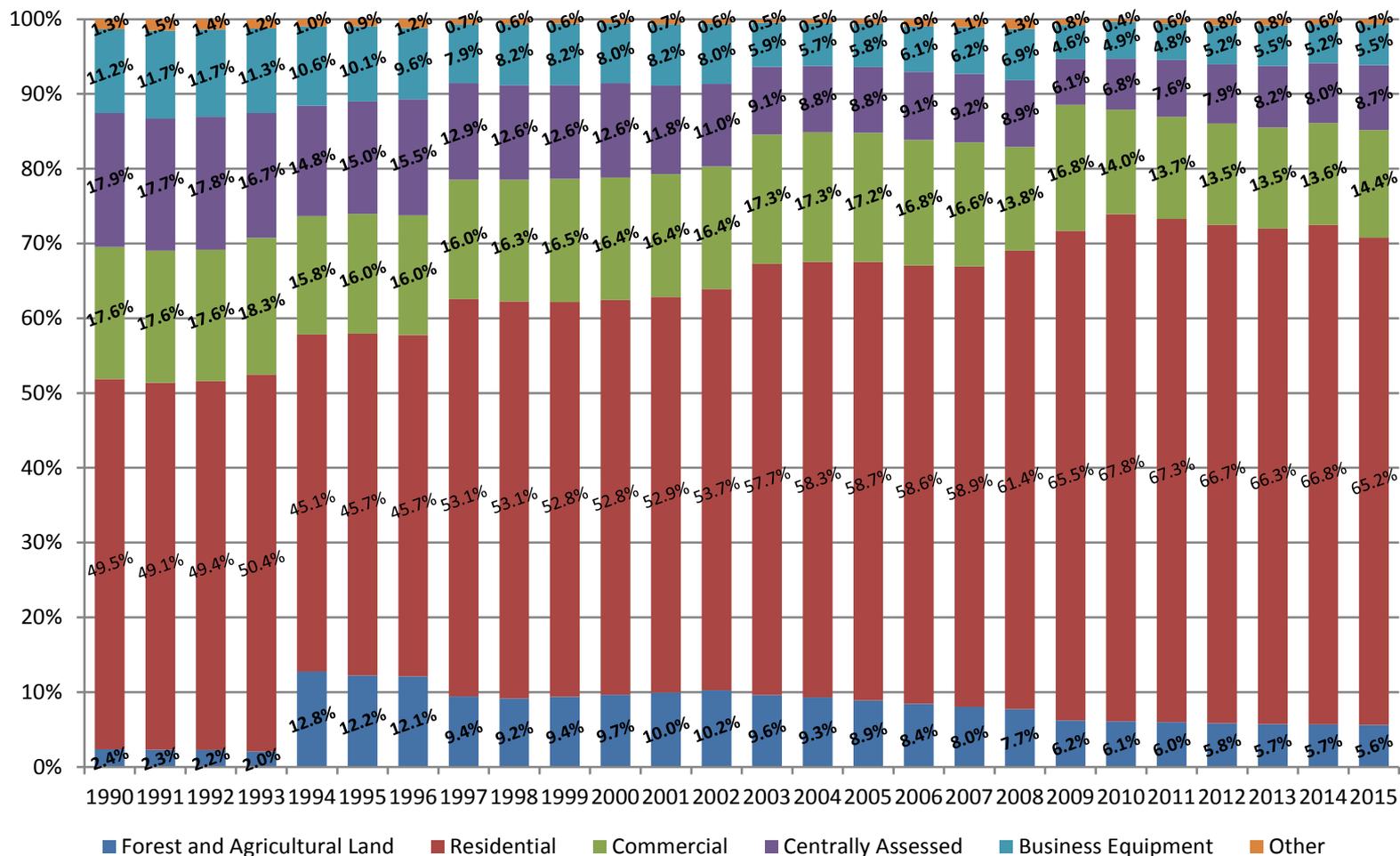
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Historical Overview of Property Values by Classification

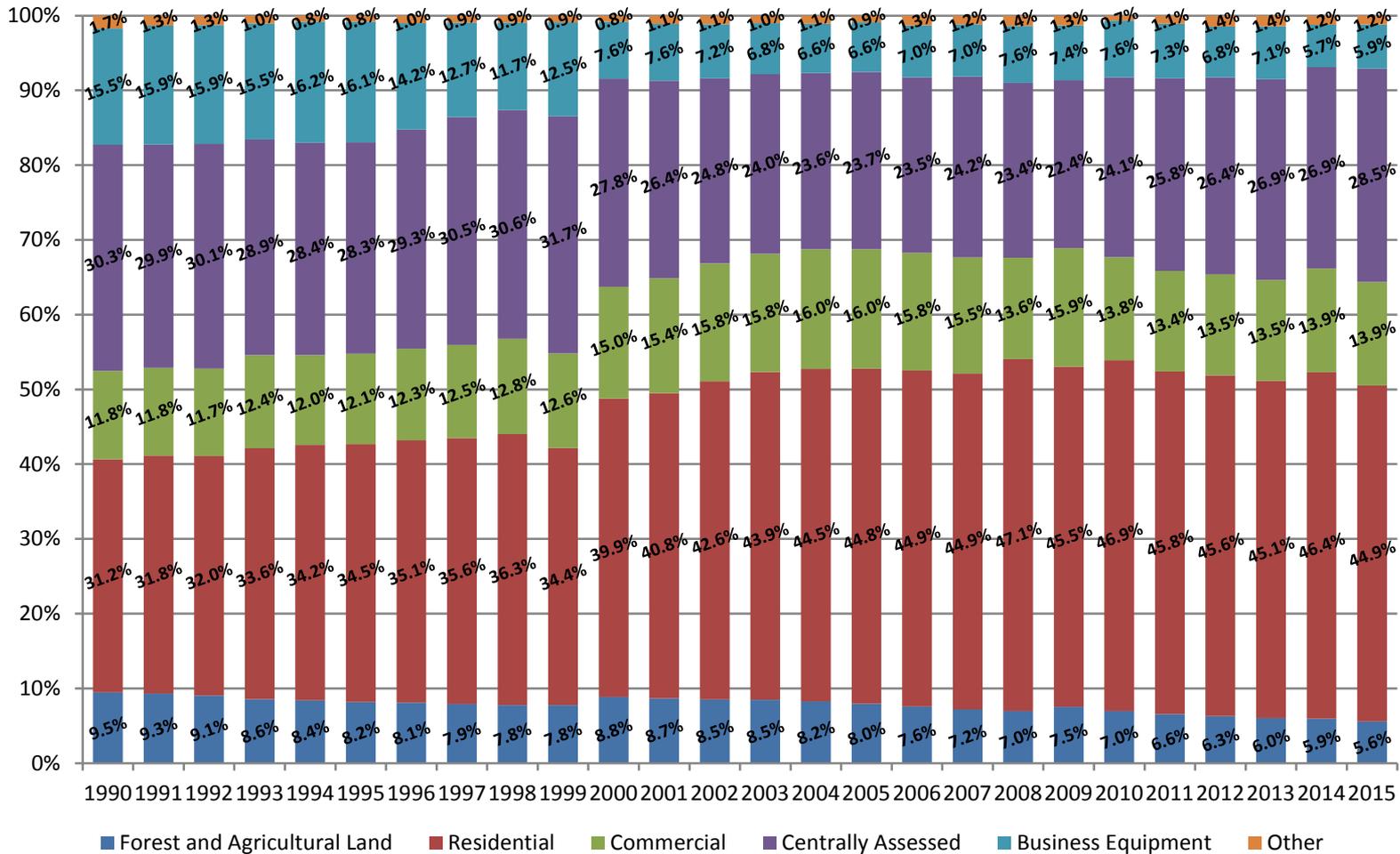
Overview

- Historical Comparison of Values
- Taxable Value Neutral Calculation

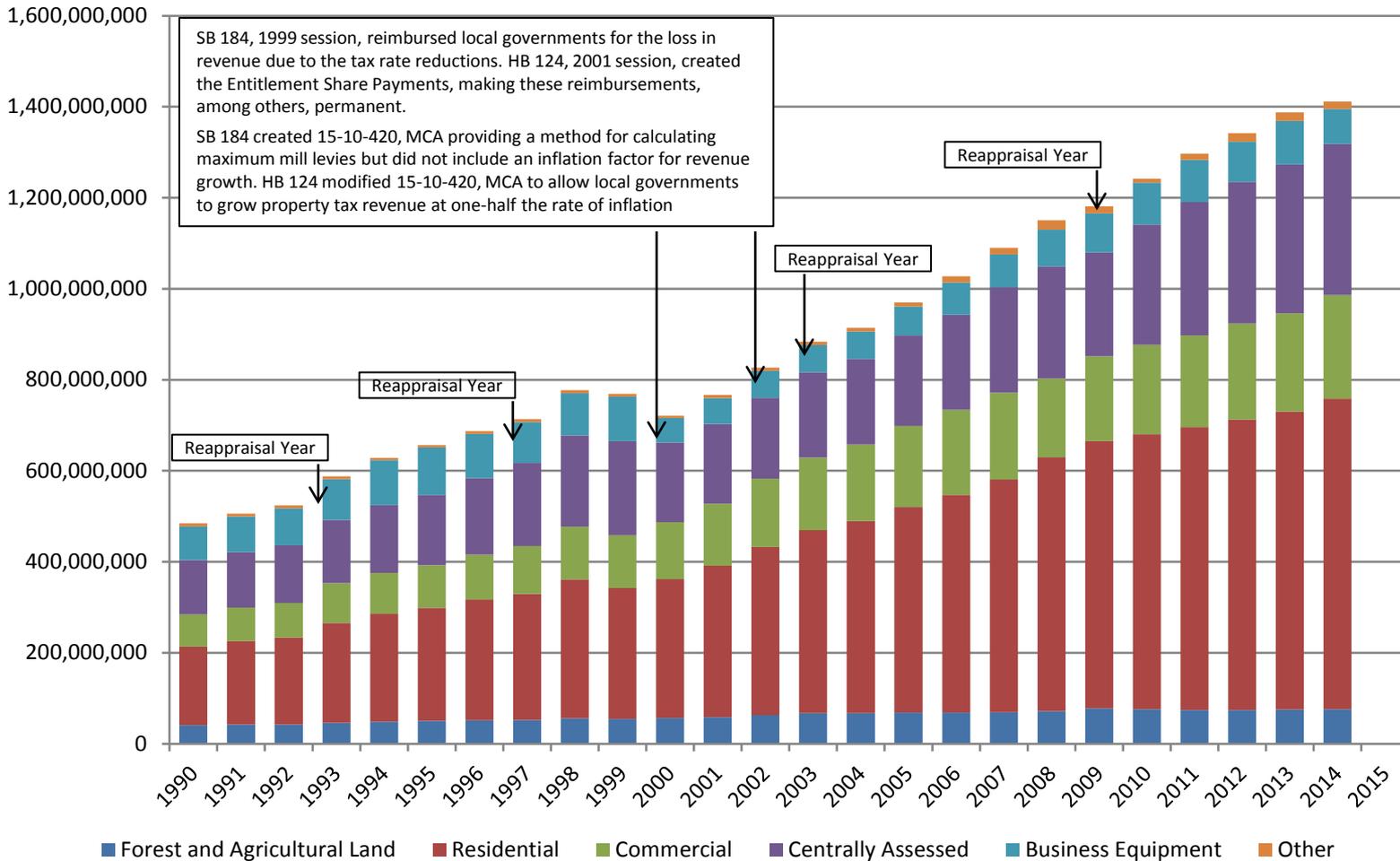
Market Value



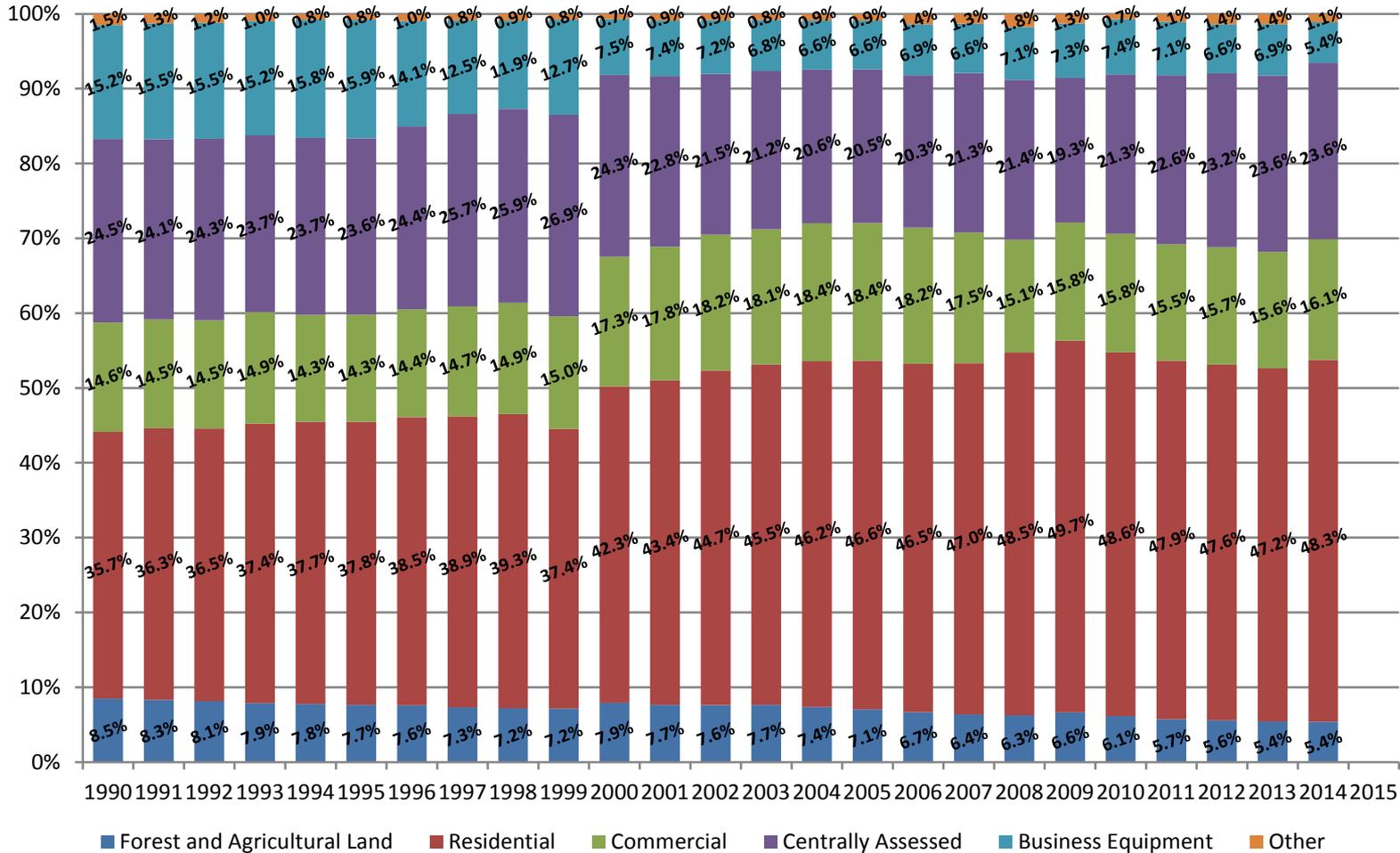
Taxable Value



Taxes Paid

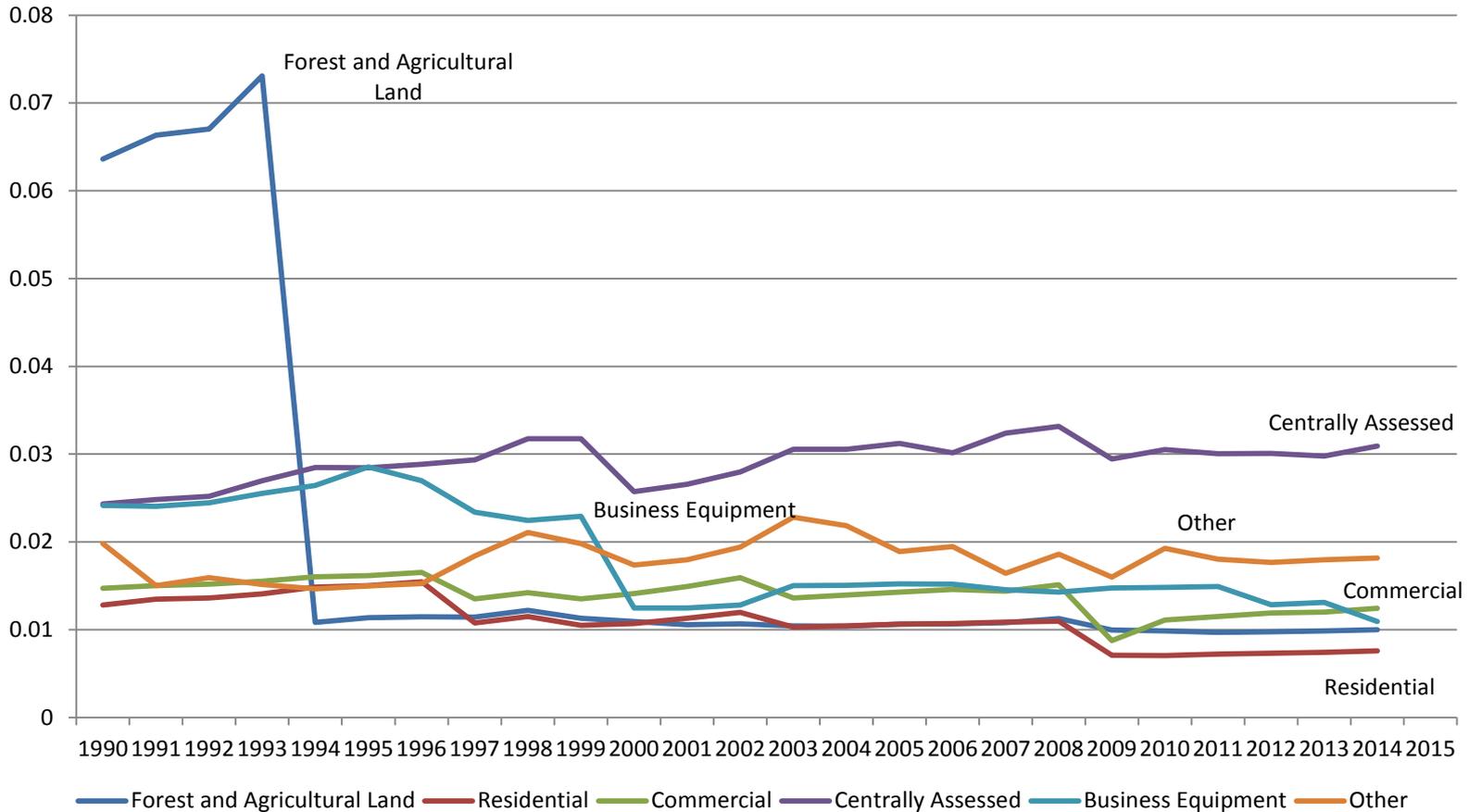


Taxes Paid

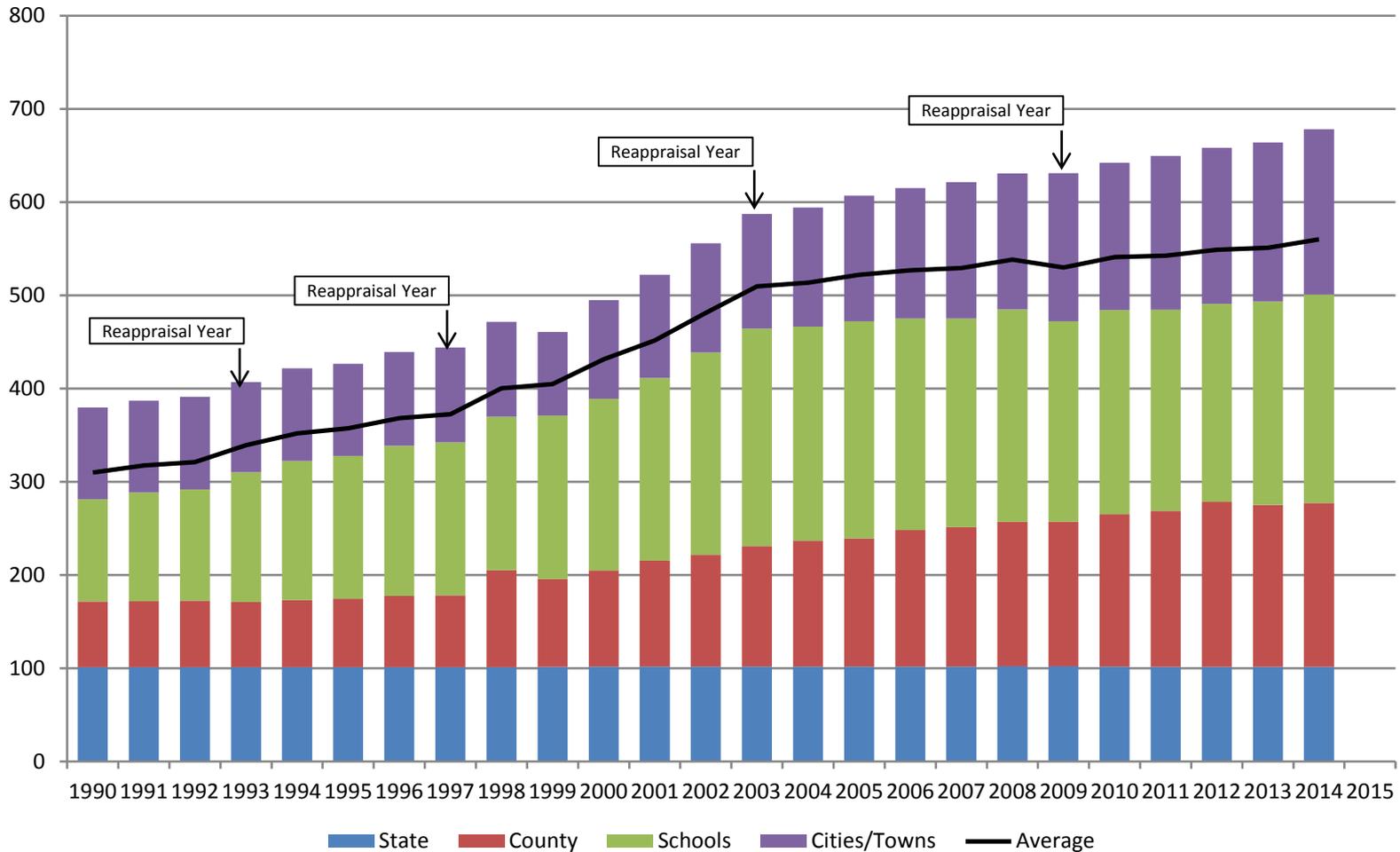


Effective Tax Rate (Taxes/MV)

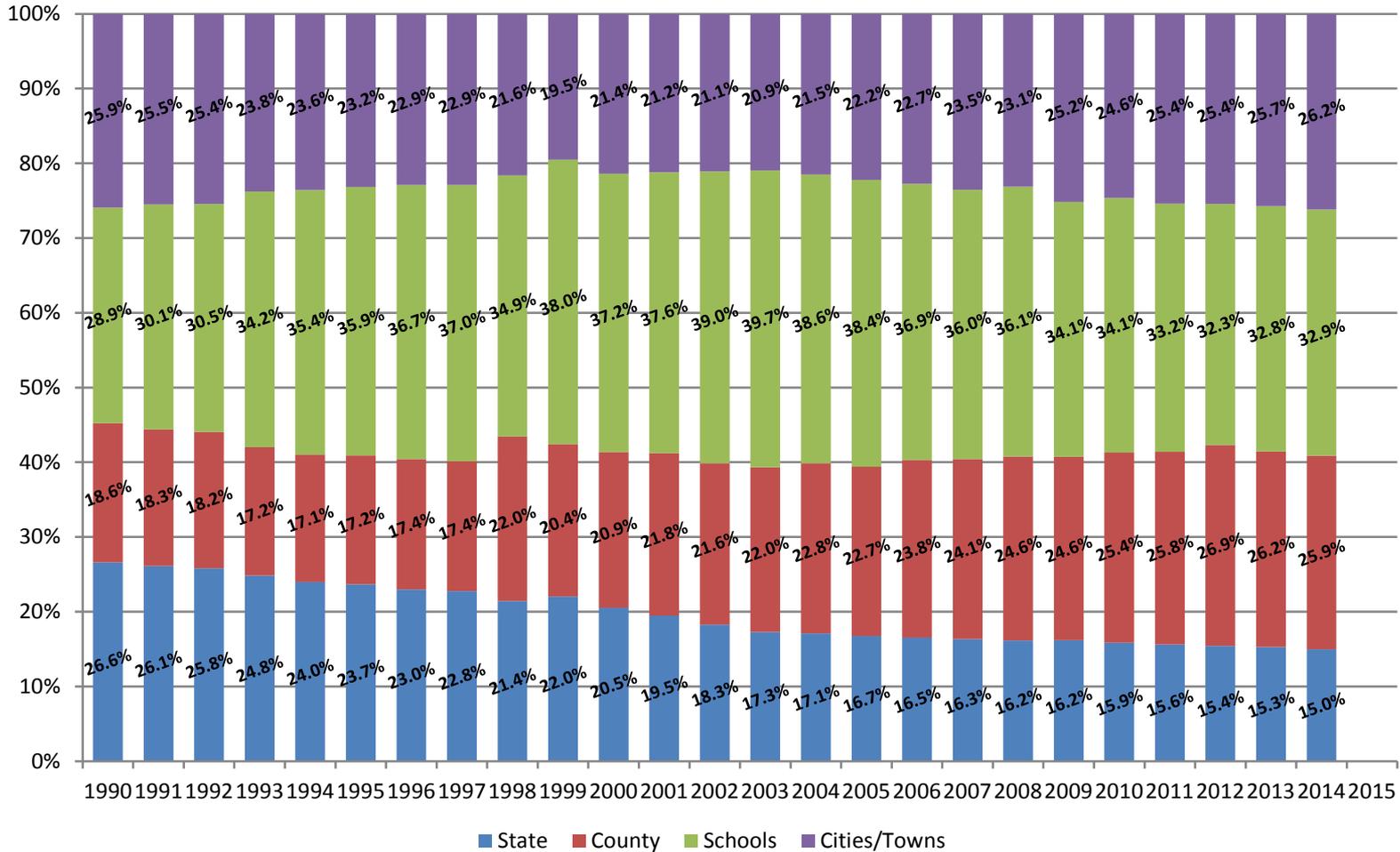
Effective Tax Rate (Taxes/MV)



Mills



Mills



Calculating Taxable Value Neutral Tax Rate

Calculating the
Class 3 Tax Rate

$$\frac{[Old\ Taxable\ Value^*]}{[New\ Market\ Value]} = [Tax\ Rate] = \frac{\$140,394,115}{\$6,381,550,660} = 2.2\%$$

Calculating the
Class 4 Residential
Tax Rate

$$\frac{[Old\ Taxable\ Value]}{[New\ Market\ Value]} = [Tax\ Rate] = \frac{\$1,168,390,785}{\$86,547,465,556} = 1.35\%$$

Calculating the
Class 4 Commercial
Tax Rate

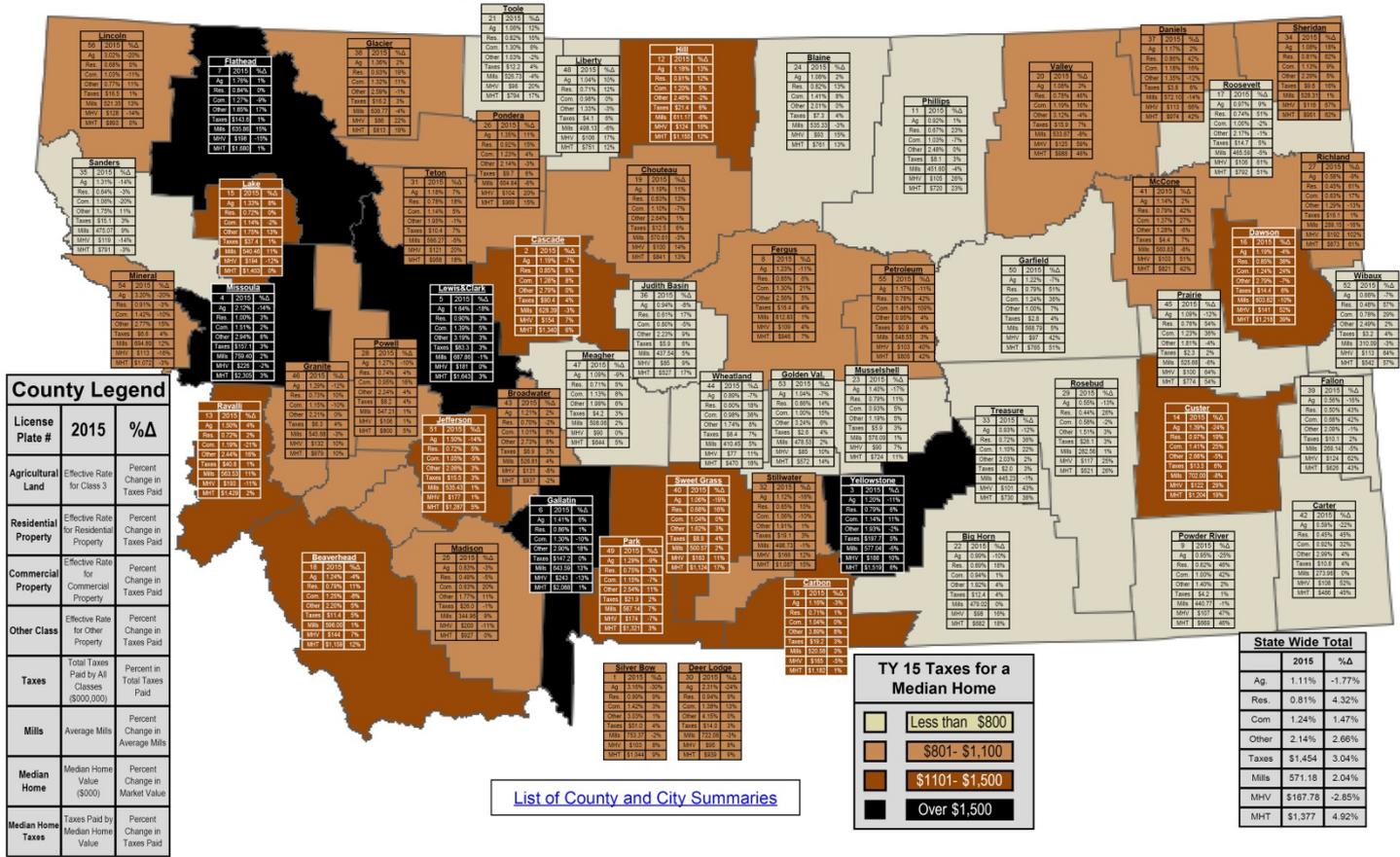
$$\frac{[Old\ Taxable\ Value]}{[New\ Market\ Value]} = [Tax\ Rate] = \frac{\$350,619,740}{\$18,551,308,995} = 1.89\%$$

Calculating the
Class 4 Commercial
Multiplier

$$\frac{[Commercial\ Tax\ Rate]}{[Residential\ Tax\ Rate]} = [Multiplier] = \frac{1.89\%}{1.35\%} = 1.4$$

*Does not include the taxable value of non-qualified agricultural land

Est. Impacts of Reappraisal (SB157, Signed by Gov. Bullock; as of 5/4/15)



License Plate #	2015	%Δ
Agricultural Land	Effective Rate for Class 3	Percent Change in Taxes Paid
Residential Property	Effective Rate for Residential Property	Percent Change in Taxes Paid
Commercial Property	Effective Rate for Commercial Property	Percent Change in Taxes Paid
Other Class	Effective Rate for Other Property	Percent Change in Taxes Paid
Taxes	Total Taxes Paid by All Classes (\$500,000)	Percent in Total Taxes Paid
Mills	Average Mills	Percent Change in Average Mills
Median Home	Median Home Value (\$500)	Percent Change in Market Value
Median Home Taxes	Taxes Paid by Median Home Value	Percent Change in Taxes Paid

[List of County and City Summaries](#)

TY 15 Taxes for a Median Home

- Less than \$800
- \$801 - \$1,100
- \$1,101 - \$1,500
- Over \$1,500

State Wide Total		
	2015	%Δ
Ag	1.11%	-1.77%
Res	0.81%	4.32%
Com	1.24%	1.47%
Other	2.14%	2.68%
Taxes	\$1,454	3.04%
Mills	\$71.16	2.04%
MHV	\$167.78	-2.85%
MHT	\$1,377	4.92%

<http://revenue.mt.gov/home/property/reappraisal/#horizontalTab2>



Questions?