



Revenue and Transportation Interim Committee

64th Montana Legislature

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TO: Revenue and Transportation Interim Committee

FROM: Megan Moore, committee staff

RE: Possible Committee Clarification Legislation

DATE: May 25, 2016

This memorandum alerts the committee to areas of law within the committee's subject matter jurisdiction that could benefit from cleanup or clarification. The committee could request legislation to address the items discussed below.

Property Tax: Senate Bill No. 157

[Senate Bill No. 157](#), which revised property reappraisal laws, contained two small errors in amendments to the bill. The errors were discovered before codification and the Code Commissioner inserted bracketed language in the code with the intended wording. Passage of a bill to correct the errors would allow removal of the bracketed language.

Section 15-7-102

The first section containing bracketed language is section [15-7-102\(3\)\(e\)](#) which is a lengthy section of law addressing notification of property values and valuation appeals. The section reads in part:

(e) The review must be conducted informally and is not subject to the contested case procedures of the Montana Administrative Procedure Act. As a part of the review, the department may consider the actual selling price of the property and other relevant information presented by the taxpayer in support of the taxpayer's opinion as to the market value of the property. The county tax appeal board [department] shall consider an independent appraisal provided by the taxpayer if the appraisal meets standards set by the Montana board of real estate appraisers and the appraisal was conducted within 6 months of the valuation date. If the department does not use the appraisal provided by the taxpayer in conducting the appeal, the department must provide to the taxpayer the reason for not using the appraisal. The department shall give reasonable notice to the taxpayer of the time and place of the review.

The same language was amended into sections of law about appeals to the county tax appeal board and the state tax appeal board. When the amendment language was copied from the amendment to section [15-15-103](#) to the amendment to section [15-7-102](#), the first reference to the "county tax appeal board" was not changed to "department".

Section 15-6-301

The second instance of bracketed language resulting from [Senate Bill No. 157](#) is in section [15-6-301](#) in

the definition of "qualifying income" which reads in part:

(b) for assistance under [15-6-305](#) [[15-6-311](#)], the federal adjusted gross income excluding capital and income losses of an applicant as calculated on the Montana income tax return for the prior tax year;

The Code Commissioner correction language in the compiler's comments captures the chain of events that led to the incorrect section reference:

"The code commissioner inserted the bracketed reference to [15-6-311](#) in the definition of qualifying income to reflect an amendment that was adopted by the House Taxation Committee on April 14, 2015. The amendment that was adopted by the House Taxation Committee referenced section 12, which corresponds to [15-6-311](#). When section 12 was renumbered section 13 during the legislative process, the section reference, by apparent oversight, was not changed to section 13."

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