

Montana Tax Appeal Board Procedures & Suggestions for Property Tax Appeals

The Montana Tax Appeal Board is an administrative board tasked with providing an independent and neutral review of the Department of Revenue's ("DOR") valuation of real property for tax purposes. The Board may set a hearing in person in Helena, telephonically, by video conference, or "on the record." For an in-person, telephonic or video hearing, you will be expected to attend and present evidence and testimony. If the case is heard on the record, that is, based only on the written materials, you will have an opportunity to submit written materials.

During the Hearing

For both parties: Have an adequate number of exhibits to hand out.

- At least FIVE copies of each exhibit: one for the Department of Revenue, three for the Board members and one for the official record. If photographs are submitted, only two copies of each photograph are required.
- Have them organized in the order you plan to make your presentation. Please number pages and label photographs for easy reference during the hearing.

For the Taxpayer: You must provide evidence that supports your conclusion of value.

- Taxpayers have the right to request in advance the materials used to value their property which will be presented at the hearing by the Department of Revenue. Taxpayers should request this information as soon as possible, at least 30 days in advance of the hearing, to allow the DOR a reasonable time to respond, and for you to be able to use the material as exhibits if necessary.
- Familiarize yourself with the data and information that the Department of Revenue will use to establish how they valued your property by reading through the documents provided to you by DOR. For example, make sure the comparable properties used by the DOR are in fact comparable to your property. Examples of the types of information the DOR might use in your appeal are discussed below.
- Get a copy of your Property Record Card ("PRC") your local DOR office and make sure the information on the PRC is correct.

- The DOR does not use realtor listings for sale prices or offering prices. They base their data on Realty Transfer Certificates (“RTC”) which are documents filed with the State every time real property is transferred to a new owner. RTC’s require information on the nature of the sale, such as whether it is a free market sale rather than a foreclosure or transfer to a related party. Only valid, free market sale’s, are used in DOR data analyses. The sale prices the DOR uses are therefore more reliable indicators of value than realtor listings which don’t distinguish the types of sales involved and do not reflect actual sales prices. The sale prices of other properties which the DOR used as comparables to determine a value for your property will be made available to you, but because this is confidential information under Montana law, you must sign a confidentiality agreement and file it with the DOR in order to obtain this information.
- The Department of Revenue uses a computer model to value land called a Computer Assisted Land Pricing model (CALP) which collects all the sale prices of land that have occurred since the last reappraisal and groups them into “neighborhoods” with similar locations and characteristics. The CALP then calculates the average annual or monthly change in land prices in each neighborhood over the period so that each of the sale prices can be “trended” to the price the land would have sold for on the valuation date of January 1, 2014. This allows an average price to be calculated, either by residential lot, by the acre, or by the front-foot in the case of waterfront property, for the valuation date.
- Certain information about all parcels of land is available at www.svc.mt.gov.dor.property. While this is a helpful site to begin your analysis of comparable properties, the information is not an official tax record, and is not guaranteed to be accurate. To ensure the most accurate information, you should get the property record cards or other information about the comparable properties directly from the Department of Revenue.
- Consider having a certified appraiser perform a fee appraisal showing the value of the property as of the statutory valuation date of January 1, 2014. Real estate values after that date are not relevant to the question of a proper appraisal value for tax purposes. Montana law specifically requires that all property be valued on the same day every two years so

that tax burdens are equally distributed among all taxpayers across the state. The most recent valuation date was January 1, 2014.

- You may represent yourself or be represented by an attorney. Corporations must be represented by a corporate officer or an attorney. You may present witnesses, such as an appraiser or an accountant, who may present evidence and testify on your behalf.
- You will have the opportunity to ask questions of the Department of Revenue witnesses during the hearing. At the end of the hearing, you will be permitted to make a short statement summarizing your appeal.

For the Department of Revenue:

- If the property was valued using the Residential Sales/Market Approach please bring the following:
 - Property Record Card for subject property. Be prepared to discuss the information listed on the exhibit, i.e. grade, CDU (how is it calculated), what is the MRA estimate, etc.
 - Comparable Sales Report.
 - PRCs for each property used as a comparable.
 - Map of the applicable neighborhood with the subject property and all comparable properties identified.
 - CALP information used to establish the base size and per unit costs for the base and residual land value.
- If the Cost Approach was used, please bring:
 - PRC for subject property. Information/knowledge about why each factor was assigned the level it was and how that is used to arrive at the value. If an economic condition factor (ECF) was used, be prepared to explain it. **Important** - have with you a copy of the appraisal Manual and Book of General Evidence for reference and copies of relevant pages as evidence, if necessary.
 - Photos of the property and improvements.
 - CALP information used to establish the base size and per unit costs for the base and residual land value.
 - Map of the applicable neighborhood with the subject property identified.

- For commercial or rental property valued according to the Income Model, please bring:
 - Property category (retail, hotel/motel, etc.)
 - Number of businesses providing income information used in the model.
 - Number of sales in that category (i.e., retail, hotel/motel, etc.) that made up the data base for the cap rate used.
 - Information on geographic area from which information was collected to produce the income model used (e.g., city of Billings, Yellowstone County, statewide) or map of the area used.
 - CALP information used to establish the base size and per unit costs for the base and residual land value.
- For agricultural property:
 - Describe the process used to classify the property and estimate the productivity which produced the appraisal value.

