

<b>Reappraisal - GIS Staff</b>	<b>Agency/Program #:</b> 5801-08-11	
	<b>Division:</b> Property Assessment	
	<b>Program:</b> Property Assessment	
<b>Agency Name:</b>	Department of Revenue	
<b>Agency Contact:</b>	Randy Wilke / Larry Finch	841-2562/3526
<b>LFC Contact:</b>	Rep. Sesso and Rep. Taylor	
<b>LFD Liaison:</b>	Greg DeWitt	444-5392
<b>OBPP Liaison:</b>	Mark Bruno	444-4588

**Program or Project Description:**

Complete Current Reappraisal Cycle in a Uniform and Equitable Fashion by January 1, 2009

Fund Name:	2008		2009		Approp & Expenditure numbers are as of June 30, 2009
	Approp.	Expended	Approp.	Expended	
General Fund					
State Special					
Federal Funds					
<b>Total:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

**Legislative Goal(s):**

Complete Current Reappraisal Cycle in a Uniform and Equitable Fashion by January 1, 2009

Complete in a timely and accurate fashion the uniform and equitable reappraisal and valuation of all properties subject to the current 6-year reappraisal cycle (Class 4 residential, commercial, and industrial properties, Class 3 agricultural land, and Class 10 forest land). Specifically:

Objective I: By January 1, 2009 complete the discovery of, and establish new appraisal (current market) values for, all Class 4 residential, commercial and industrial properties in a manner that meets or exceeds the uniformity and equalization reappraisal standards inherent in Montana's Constitution, the Montana Code Annotated, and generally recognized reappraisal standards.

Objective II: By January 1, 2009 complete the valuation and reappraisal of all Class 3 agricultural and Class 10 forestland properties by establishing uniform and equitable values that accurately reflect current land use and productivity in a manner that meets or exceeds the reappraisal standards inherent in Montana's Constitution, the Montana Code Annotated, and generally recognized reappraisal standards. Class 3 agricultural land has not undergone classification review, yield updates, and valuation schedule updates - that is, a complete statewide reappraisal - since 1963.

**Legislative Performance Measures :**

- 1) Based on a comprehensive quality of reappraisal study, and measured against widely-recognized national standards, verify by the end of fiscal year 2009 that the overall sales/assessment ratio of Class 4 residential property lies between 0.9 and 1.1; that the coefficient of dispersion is less than 15%; and that the price-related differential lies between 0.98 and 1.03.
- 2) By the end of the 1st quarter of 2010, verify that the statewide number of Class 4 residential property appeals, excluding any statewide class-action appeals, to County Tax Appeal Boards is 2% or less of the number of statewide parcels, and that 80% of those appeals are either withdrawn by the appellant, adjusted by no more than 10% by the department or the appeal board, or have the original department value sustained in a final appeals decision.
- 3) By the end of the 1st quarter of 2010, verify for agricultural parcels of 160 acres or more that no more than 2% of those parcels have their agricultural land use type (classification) appealed.
- 4) By mid-year 2009, verify that the statewide productivity or yield of agricultural lands as determined by the Department of Revenue is within 10% of the productivity or yield determination made by the Natural Resource and Conservation Service (NRCS) for each land use type as defined by the Department of Revenue. (To our knowledge, the external information used to make the comparison for this performance measure is the best comparative information available.)

**2009 Biennium Significant Milestones:**

	Completion Dates	
	Target	Actual
1 Major target dates for completion of the reappraisal process are included in the performance measures, above.		
2		
3		
4		



**Agency Performance Report:**

Measure 1: The department has completed a preliminary sales/assessment ratio study indicating that the department's reappraisal efforts successfully achieved the ratio standards included in this measure. A final study to be completed by early 2010 will provide conclusive evidence on the extent to which this measure is successfully achieved.

Measure 2: The information needed to determine the extent to which measure 2 is achieved (appeals to County Tax Appeal Boards) will not be available until the end of the first quarter of 2010. To date, the department has logged a total of 35,000 informal reviews (Form AB-26) from the current reappraisal cycle, of which 21,933 are for residential property. Based upon historical data and the volume of issues that are resolved by the informal review process, the department fully anticipates meeting this measure.

Measure 3: The information needed to determine the extent to which measure 3 is achieved (appeals to County Tax Appeal Boards) will not be available until the end of the first quarter of 2010. To date, the department has logged a total of 9,216 informal reviews (Form AB-26) related to agricultural and forest land. Based upon historical data and the volume of issues that are resolved by the informal review process, the department fully anticipates meeting this measure.

Measure 4: Given that the source information used to make the determination of productivity or yield of agricultural lands was derived from the Natural Resource and Conservation Service, the department believes that measure 4 has been successfully completed.

**LFD Narrative:**

LFD Concern - No appropriation or expenditure information was provided to allow formulating a determination of effectiveness of fiscal policy for this activity.

Progress - Based on preliminary analysis reported by the agency in the agency measurement report, progress toward this goal indicates it is on-track. However, the following highlights or suggested items for further clarification or monitoring were identified in reviewing the agency performance report:

- Performance Measure I: Only a preliminary sales/assessment ratio study have been completed and a final study will not be completed until early 2010
- Performance Measure II: Information to evaluate attainment of the measure will not be available until after the first quarter 2010, but comparisons of informal reviews against historical data shows promise in reaching this measure
- Performance Measure III: Information to evaluate attainment of the measure will not be available until after the first quarter 2010, but comparisons of informal reviews against historical data shows promise in reaching this measure

Follow-up Reporting is recommended - Three or four measures rely on further work or analysis of information that is not yet available. As such, the work group may wish to consider requesting a follow-up report in conjunction with the June 2010 Legislative Finance Committee meeting.

Version	Date	Author
LFD Dec 2009	11/12/2009	G. DeWitt

Change Description
Copied agency provided status from OBPP form. LFD Narrative