



ADMINISTRATIVE RULES OF MONTANA

42.20.454 CONSIDERATION OF SALE PRICE AS AN INDICATION OF MARKET VALUE

- (1) When considering any objection to the department's appraised value of property, the department may consider the property's sale price, as provided in the Realty Transfer Certificate (RTC), as evidence of its market value.
- (2) For the property's sale price to be considered, a taxpayer or the taxpayer's agent must:
 - (a) submit a completed Request for Informal Classification and Appraisal Review, Form AB-26, as provided in ARM 42.20.173, to the local department field office servicing the county where the property is located; and
 - (b) complete and sign the department's property sale verification form if one has not been previously submitted.
- (3) The department must verify that the property sale was a valid arm's-length transaction, as defined in ARM 42.20.432, and was considered for use in the department's valuation models and analysis for the current valuation cycle. Descriptions of the department's processes for sale verification and valuation modeling and analysis to determine market value are found in the Montana Residential, Commercial, and Industrial Property Classification and Valuation Manual, adopted and incorporated by reference in ARM 42.18.121.
- (4) The department is authorized to exclude a property's sale price in valuation modeling if it is determined the sale price was not an arms-length transaction or indicative of market value. Examples of sales transactions that are considered non-arm's-length transactions are provided in ARM 42.20.432.
- (5) If the department cannot verify that the sale was a valid arm's-length transaction, a taxpayer may submit the following additional documents and information for the department's consideration:
 - (a) an executed buy/sell agreement for the property; and
 - (b) two comparable property sales located in the same general geographic area where the taxpayer's property is located. The department will consider comparable property sales with a sale date after the department's valuation date for the current valuation cycle which is adopted and incorporated by reference in ARM 42.18.121.
- (6) Similar to the determination in (3), the department will verify that the comparable property sales in (5)(b) were also valid arm's-length transactions.
- (7) The department will consider a property's sale price as indicative of market value when the requirements in (2), (3), and (5) are met. The department is authorized to adjust the sale price to account for changes in market conditions that may have occurred between the time of sale and the department's valuation date for the current valuation cycle.

- (8) The department shall respond in writing to the taxpayer clearly stating the reasons for accepting or rejecting the use of their property's sale price and, if appropriate the justification for any adjustments made to the property's sale price.
- (9) If the property's appraised value is adjusted by the department or the tax appeal board and the department files no further appeal within the time period allowed by law, the adjusted value becomes the value for assessment and taxation purposes until such time as changing circumstances with respect to the property requires a new valuation and assessment, or upon an updated valuation occurring in subsequent property valuation cycles.

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

Implementing statute(s): 15-7-102, 15-7-111, 15-7-305, 15-8-111, MCA

History: NEW, 1991 MAR p. 742, Eff. 5/17/91; AMD, 1992 MAR p. 1763, Eff. 8/14/92; AMD, 1993 MAR p. 3060, Eff. 12/24/93; AMD, 1999 MAR p. 309, Eff. 2/12/99; AMD, 2002 MAR p. 3723, Eff. 12/27/02; AMD, 2014 MAR p. 2994, Eff. 12/12/14; AMD, 2015 MAR p. 2350, Eff. 1/1/16; AMD, 2017 MAR p. 2088, Eff. 11/10/17; AMD, Notice No. 2025-42, Eff. 5/10/25.