

Understanding your Property Appraisal Notice

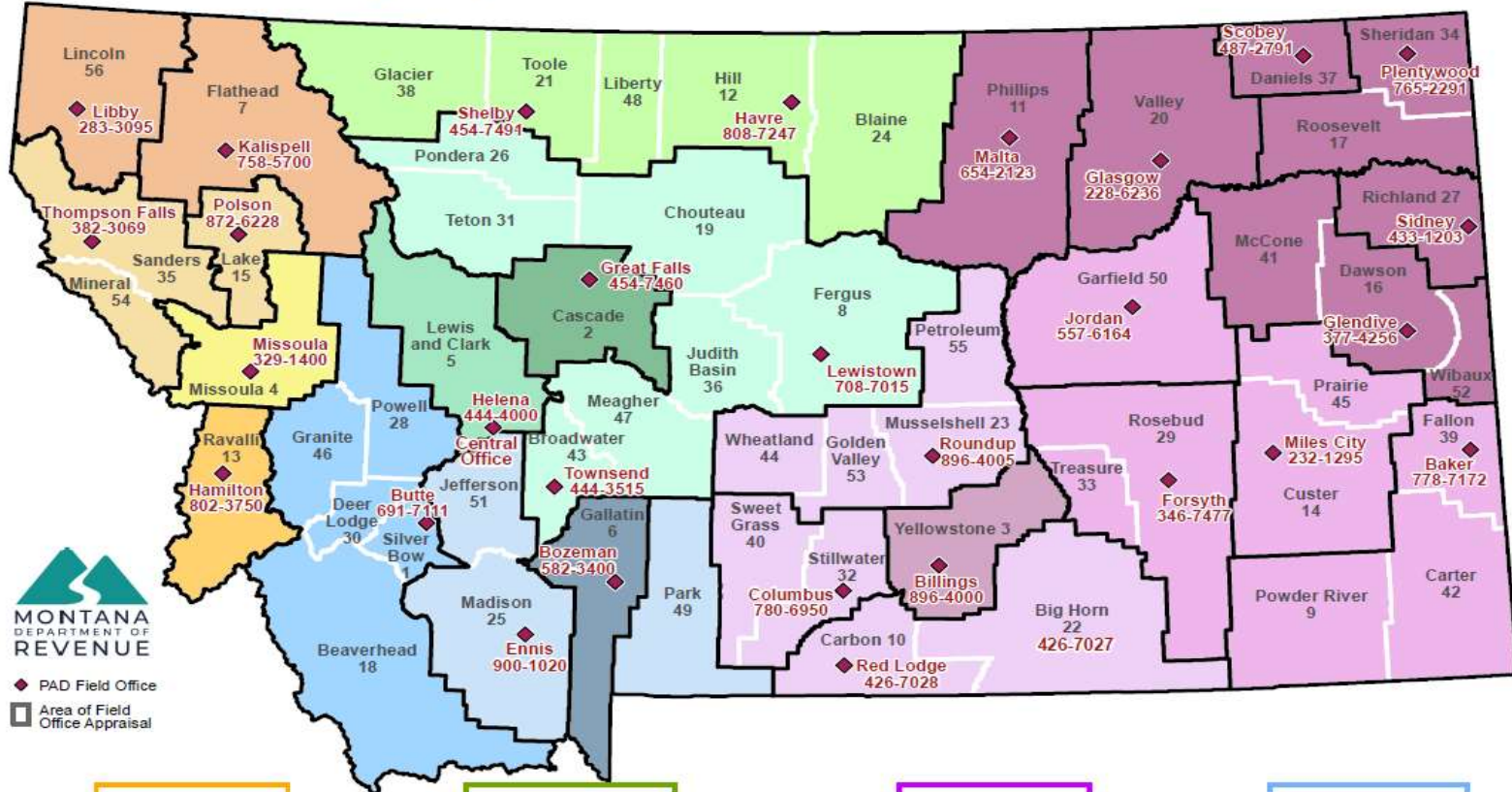
Property Assessment Cycle
Appraisal & Valuation
Process



**PROPERTY
ASSESSMENT
DIVISION**
MONTANA



DOR Property Assessment Division Field Offices



◆ PAD Field Office
 □ Area of Field Office Appraisal

Region 1
 Scott Williams
 758-5922 (Kalispell)

Region 2
 Jason Boggess
 454-7488 (Great Falls)

Region 3
 Liz Franz
 796-2488 (Glendive)

Region 4
 Chad Elser
 900-1016 (Ennis)

Area Managers

- 1(A) Dawn Cordone 758-3377 (Kalispell)
- 1(A) Holly Dale 758-3399 (Kalispell)
- 1(B) Dan Lapan 872-6237 (Polson)
- 1(C) Leslie Snyder 802-7347 (Hamilton)
- 1(D) Kristi Richards 329-1417 (Missoula)
- 1(D) Michelle Staples 329-1427 (Missoula)

- 2(C) Kathryn Kakalecik 454-7462 (Great Falls)
- 2(C) Vacant 454-7486 (Great Falls)
- 2(E) Roz Olson 444-7085 (Helena)
- 2(W) Vacant 708-7015 (Lewistown)
- 2(N) Carol Neal 454-7481 (Shelby)

- 3(A) Paula Gilbert 896-4009 (Billings)
- 3(A) Marci Paulson-Shafer 896-4026 (Billings)
- 3(C) Chad Beckman 896-4013 (Columbus)
- 3(E) Jess Arnold 851-7243 (Miles City)
- 3(N) Michelle Mattick 377-4256 (Glendive)

- 4(A) Angie DeMars 582-3405 (Bozeman)
- 4(A) Pam Moor 582-3407 (Bozeman)
- 4(B) Tina Oliver 900-1023 (Ennis)
- 4(C) Tedd Weldon 691-7119 (Butte)

Property Assessment Division

What We Do

We Value Property

At 100% market value as directed by the Montana State Legislature.

Determine Taxable Value

Market Value x Tax Rate = Taxable Value

What We Don't Do

Set Mill Rates

Taxing jurisdictions set mill rates to cover budgets.
Floated mills/voted mills

Tax Property

Local government agencies calculate, bill and collect property taxes.

Property Tax Basics

Property taxes are an *ad valorem* tax.
Tax is levied in proportion to property value.

Assessed Value x Tax Rate = Taxable Value

Taxable Value x Mill Levy = General Property Tax

Legislative decisions govern the three components of property taxes:

1. The **Department of Revenue** determines the assessed value .
2. The **Legislature** determines the tax rates and exemptions.
3. **Local government** determines mill rates, special fees and charges.



The department's
assessed value is
100% of market
value.



Market Value is...

“The value at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts.”

15-8-111,MCA

The Montana Legislature sets the tax rates

- Currently there are 16 property tax classes.
- The legislature assigns a tax rate to each tax class. Rates range from .29% to 15.12%
- Tax rates may be adjusted for certain tax benefits
 - Exemptions
 - Tax Abatements
 - Tax Assistance Programs
- A complete list of tax classes and tax rates are available on our website:
mtrevenue.gov



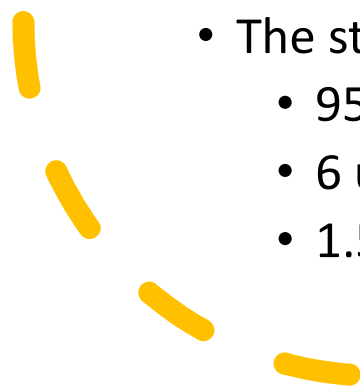


Local Governments Set Budgets and Mill Levies

- The department annually provides taxing jurisdictions with the total taxable value of property located in each jurisdiction within a county by the first Monday in August.
- Using this tax base, local taxing jurisdictions determine how many mills they need to meet their budget.

1 mill = $1/10^{\text{th}}$ of one cent

- The state also levies mills on taxable property.
 - 95 school equalization mills
 - 6 university mills
 - 1.5 mills in locations with technical or vocational schools

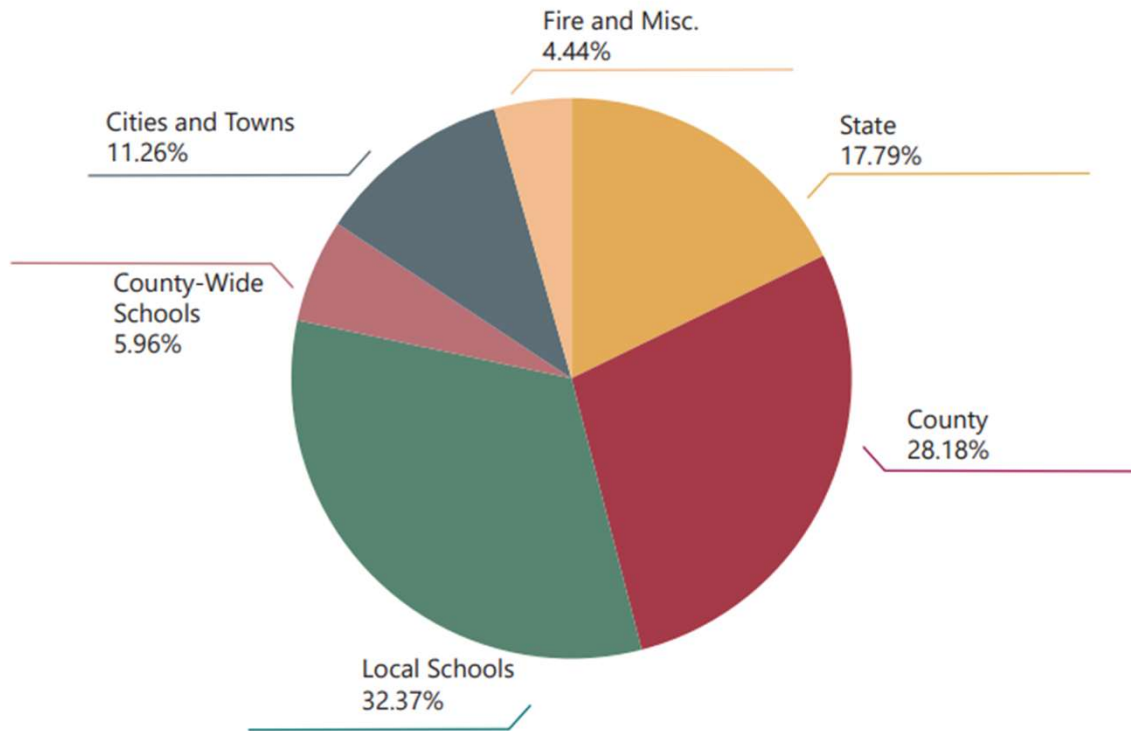


Local Budgets and Mill Levy Restrictions

- Local budgets and mill levy increases are restricted by the legislature in 15-10-420, MCA
 - Limits increase to local budgets
 - Equal to previous years budget plus $\frac{1}{2}$ of the average rate of inflation for the prior 3 years plus newly taxable value
 - If the jurisdiction doesn't levy the maximum amount of mills in a given year, they can be carried over to a subsequent tax year
 - Total mills also include any voted on levies
 - School bond levies or public safety levies
 - These are not restricted, because they are approved by the voters
 - Special Assessments and Fees
 - Set up by local government to pay for services specific to an area or service type
 - fire districts, storm sewer, lighting districts, fire hydrants, etc.

Where Do Property Tax Dollars Go?

Fiscal Year 2023



Information is now available for the 2023 Montana Individual Income Tax and Property Tax Rebates. [Learn More.](#)



The Property Assessment Division appraises and values properties and administers certain property taxes in Montana. The property values appraised by the department are used by counties to determine property taxes.

i Personal Appraisal Notices

Property Classification and Appraisal Notices are being sent to property owners.

[Learn More about Your Property's Classification and Appraisal Notice](#)

i Unclaimed Property

- [Find Unclaimed Property](#)
- [Unclaimed Property Holder's Guide](#)

[Find Property Information](#)

[Report Livestock](#)

Recent News from the Property Assessment Division

Resources at mtrevenue.gov/property

The Department is Statutorily Required to Determine:

- The market value of all residential, commercial, and industrial real property every two years. January 1, 2022 is the valuation date for the 2023-2024 appraisal cycle;
- The productivity value of all agricultural land every two years. January 1, 2022 is the valuation date for the 2023-2024 appraisal cycle;
- The productivity value of all forest land every six years. January 1, 2020 is the valuation date for the 2021-2026 appraisal cycle; and
- The market value of all personal property (business equipment) annually. January 1, 2023 is the valuation date for the 2023 appraisal cycle.

Understanding Your Notice

Your property classification and appraisal notice informs you how the department classified and valued for property assessment and tax billing.

Here is an example of a data table from a classification and appraisal notice:

Property Classification	Acres Quantity 3	Prior Appraisal Cycle Value 4	Prior Year Assessed Value 5	Current Assessed Value 6	Prior Taxable Value 7	Current Taxable Value 8	Prior Year Millage Rate 9	Estimated 2023 General Taxes** 10
Situs Address: 101 Main Street, Helena MT 59601 1 TOWNSITE, S13, TO3 S, R07 E, BLOCK 2, LOT 6-7 2 Value Increase Reason: MA - Market Appreciation 3 05-4523-13-7-17-05-0000* 4								
2201 Residential City or Town Lots	-	-	-	-	-	-	-	-
3501 Improvement on Residential City or Town Lots	-	-	-	-	-	-	-	-
2 Land and Improvement Value	0.25	302,100	333,040	413,700	4,078	5,585	9	10
Totals		302,100	333,040	413,700	4,078	5,585	705.75	\$3,941.61**

Download a PDF Copy of this Notice

1. Classification Codes
2. The value of land and improvements (buildings) is combined if the department valued the property as a unit.
3. The prior appraisal cycle value is as of January 1, 2020.
4. This column will only display on your notice if there was new construction or deconstruction on your property since January 1, 2021 or your property is forest land.


← → ↻ svc.mt.gov/dor/property


DOR Legislative Ses... Citrix Receiver Montana's Official... New Tab


MONTANA.GOV
OFFICIAL STATE WEBSITE


SERVICES AGENCIES LOGIN SEARCH MONTANA.GOV

Looking for information on your property?
1950 Cle|

 **Property Record Card**
Enter a property number, assessment code, name or address in the search box to view property characteristics.

 **Parcel Map**
Locate properties by browsing the statewide parcel map.

 **Certified Values**
View market and taxable values by taxing jurisdiction and county.

 **Exemptions**
View a list of granted property tax exemptions in each county.

svc.mt.gov/dor/property



Valuation Process

General Assessment Date

January 1

The department values all residential, commercial, and industrial land and improvements as of January 1*.

- Construction or destruction as of January 1
- New building construction completion review
- Land splits

All property in Montana (except forest land) was valued as of January 1, 2022, for the 2023-2024 valuation cycle. 15-7-111, MCA

*Property ownership is independent of the January 1 general assessment date. The department can change ownership until tax billing occurs.

Three Approaches to Value



COST APPROACH



SALES COMPARISON
APPROACH



INCOME APPROACH

Cost Approach



The department

- Develops cost tables using nationally recognized valuation manuals, such as Marshall & Swift, to calculate replacement cost new (RCN) of improvements.
- Applies depreciation
- Applies multipliers to replacement cost new less depreciation (RCNLD)
- Adds land value


$$\text{Market Value} = (\text{Replacement Cost New} - \text{Depreciation}) + \text{Land Value}$$

Comparable Sales Approach

01

The department obtains sales information about properties that have sold from Realty Transfer Certificates (RTC) collected by county clerk & recorders when deeds are filed.

02

The department verifies sales data to ensure each transaction is “arms length” and the property was offered on the open market. The department also reviews property records for accuracy.

03

The department builds models using its sales database. A property’s value is estimated by statistically analyzing the sale prices of similar properties. 3 to 5 comparable sales are selected and then adjusted for differences in property characteristics through multiple regression analysis (MRA)

Income Approach

The department collects income and expense data from commercial property owners who self report rents and expenses for the operation of the property.

The department develops income models for 8 primary commercial building types – apartments, hotel/motel, retail, office, restaurant, mini warehouses, warehouse, mobile home parks and other units.

For each income model, the department develops rent ranges and typical expense percentages.

The department estimates market value by capitalizing a *property's* net income into a present worth (market value) of the future income stream of the property.

The income/profits of a business are not used to value the property. Property value is based on the rents less expenses that a property can generate.

Net Operating Income (NOI) ÷ Capitalization Rate = Market Value

Informal Property Reviews & Appeals



Property owners have 30 days from the date on their property classification and appraisal notice to submit a Request for Informal Classification and Appraisal Review (Form AB-26). Any valuation adjustments will apply to tax years 2023 and 2024.



If you miss the 30-day deadline, you have until June 1, 2024, to submit a Form AB-26. Any valuation adjustments will apply to Tax Year 2024.



The department may request additional information at the time of the informal review to ensure the accuracy of the property's characteristics and the department's appraisal value.



Every attempt is made to process reviews at the local level before proceeding to a formal appeal.

FAQs

- Are my taxes going up?
- I haven't made any "improvements" to my home, why is my value increasing?
- Why did my value go up more than my neighbors' value?
- You are trespassing on my property. Why don't you call to schedule an appointment to visit my property? 15-7-139, MCA
- Are you valuing my home as if it were located in a high growth/value city?

Tax Rebates



Property Tax Rebate

Must apply beginning August 15

Up to \$675

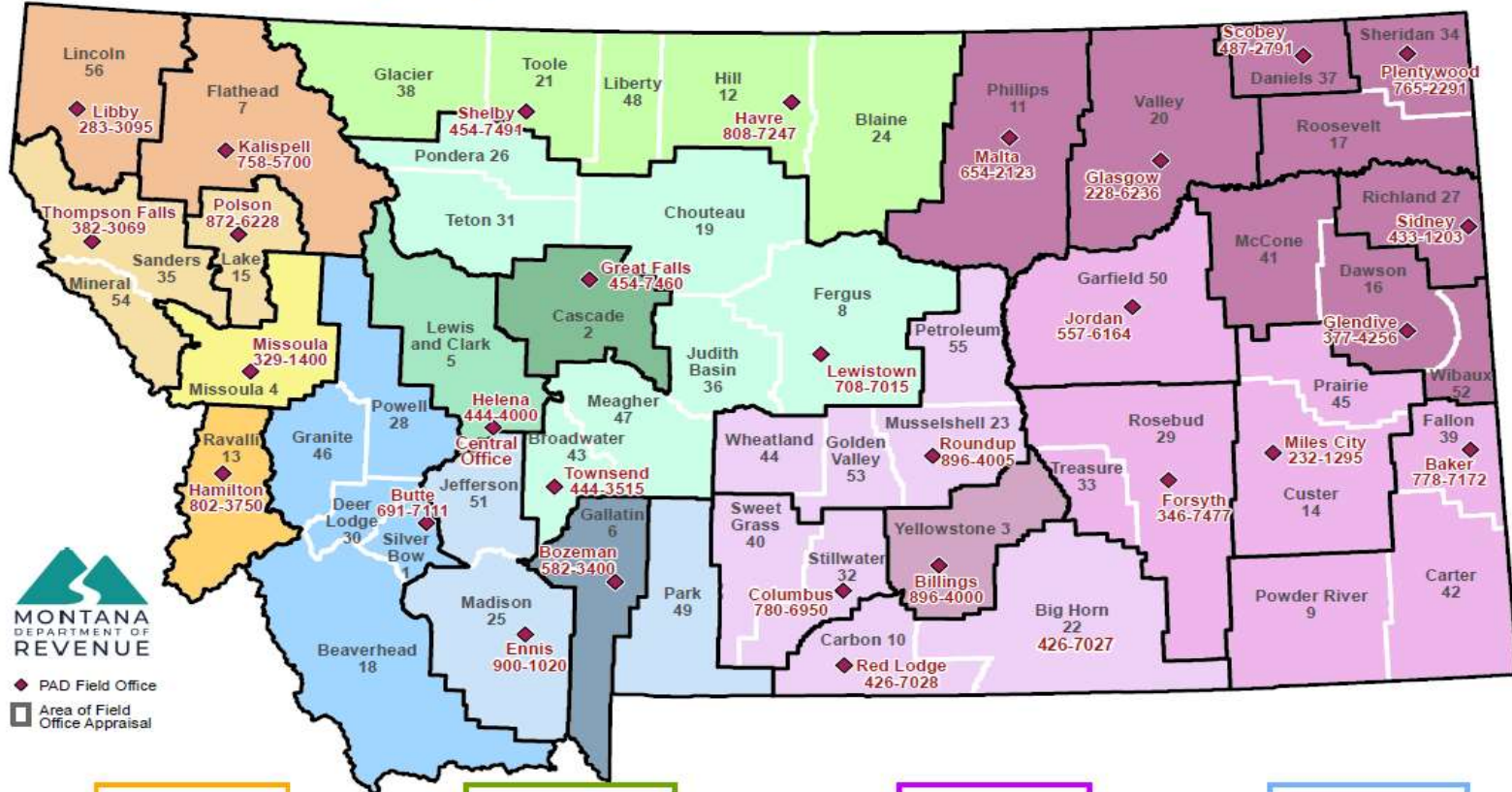


Income Tax Rebate

No need to apply

Will start going out in July

DOR Property Assessment Division Field Offices



◆ PAD Field Office
 □ Area of Field Office Appraisal

Region 1
 Scott Williams
 758-5922 (Kalispell)

Region 2
 Jason Boggess
 454-7488 (Great Falls)

Region 3
 Liz Franz
 796-2488 (Glendive)

Region 4
 Chad Elser
 900-1016 (Ennis)

Area Managers

- 1(A) Dawn Cordone 758-3377 (Kalispell)
- 1(A) Holly Dale 758-3399 (Kalispell)
- 1(B) Dan Lapan 872-6237 (Polson)
- 1(C) Leslie Snyder 802-7347 (Hamilton)
- 1(D) Kristi Richards 329-1417 (Missoula)
- 1(D) Michelle Staples 329-1427 (Missoula)

- 2(C) Kathryn Kakalecik 454-7462 (Great Falls)
- 2(C) Vacant 454-7486 (Great Falls)
- 2(E) Roz Olson 444-7085 (Helena)
- 2(W) Vacant 708-7015 (Lewistown)
- 2(N) Carol Neal 454-7481 (Shelby)

- 3(A) Paula Gilbert 896-4009 (Billings)
- 3(A) Marci Paulson-Shafer 896-4026 (Billings)
- 3(C) Chad Beckman 896-4013 (Columbus)
- 3(E) Jess Arnold 851-7243 (Miles City)
- 3(N) Michelle Mattick 377-4256 (Glendive)

- 4(A) Angie DeMars 582-3405 (Bozeman)
- 4(A) Pam Moor 582-3407 (Bozeman)
- 4(B) Tina Oliver 900-1023 (Ennis)
- 4(C) Tedd Weldon 691-7119 (Butte)