

BEFORE THE STATE TAX APPEAL BOARD

OF THE STATE OF MONTANA

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THE DEPARTMENT OF REVENUE	)	
OF THE STATE OF MONTANA,	)	
	)	DOCKET NO.: PT-1997-56
Appellant,	)	
	)	
-vs-	)	
	)	
JOHN D. BUCHANAN,	)	FINDINGS OF FACT,
	)	CONCLUSIONS OF LAW,
Respondent.	)	ORDER and OPPORTUNITY
	)	<u>FOR JUDICIAL REVIEW</u>

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The above-entitled appeal was heard on the 29th day of June, 1998, in the City of Deer Lodge, Montana, in accordance with an order of the State Tax Appeal Board of the State of Montana, (the Board). The notice of the said hearing was duly given as required by law. The Department of Revenue (DOR), represented by Randy Pearson, staff forester, and William Bandy, appraiser, presented testimony in support of the appeal. The taxpayer failed to appear at the hearing to present testimony in opposition to the appeal. Testimony was presented, exhibits were received and the Board then took the appeal under advisement; and the Board having fully considered the testimony, exhibits and all things and matters presented to it by all parties, finds and concludes as follows:

FINDINGS OF FACT

1. Due, proper and sufficient notice was given of this matter, the hearing, and of the time and place of the hearing. All parties were afforded opportunity to present evidence, oral and documentary.

2. The taxpayer is the owner of the property which is the subject of this appeal and which is described as follows:

640.28 acres in Sec 5 T10N R9W,  
137.91 acres in Sec 6 T10N R9W,  
637.56 acres in Sec29 T11N R9W,  
635.44 acres in Sec31 T11N R9W,  
640.00 acres in Sec32 T10N R9W,  
Land only, Powell County, MT.

3. For the 1997 tax year, the DOR appraised the subject property at a value of \$1,102,155 for the land.

4. The taxpayer appealed to the Powell County Tax Appeal Board requesting a reduction in value to \$485,000 for the land.

5. The County Board adjusted the value to \$924,160 by adjusting the productive capacity of the land in Forest Zone 2 to Class 4, "at 393.16 per acre."

6. The DOR then appealed that decision to this Board.

7. The 1996 appraised value for this property was \$485,100, based on the classification and grade applied at that time by the DOR.

8. Forest land is valued based upon its productive capacity.

9. The DOR visited the subject property prior to this Board's hearing and proposed modifications to the value originally sought in its appeal.

#### DISCUSSION

It is apparent from the facts in this appeal that the taxpayer asked the local tax appeal board to reinstate the forest land values present in the previous appraisal cycle. The taxpayer failed to present any evidence that the DOR has improperly classified or incorrectly graded the subject forest land for 1997.

Mr. Pearson testified that he visited and inspected the subject property for the DOR. Based on his visit, Mr. Pearson presented the Board with an exhibit (exhibit A) detailing some changes he believed should be made to the current classification and grade of this property. He described the changes as minor, essentially a "little more non-forest land a little less fair productivity." The value indication as a

result of the changes made by the DOR is \$1,076,119, a \$26,036 reduction in the 1997 appraised value.

Based on the evidence and testimony presented it is the opinion of this Board that the appeal of the Department Revenue be granted and the decision of the Powell County Tax Appeal Board is reversed.

CONCLUSIONS OF LAW

1. The Board has jurisdiction over this matter in accordance with 15-2-301, MCA.

2. 15-44-101 through 15-44-105, MCA, provides for the classification and valuation of forest lands in Montana.

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ORDER

IT IS THEREFORE ORDERED by the State Tax Appeal Board of the State of Montana that the subject property shall be entered on the tax rolls of Powell County by the assessor of that county at the 1997 tax year value of \$26,965 for the land classified as grazing land, and \$1,049,154 for the land classified as forest land as determined by the Department of Revenue.

Dated this 7th of July, 1998.

BY ORDER OF THE  
STATE TAX APPEAL BOARD

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PATRICK E. McKELVEY, Chairman

( S E A L )

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GREGORY A. THORNQUIST, Member

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LINDA L. VAUGHEY, Member

NOTICE: You are entitled to judicial review of this Order in accordance with Section 15-2-303(2), MCA. Judicial review may be obtained by filing a petition in district court within 60 days following the service of this Order.