



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

SB0507 - Generally revise tax laws (Zolnikov, Daniel)

Status: As Amended in Senate Committee

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$1,000	\$1,000	\$1,000	\$1,000
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$1,000)</u>	<u>(\$1,000)</u>	<u>(\$1,000)</u>	<u>(\$1,000)</u>

Description of fiscal impact: SB 507 makes several revisions pertaining to state and county tax appeal boards. The bill as amended in the Senate Taxation Committee eliminates the proposed changes to exempt properties.

FISCAL ANALYSIS

Assumptions:**Department of Revenue***Changes to CTAB and MTAB procedures*

- SB 507 clarifies that a taxpayer may hire a representative of the taxpayer's choice to represent them at a county tax appeal board (CTAB) or Montana tax appeal board (MTAB) hearing and that this representative is not considered to be practicing law and not required to be an attorney or CPA.
- This bill would no longer require a CTAB to get approval from MTAB to extend their appeal hearings past December of each year. Holding hearings past December would be left to the discretion of the CTAB chair.
- This bill also provides that a decision of MTAB is a final decision and is not subject to a rehearing unless dictated as a result of judicial review. A rehearing may not be requested by either party.

4. This bill clarifies that CTAB or MTAB may consider negative property features that differentiate the subject property from the Department of Revenue’s comparable sales; this is something the boards already consider.
5. This bill requires the Department of Revenue (DOR) to allow MTAB board members to attend any training provided to DOR appraisal staff, without regard as to whether the board member has obtained a certificate or completed prerequisite courses. The members may not be required to take an examination and the DOR would be required to pay for the tuition costs.
6. This bill would prohibit any former DOR employee from serving on a CTAB board within 36 months of being employed by the DOR.
7. This amended bill would be effective on passage and approval.

DOR Administrative Costs

8. The DOR estimates the tuition costs for board members attending courses to be about \$1,000 each year.

Fiscal Impact:	FY 2024	FY 2025	FY 2026	FY 2027
Department of Revenue	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Personal Services	\$0	\$0	\$0	\$0
Operating Expenses	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$1,000</u>
TOTAL Expenditures	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$1,000</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$1,000	\$1,000	\$1,000	\$1,000
State Special Revenue (02)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Funding of Exp.	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$1,000</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)
State Special Revenue (02)	\$0	\$0	\$0	\$0

NO SPONSOR SIGNATURE

<hr/> Sponsor's Initials	3/31/23 <hr/> Date	 <hr/> Budget Director's Initials	3-30-23 <hr/> Date
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