

**Summary of LC9500 to Provide for One 2-year Reappraisal Cycle Followed by Annual Reappraisal**

<b>MCA Section</b>	<b>Effective Date</b>	<b>Provision</b>	<b>Comments</b>
Title	n/a		The first sentence of the title is broad. The committee may wish to narrow the title.
15-6-134(1)(c) 15-6-134(2)(a) 15-6-134(2)(b)	January 1, 2015	Removes references to “taxable” market value and inserts language that the tax is calculated “after the application of the exemption under 15-6-122.”	References to “taxable market value” are no longer necessary with no phasein of values. Clarifies that the homestead and comstead exemptions in 15-6-222 are to be deducted from market value.
15-6-134(1)(c)(i) 15-6-134(1)(c)(ii)	January 1, 2015	Removes reference to tax year 2009 practice of calculating eligibility for property tax assistance program based on federal adjusted income.	Reference to tax year 2009 is no longer necessary. Current practice is to base eligibility on total household income.
15-6-134(2)(a)(i) through (2)(a)(vi)	January 1, 2015	Removes tax rates for property in tax years 2009 through 2013 and specifies a rate of 2.47% for tax years after 2014.	References to tax rates for past years are no longer necessary. The rate for tax years after 2014 is not changed from current law.
15-6-222	January 1, 2015	Removes homestead and comstead exemptions for years prior to 2015 and establishes 47% homestead exemption and 21.5% comstead exemption.	The exemption percentage for tax years after 2014 is not changed from current law.
15-7-102(1)(b)	January 1, 2015	Removes a provision stating that DOR is not required to notify an owner if a change in valuation is the result of phasing in the reappraisal, the application of the homestead or comstead exemption, or an incremental change in the tax rate.	Provision is not necessary with no phasein and no incremental changes in tax rates.
15-7-102(1)(b)(i)	January 1, 2015	Removes a reference to the extended property tax assistance program.	The change to more frequent reappraisal should eliminate the need for this program, which provides assistance for owners of residential property with extraordinary increases in market value that meet certain income requirements.
15-7-102(3)(a)	January 1, 2015	Current law allows one request for assessment review of class 3, 4, and 10 property each 6-year revaluation cycle. Draft language allows one review each year.	Does the committee want to allow one review each year? With current effective dates, this would allow one review each year of the 2-year cycle. Section could be amended to allow one review for the 2-year cycle and then one per year thereafter.

15-7-102(3)(d)	January 1, 2015	In the case of an assessment review, allows a taxpayer to request that class four property be fully inspected and reappraised if the property was not inspected and reappraised in the calendar year before the assessment year.	Property that is not reappraised is adjusted using models. See reappraisal requirements in 15-7-111(6)(b).
15-7-103(6)	January 1, 2014	Removes references to “periodic revaluation” and the “taxable portion” of market value that are unnecessary with no phasein.	
15-7-103(7)	January 1, 2014	Removes duplicative sentence about sewage disposal and domestic water supply systems being appraised, assessed, and taxed twice.	
15-7-111(1)	July 1, 2013	Requires annual revaluation beginning January 1, 2017.	
15-7-111(2) 15-7-111(3)	July 1, 2013	Housekeeping required because of earlier effective date on this section.	
15-7-111(4)	July 1, 2013	Removes requirement to report sales assessment ratio to RTIC twice during the revaluation cycle	Does RTIC still want this report or some other report?
15-7-111(4) [old (5)]	July 1, 2013	Removes 6-year reappraisal cycle and requirements that values be phased in at 16.66% each year. Adds subsection (b) that requires the reappraisal plan after tax year 2014 to provide for revaluation according to subsections (5) and (6) (below).	
15-7-111(5)	July 1, 2013	Provides for one 2-year revaluation cycle beginning January 1, 2015 for class 3, 4, and 10 property.	
15-7-111(6)(a)	July 1, 2013	Provides for annual revaluation beginning January 1, 2017 for class 3, 4, and 10 property.	
15-7-111(6)(b)	July 1, 2013	Requires that all class 3, 4, and 10 property be reappraised or readjusted annually beginning January 1, 2017. Class 4 property is to be reappraised at least once each 6 years with guidelines on the percentage of property to be reappraised each year of the 6-year period (roughly 17 % per year).	The 6-year period is from the annual reappraisal bill last session. The committee may wish to use some other period of time.
15-7-111(7)	July 1, 2013	(a) Directs the DOR to conduct field inspections to meet the requirements of subsection (6). (b) Lists methods and types of data for DOR to use to adjust and appraise.	
15-7-111(8)	July 1, 2013	(a) Clarifies that Title 15, chapter 7, part 2 addresses appraisal of agricultural land (b) Clarifies that Title 15, chapter 44, part 1 addresses appraisal of forest land	

15-7-112	January 1, 2015	Amends reference to cyclical revaluation	
15-7-131	January 1, 2015	Amends reference to cyclical revaluation	
15-7-139	January 1, 2017	Removes reference to base year that is not necessary with annual valuation.	
15-7-201(4)	January 1, 2015	The capitalization rate used to determine the productive capacity of agricultural land is required to remain at 6.4% until the end of the current 6-year revaluation cycle. The amendments remove references to that rate and charge DOR with setting the rate after consultation with the agricultural advisory committee. Also clarifies that agriculture land valuation schedules are effective January 1 of the tax year.	
15-7-201(5)(b)(iii)(B)	January 1, 2015	For calculating energy costs related to irrigation for agricultural land, changes language from “energy cost base year” to “calendar year preceding the revaluation year.” Also moves the deadline for providing energy costs from July to March.	
15-7-201(7)	January 1, 2015	Specifies a 3-year term for agriculture advisory committee members. There is currently no term specified in statute.	The term could be something other than 3 years. The forest land advisory committee in section 15-44-103 is also amended to have a 3-year term. Currently that advisory committee has terms that expire at the end of the revaluation cycle.
15-8-111(8)(d)	January 1, 2015	Cleans up language no longer necessary because of movement away from phased-in values.	
15-10-420(4)(c)	July 1, 2013	Specifies that section applies to revaluations before the 2-year and 1-year cycles go into effect.	
15-15-102	January 1, 2015	Clarifies that applications for a reduction in value are due in June of the year in issue	
15-16-101(2)(a)(vi)	January 1, 2015	Removes reference to the extended property tax assistance program	
15-24-3202(1)	January 1, 2015	Cleans up language no longer necessary because of movement away from phasein.	
15-24-3203(1)	January 1, 2015	Cleans up language no longer necessary because of movement away from phasein.	
15-44-103(2)	January 1, 2015	Clarifies that forest productivity values take effect January 1.	

15-44-103(6)	January 1, 2015	Removes a reference to a minimum capitalization rate because the effective date of the section is after the specified time frame for the minimum rate.	The committee may wish to put a lower limit on the capitalization rate.
15-44-103(10)(b)	January 1, 2015	Terms for members on the forest lands taxation advisory committee are currently based on the 6-year reappraisal cycle.	A 3 year term is used. The committee may wish to modify the term to some other length.
77-1-208(1)(a)	January 1, 2015	Removes reference to phased-in values and periodic valuation.	
Section 18	January 1, 2015	Repeals the extended property tax assistance program provided for in 15-6-193.	The change to more frequent reappraisal should eliminate the need for this program, which provides assistance for owners of residential property with extraordinary increases in market value that meet certain income requirements.

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