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Subject: 2015 Reappraisal - Informal Review and Property Tax Appeal Processes and Valuation Adjustments
Attachments: Memo-Informal Review and Property Tax Appeal Processes and Valuation Adj....pdf

Good Morning,

Please find the attached memorandum with information on the informal review and property tax appeal processes and valuation adjustments.

Let me know if you have any questions.

Thank you!

Cynthia

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Mike Kadas
Director

Montana Department of Revenue



Steve Bullock
Governor

MEMORANDUM

To: County Commissioners
County Clerk and Recorders
County Treasurers

From: Cynthia C. Monteau Moore, Administrator, Property Assessment Division

Date: June 25, 2015

Subject: 2015 Reappraisal – Informal Review and Property Tax Appeal Processes and Valuation Adjustments

The 2015 Legislature passed Senate Bill 157. This law primarily changed the statewide reappraisal of all taxable agricultural, residential, commercial, and industrial real property from every six years to every two years. This reappraisal change, however, did not change a property owner's right to file an Informal Classification and Appraisal Review (Form AB-26) with the department or to file a Property Tax Appeal Form with the local county tax appeal board (CTAB).

Property Owner's Options:

All agricultural, residential, commercial, and industrial property owners will receive a classification and appraisal notice. The department already mailed classification and appraisal notices to personal property owners and mobile home property owners. Real property owners will start receiving their notices next week. Property owners who do not agree with the department's determination of their property's classification or market value can either informally object to the department or formally appeal to their local CTAB.

File a Form AB-26 to the department -

The property owner choosing to informally object to the department's notice must file a Form AB-26 within 30 days from the date on the classification and appraisal notice, to the department.

After the property owner files a Form AB-26, an appraiser will contact the property owner to schedule a meeting to conduct an onsite inspection of the property to ensure the accuracy of the property information that the department used to classify and value the property. This process also allows the property owner to provide pertinent valuation documentation to the department for review and consideration. Based on the information supplied by the property owner and the department's review, the department will issue a final determination letter.

The final determination will provide the details of any changes, if any, were made to the property. If the property owner does not agree with the department's final determination, the property owner may file a formal appeal with the local CTAB within 30 days from the date of the department's final determination letter.

File a Property Tax Appeal Form directly to the local CTAB -

The property owner choosing to formally object to the classification and appraisal notice must file a Property Tax Appeal Form with their local CTAB within 30 days from the date on the notice. The property owner is required to submit a completed application to the county clerk and recorder.

The county's formal appeal process and the department's informal review process are completely separate and independent processes. There is no statutory requirement that a property owner is required to first file an informal review with the department before filing an appeal with the local CTAB. If timely filed, the property owner may file both a Form AB-26 and a Property Tax Appeal Form. Once CTAB makes a decision, however, the department's informal review process is no longer an option. A property owner who does not agree with the local CTAB's decision must file an appeal to the Montana Tax Appeal Board within 30 days of the CTAB's decision.

Valuation Adjustments

The timeliness of informal reviews and formal appeals is imperative for the property owner to reserve their right to object to the department's valuation.

Tax Year 2015 – first year of reappraisal

An informal review or formal appeal, filed within 30 days from the date on the notice that results in a classification or valuation adjustment, the adjustment will apply to tax years, 2015 and 2016.

An informal review or formal appeal, filed after 30 days from the date on the notice that results in a classification and valuation adjustment, the adjustment will apply only to tax year 2016.

Tax Year 2016 – second year of reappraisal

A property owner will receive a notice in the second year of the reappraisal only if an ownership, valuation, or classification change occurred. A property owner choosing to file an informal review or formal appeal within 30 days from the date on the notice that results in a valuation adjustment, the adjustment will apply only to tax year 2016. If filed after 30 days from the date on the notice, it will not be accepted for the two-year reappraisal.

If you have any questions, please feel free to visit our website at <http://revenue.mt.gov/appeal-process> or contact me at 406-444-7968 or 866-859-2254 (outside Helena).