



ADMINISTRATIVE RULES OF MONTANA



42.20.106 DEFINITIONS

The following definitions apply to this subchapter:

- (1) "Abstraction" also referred to as extraction, means a method of estimating land value in which the depreciated cost of the improvements on the improved property is estimated and deducted from the total sale price to arrive at an estimated sale price for land.
- (2) "Allocation" means a method of estimating land value in which sales of improved properties are analyzed to establish a typical ratio of site value to total property value and this ratio is applied to the property being appraised or the comparable sale being analyzed.
- (3) "Attached" as it applies to a manufactured or mobile home means being bolted or cable anchored to the permanent foundation in accordance with Housing and Urban Development standards.
- (4) "Breaks in the chain of title" means that the grantor (seller) on the realty transfer certificate (RTC) is not the same as the owner of record reflected on the most recent property tax record.
- (5) "Comparable properties" means properties that have similar utility, use, function, and are of a similar type as the subject property. Comparable properties must be influenced by the same set of economic trends, and physical, economic, governmental, and social factors as the subject property. Comparable properties must have the potential of a similar use as the subject property. For any property that does not fit into this definition, the department will rely on the definition of comparable property contained in 15-1-101, MCA.
 - (a) Within the definition of comparable property, the following types of property are considered comparable:
 - (i) single-family residences with ancillary improvements are comparable to other single-family residences with ancillary improvements;
 - (ii) multifamily residences are comparable to other multifamily residences;
 - (iii) mobile homes are comparable to other mobile homes;
 - (iv) residential city and town lots are comparable to other residential city and town lots;
 - (v) commercial city and town lots are comparable to other commercial city and town lots;
 - (vi) residential tract land is comparable to other residential tract land;
 - (vii) commercial tract land is comparable to other commercial tract land;

- (viii) improvements and outbuildings necessary to the operation of a qualified agricultural property are comparable to other improvements and outbuildings on qualified agricultural properties;
 - (ix) one-acre sites beneath improvements on land classified as nonqualified agricultural or forestland are comparable to residential tract land;
 - (x) condominiums are comparable to other condominiums;
 - (xi) townhomes are comparable to other townhomes;
 - (xii) industrial improvements are comparable to other industrial improvements;
 - (xiii) industrial land is comparable to other industrial land; and
 - (xiv) manufactured homes are comparable to other manufactured homes.
- (6) "Complex structure" means improvements that have an intricate or complicated association or assemblage of related parts or units. Some examples include, but are not limited to:
- (a) an office building where only a portion of the building is exempt;
 - (b) a multi-floor hospital; or
 - (c) an apartment complex used for low-income housing.
- (7) "Concrete stringer" as it applies to a manufactured or mobile home means concrete pad poured in place and embedded on firm soil of adequate bearing capacity to support upright posts.
- (8) "Construction period" means a period of time that commences with the issuance of a building permit and which concludes when the county appraiser determines that the structure is substantially completed. If more than one building permit is issued, the date on the earliest building permit issued will constitute the commencement of the construction period. In those cases where building permits are not issued, the commencement of the construction period is that time determined by the department to be the start of construction. That determination will coincide with the date the contract is let, the date the application is approved by the governing body, or when site work begins, whichever occurs first.
- (9) "Cost approach" means the value of a taxpayer's building(s) is/are developed using construction cost information obtained from across the state.
- (10) "Embedded" as it applies to a manufactured or mobile home means to fix securely in and below the surface of the surrounding ground.
- (11) "Footing" as it applies to a manufactured or mobile home means the projecting base of a foundation, which transmits the building load to the ground.
- (12) "Income approach" means the value of a taxpayer's building(s) is/are developed by using income and expense information obtained from commercial businesses across the state.
- (13) "Mass Appraisal" is the process of valuing a group of properties as of a given date, using standardized methods, employing common data, and allowing for statistical testing.
- (14) "Mass Appraisal Model" is a mathematical expression of how supply and demand factor interact in a real property market.

- (15) "Multiple Regression Analysis (MRA)" means the value of a property is determined using statistical analysis. The statistical analysis helps to define the relationship between the various characteristics of sold properties and those properties' sale prices.
- (16) "Perimeter foundation" as it applies to a manufactured or mobile home means the supporting structure, running the total length of all exterior walls of the manufactured home, which transmits the load of the home resting upon it to the earth.
- (17) "Permanent foundation" as it applies to a manufactured or mobile home (for taxation purposes) means concrete, concrete block, or wood pier, any of which rests on embedded concrete or concrete block footings. Foundation for this purpose does not include mud sill, pier, and post, wood blocks, concrete block, or other types of temporary support, any of which rests on the ground.
- (18) "Property type" is the general description of each parcel's present use.
- (19) "Residence" includes all conventionally constructed homes, as well as all mobile homes and manufactured housing.
- (20) "Running gear" as it applies to a manufactured or mobile home means axles, tires and wheels, and hitch.
- (21) "Sales comparison approach" means that a property's value is developed by comparing sale prices of similar properties (comps) to the taxpayer's property (subject property).
- (22) "Single-family residence with ancillary improvements" means:
 - (a) a structure originally constructed or converted for use and occupancy by a single-family unit and whose primary use is currently one of occupancy by a single-family unit; and
 - (b) all supportive structures integral to the use of a single-family residence such as attached garages, sheds, and site improvements.
- (23) "Subject property" is the property being appraised.

Authorizing statute(s): 15-1-201, 15-6-231, 15-7-111, MCA

Implementing statute(s): 15-6-101, 15-6-232, 15-7-111, 15-7-112, 15-7-304, 15-7-306, 15-9-101, 15-24-1501, MCA

History: NEW, 1991 MAR p. 1148, Eff. 7/12/91; AMD, 2002 MAR. p. 3723, Eff. 12/27/02; AMD, 2005 MAR p. 1594, Eff. 8/26/05; AMD, 2006 MAR p. 1961, Eff. 8/11/06; AMD, 2007 MAR p. 119, Eff. 12/22/06; AMD, 2012 MAR p. 2641, Eff. 12/21/12; AMD, 2014 MAR p. 2994, Eff. 12/12/14; AMD, 2015 MAR p. 2350, Eff. 1/1/16.