



ADMINISTRATIVE RULES OF MONTANA



42.20.105 VALUATION OF CONDOMINIUMS OR TOWNHOMES

- (1) The department will apply an appraisal method for condominiums or townhomes, as defined in 70-23-102, MCA, in accordance with 15-8-111 and 15-8-511, MCA, which must provide for a separate assessment of each condominium or townhome unit.
- (2) The sales comparison approach is used when comparable sales are available and the common elements are included in individual unit values. When comparable sales are not available, the cost approach must be used.
- (3) The income approach is used to value commercial condominium units when reliable income and expense data is available and the common elements of commercial condominiums are included in individual unit values. When reliable income and expense data is not available, the cost approach may be used.
- (4) When the cost approach is used to value residential and commercial condominiums, the department will value each unit individually and allocate the value of common area elements to the units based on the percentage of undivided interest in the condominium declaration, as required by 15-8-111(5)(c), MCA.
- (5) When the cost approach is used to value townhomes with common area elements, the department will value each unit individually and allocate the value of common area elements to the units based on the percentage of undivided interest in the recorded townhome declaration, if one was filed.
- (6) The total appraised value of time-share condominiums in a complex will be calculated and assessed to the owner of record (i.e., the time-share association).
- (7) Unit owners seeking a classification change from condominium to townhome must change the legal ownership of the land for the entire complex and the classification change must be ratified by the unit owners in accordance with the unit ownership association entity's governing documents.
 - (a) The unit ownership association entity must submit a Request for Townhome Classification form located at <http://www.mtrevenue.gov> on or before January 1 of the year for which the classification change is requested. Applications received after January 1 will be considered for the following tax year.
 - (b) In addition to the Request for Townhome Classification form, the department requires the following additional information before changing a property classification from a condominium to a townhome:
 - (i) a description of the size in square footage or acreage of land associated with each townhome unit;

- (ii) the amount of remaining square footage or acreage of land associated with each townhome unit; and
- (iii) signed copies of all resolutions, meeting minutes, or other entity governance documents that evidence unit owner ratification of the classification change.

Authorizing statute(s): 15-1-201, MCA

Implementing statute(s): 15-7-103, 15-8-111, 15-8-511, 70-23-102, 70-23-103, 70-23-301, 70-23-403, MCA

History: NEW, 1985 MAR p. 2019, Eff. 12/27/85; AMD, 2002 MAR p. 3723, Eff. 12/27/02; AMD, 2003 MAR p. 1886, Eff. 8/29/03; AMD, 2012 MAR p.1679, Eff. 8/24/12; AMD, 2017 MAR p. 2090, Eff. 11/10/17; AMD, 2024 MAR p. 2398, Eff. 10/5/24; AMD, Notice No. 2025-7, Eff. 3/29/25.