



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: SB0289.01: Provide county notification for certain property tax adjustments

Primary Sponsor: Denley Loge

Status: As Introduced

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

FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
General Fund (01)	\$0	\$0	\$0	\$0
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact

SB 289 requires the Department of Revenue to notify counties whenever the preliminary change in market value of a property has decreased by more than \$1.5 million since the last reappraisal. The department shall meet with the county when requested and provide the county any public information that was used to establish the new market value. This section does not apply to class 4 residential property. The department will implement SB 289 with existing resources.

FISCAL ANALYSIS

Assumptions


Department of Revenue

1. SB 289 creates a notification requirement for the Department of Revenue whenever the market value of a piece of non-residential property decreases by over \$1.5 million due to reappraisal.
2. This notice must be sent no later than the appraisal notice sent to the property owner. This appraisal notice timeline is on or just before July 1.
3. SB 289 potentially impacts large commercial and industrial properties and centrally assessed properties.
4. For centrally assessed property, the department's valuation process relies on a unitary appraisal of the entire company's value followed by an allocation to value contained in Montana. This Montana allocated value is what is noticed to the company by July 1.
5. Once the department's valuation is certified to the company, the department begins the work of apportioning value to the individual properties owned by company.
6. Since the department must provide notice to counties based on property level changes by the time of company notification, the department will need to begin the apportionment of value earlier in the process.

7. Information used to value centrally assessed companies contains both public and private information and will require redacting private information.

Sponsor's Initials

Date



Budget Director's Initials

3/4/2025

Date