

1 SENATE BILL NO. 237
2 INTRODUCED BY D. FERN
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE REVENUE INTERIM COMMITTEE TO MAKE A
5 RECOMMENDATION TO THE LEGISLATURE ABOUT WHETHER TO REVISE PROPERTY TAX RATES
6 BASED ON THE TAXABLE VALUE NEUTRALITY REPORT; AND AMENDING SECTIONS 5-5-227 AND 15-7-
7 111, MCA."

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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
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11 **Section 1.** Section 5-5-227, MCA, is amended to read:

12 **"5-5-227. Revenue interim committee -- powers and duties -- revenue estimating and use of**

13 **estimates.** (1) The revenue interim committee has administrative rule review, draft legislation review, program
14 evaluation, and monitoring functions for the Montana tax appeal board established in 2-15-1015 and for the
15 department of revenue and the entities attached to the department for administrative purposes, except the
16 divisions of the department that administer the Montana Alcoholic Beverage Code and the Montana Marijuana
17 Regulation and Taxation Act.

18 (2) (a) The committee must have prepared by December 1 for introduction during each regular
19 session of the legislature in which a revenue bill is under consideration an estimate of the amount of revenue
20 projected to be available for legislative appropriation.

21 (b) The committee may prepare for introduction during a special session of the legislature in which
22 a revenue bill or an appropriation bill is under consideration an estimate of the amount of projected revenue.
23 The revenue estimate is considered a subject specified in the call of a special session under 5-3-101.

24 (3) The committee's estimate, as introduced in the legislature, constitutes the legislature's current
25 revenue estimate until amended or until final adoption of the estimate by both houses. It is intended that the
26 legislature's estimates and the assumptions underlying the estimates will be used by all agencies with
27 responsibilities for estimating revenue or costs, including the preparation of fiscal notes.

28 (4) The legislative services division shall provide staff assistance to the committee. The committee

1 may request the assistance of the staffs of the office of the legislative fiscal analyst, the legislative auditor, the
2 department of revenue, and any other agency that has information regarding any of the tax or revenue bases of
3 the state.

4 (5) The committee shall review tax credits as provided in 15-30-2303.

5 (6) The committee shall make a recommendation to the next legislature about whether to revise
6 property tax rates based on the report provided in 15-7-111."

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8 **Section 2.** Section 15-7-111, MCA, is amended to read:

9 **"15-7-111. Periodic reappraisal of certain taxable property.** (1) (a) The department shall
10 administer and supervise a program for the reappraisal of all taxable property within class three under 15-6-
11 133, class four under 15-6-134, and class ten under 15-6-143 as provided in this section. All property within
12 class three, class four, and class ten must be revalued every 2 years. Except as provided in subsection (1)(b),
13 all other property must be revalued annually.

14 (b) Beginning January 1, 2024, all centrally assessed property must be revalued in the time
15 periods provided for in 15-23-101(2).

16 (2) The department shall value newly constructed, remodeled, or reclassified property in a manner
17 consistent with the valuation within the same class and the values established pursuant to subsection (1). The
18 department shall adopt rules for determining the assessed valuation of new, remodeled, or reclassified property
19 within the same class.

20 (3) The reappraisal of class three, class four, and class ten property is complete on December 31
21 of every second year of the reappraisal cycle.

22 (4) During the second year of each reappraisal cycle, the department shall provide the revenue
23 interim committee with a report, in accordance with 5-11-210, of tax rates for the upcoming reappraisal cycle
24 that will result in taxable value neutrality for each property class. The revenue interim committee shall make a
25 recommendation to the next legislature about whether to revise property tax rates based on the report.

26 (5) The department shall administer and supervise a program for the reappraisal of all taxable
27 property within class three, class four, and class ten. The department shall adopt a reappraisal plan by rule.
28 The reappraisal plan adopted must provide that all class three, class four, and class ten property in each county

1 is revalued by January 1 of the second year of the reappraisal cycle, effective for January 1 of the following
2 year, and each succeeding 2 years.

9 (7) (a) In each notice of reappraisal sent to a taxpayer, the department, with the support of the
10 department of administration, shall provide to the taxpayer information on:

11 (i) the consumer price index adjusted for population and the average annual growth rate of
12 Montana personal income; and

13 (ii) the estimated annualized change in property taxes levied over the previous 10 years by the
14 state, county, and any incorporated cities or towns within the county and local school average mills by county.

15 (b) In every even-numbered year, the department shall publish in a newspaper of general
16 circulation in each county the information required pursuant to subsection (7)(a) by the second Monday in
17 October."

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