

## SENATE BILL NO. 542

INTRODUCED BY W. GALT

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING TAX LAWS; FREEZING CERTAIN PROPERTY VALUES FOR PROPERTY TAX PURPOSES; PROVIDING THAT THE 2024 PROPERTY VALUE IS USED FOR 2025 AND 2026 UNLESS THE DEPARTMENT OF REVENUE DETERMINES THE PROPERTY VALUE HAS DECREASED; AMENDING SECTION 15-7-111, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, A RETROACTIVE APPLICABILITY DATE, AND A TERMINATION DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 15-7-111, MCA, is amended to read:

**"15-7-111. Periodic reappraisal of certain taxable property.** (1) (a) The department shall administer and supervise a program for the reappraisal of all taxable property within class three under 15-6-133, class four under 15-6-134, and class ten under 15-6-143 as provided in this section. All-Except as provided in subsection (8), all property within class three, class four, and class ten must be revalued every 2 years. Except as provided in ~~subsection~~ subsections (1)(b) and (8), all other property must be revalued annually.

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

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

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

(4) During the second year of each reappraisal cycle, the department shall provide the revenue interim committee with a report, in accordance with 5-11-210, of tax rates for the upcoming reappraisal cycle

1 that will result in taxable value neutrality for each property class.

2 (5) The department shall administer and supervise a program for the reappraisal of all taxable  
3 property within class three, class four, and class ten. The department shall adopt a reappraisal plan by rule.  
4 The reappraisal plan adopted must provide that all class three, class four, and class ten property in each county  
5 is revalued by January 1 of the second year of the reappraisal cycle, effective for January 1 of the following  
6 year, and each succeeding 2 years.

7 (6) (a) In completing the appraisal or adjustments under subsection (5), the department shall, as  
8 provided in the reappraisal plan, conduct individual property inspections, building permit reviews, sales data  
9 verification reviews, and electronic data reviews. The department may adopt new technologies for recognizing  
10 changes to property.

11 (b) The department shall conduct a field inspection of a sufficient number of taxable properties to  
12 meet the requirements of subsection (5).

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

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

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

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

22 (8) (a) Except as provided in subsection (8)(b), the value of all property for property tax years  
23 beginning January 1, 2025, and January 1, 2026, must equal the value for the property tax year beginning  
24 January 1, 2024.

25 (b) If the department determines the value of a property for the property tax year beginning  
26 January 1, 2025, would be less than the value for the property tax year beginning January 1, 2024, if  
27 subsection (8)(a) did not apply, the lower property value must be used for the property tax years beginning  
28 January 1, 2025, and January 1, 2026."

1

2        NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

3

4        NEW SECTION. **Section 3. Retroactive applicability.** [This act] applies retroactively, within the  
5 meaning of 1-2-109, to property tax years beginning after December 31, 2024.

6

7        NEW SECTION. **Section 4. Termination.** [This act] terminates December 31, 2026.

8

- END -