

# Quality of Reappraisal 2025

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# What is a Sales Ratio?

$$\text{Sales Ratio} = \frac{\text{Assessed Value}}{\text{Sales Price}}$$

$$\frac{\$300,000}{\$330,000} = 0.909 = 91\%$$

# Measuring Reappraisal Quality

Is the **level** of appraisal satisfactory?

Measured by sales ratio

Median, mean, and weighted mean of sales ratio

Is the **spread** of appraisal satisfactory?

Measured by coefficient of dispersion and standard deviation of sales ratios

Is the **bias** of appraisal satisfactory?

Measured by the price related differential comparing mean sales ratio to weighted mean sales ratio

Are higher value homes undervalued (regressive) or overvalued (progressive) relative to lower value homes?

# Appraisal Standards Summary

<b>Select IAAO Appraisal Standards</b>	
<b><u>Level of Appraisal</u></b>	
Min=90%	Max=110%
<b><u>Coefficient of Dispersion</u></b>	
<u>Area</u>	<u>Standard</u>
Single Family Residence	5.0 to 15.0
<i>Larger Urban Areas</i>	5.0 to 10.0
Income Producing Property	5.0 to 20.0
<i>Larger Urban Areas</i>	5.0 to 15.0
<b><u>Price Related Differential</u></b>	
Min=0.98	Max=1.03

# Residential Property Appraisal

## 2025



Residential Ratio Statistics	
CY 2024 <sup>1</sup> Sales Relative to TY 2025 Values	
<u>Number of Sales</u>	<u>Values</u>
Total Observations	5,460
Used Observations	4,921
<u>Measurement of Appraisal Levels</u>	
Upper Bound Confidence Interval	99.10%
<b>Median Ratio</b>	<b>98.80%</b>
Lower Bound Confidence Interval	98.53%
Upper Bound Confidence Interval	99.11%
<b>Mean Ratio</b>	<b>98.82%</b>
Lower Bound Confidence Interval	98.53%
Upper Bound Confidence Interval	99.31%
<b>Weighted Mean</b>	<b>98.45%</b>
Lower Bound Confidence Interval	97.59%
<u>Measurement of Appraisal Uniformity</u>	
Coefficient of Dispersion	8.010
Coefficient of Variation	10.423
Standard Deviation	10.300
Price Related Differentials	1.004
<u>Range (1.5x Inter Quartile Range)</u>	
Maximum Ratio in the Sample	127.6%
Minimum Ratio in the Sample	71.0%

<sup>1</sup>Sales from 1/1/2024 to 6/30/2024

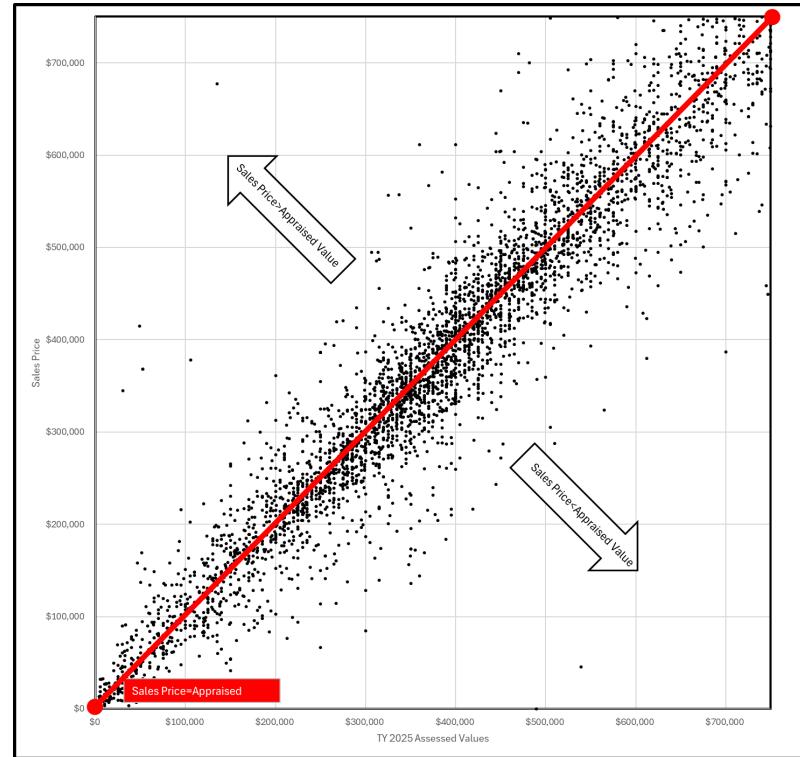
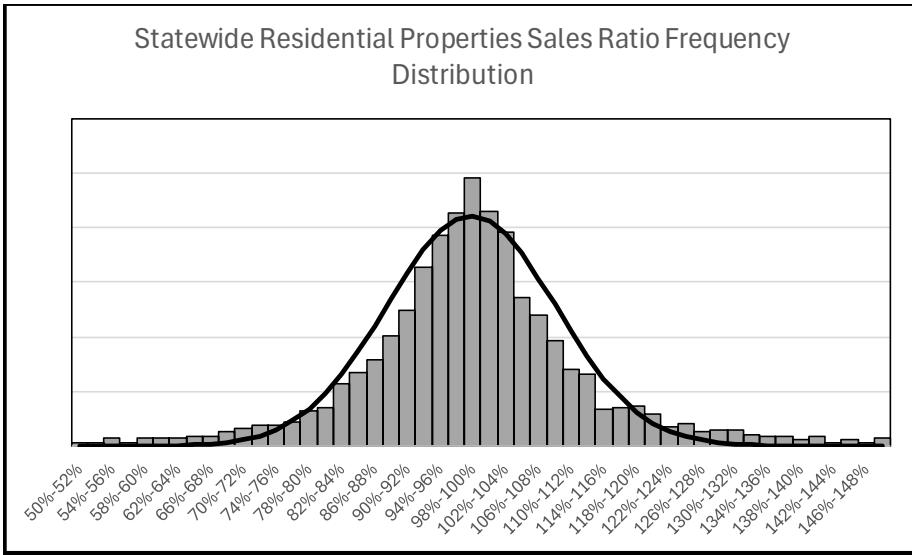


# 2025 STATISTICS FOR IMPROVED RESIDENTIAL PROPERTY BY REGION

Residential Sales Ratio Statistics by Region												
Region	Sample Data		Appraisal Levels						Appraisal Uniformity			
	Count (All Sales)	Count (Non- Outlier)	Median	Conf. Interval	Mean	Conf. Interval	Weighted Mean	Conf. Interval	COD	COV	Std. Dev.	PRD
1-North West	1,706	1,581	98.40%	-0.4%;+0.6%	98.52%	±0.5%	97.12%	±0.6%	7.959	10.210	10.059	1.014
2-North Central	841	760	99.35%	-0.7%;+0.7%	99.85%	±0.8%	99.18%	±1.0%	9.094	11.774	11.756	1.007
3-Eastern	1,545	1,338	98.88%	-0.4%;+0.6%	98.93%	±0.5%	98.31%	±0.5%	7.359	9.739	9.635	1.006
4-South Central	1,368	1,245	98.95%	-0.7%;+0.6%	98.65%	±0.6%	99.34%	±1.9%	8.191	10.678	10.534	0.993
<b>State Wide Total</b>	<b>5,460</b>	<b>4,924</b>	<b>98.80%</b>	<b>-0.3%;+0.3%</b>	<b>98.82%</b>	<b>±0.3%</b>	<b>98.45%</b>	<b>±0.9%</b>	<b>8.010</b>	<b>10.423</b>	<b>10.300</b>	<b>1.004</b>

Sales date range: 01/01/2024 – 06/30/2024

# Distribution of Residential Sales Ratios



Sales date range: 01/01/2024 – 06/30/2024

# Commercial Property Appraisal

## 2025



Commercial Ratio Statistics	
CY 2024 Sales <sup>1</sup> Relative to TY 2025 Values	
<u>Number of Sales</u>	<u>Values</u>
Total Observations	477
Used Observations	413
<u>Measurement of Appraisal Levels</u>	
Upper Bound Confidence Interval	95.26%
<b>Median Ratio</b>	<b>93.39%</b>
Lower Bound Confidence Interval	91.42%
Upper Bound Confidence Interval	94.67%
<b>Mean Ratio</b>	<b>93.06%</b>
Lower Bound Confidence Interval	91.45%
Upper Bound Confidence Interval	93.66%
<b>Weighted Mean</b>	<b>91.01%</b>
Lower Bound Confidence Interval	88.36%
<u>Measurement of Appraisal Uniformity</u>	
Coefficient of Dispersion	13.457
Coefficient of Variation	17.869
Standard Deviation	16.629
Price Related Differentials	1.023
<u>Range (1.5x Inter Quartile Range)</u>	
Maximum Ratio in the Sample	139.19%
Minimum Ratio in the Sample	50.36%

<sup>1</sup>Sales from 1/1/2024 to 6/30/2024

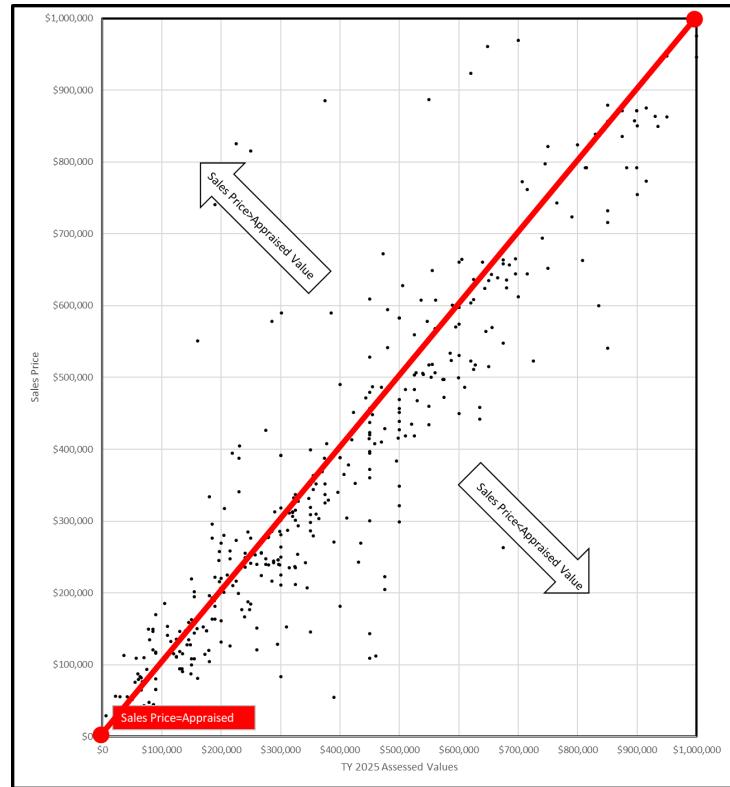
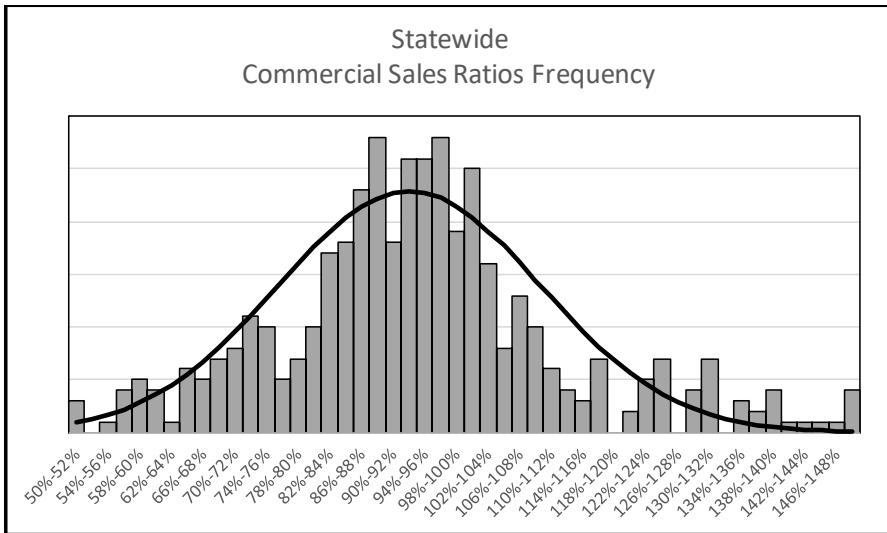


# 2025 STATISTICS FOR COMMERCIAL PROPERTY

Commercial Sales Ratio Statistics by Management Region												
Region	Sample Data		Appraisal Levels						Appraisal Uniformity			
	Count (All Sales)	Count (Non-Outliers)	Median	Conf. Interval	Mean	Conf. Interval	Weighted Mean	Conf. Interval	COD	COV	Std. Dev.	PRD
1-North West	140	129	95.61%	-3.7%;+1.4%	94.87%	±2.6%	90.27%	±4.1%	11.852	15.894	15.079	1.051
2-North Central	95	83	92.86%	-3.4%;+3.6%	95.03%	±4.1%	93.48%	±4.1%	14.973	19.607	18.633	1.017
3-Eastern	142	125	91.28%	-4.2%;+3.8%	92.27%	±4.0%	91.61%	±5.3%	18.719	24.596	22.694	1.007
4-South Central	100	82	93.02%	-4.2%;+3.9%	90.87%	±2.7%	90.84%	±5.5%	10.007	13.347	12.129	1.000
State Wide Total	477	419	93.39%	-2.1%;+2.1%	93.06%	±1.6%	91.01%	±2.6%	13.457	17.869	16.629	1.023

Sales date range: 01/01/2024 – 06/30/2024

# Distribution of Commercial Sales Ratios



Sales date range: 01/01/2024 – 06/30/2024

# How Does Reappraisal Affect My Taxes?

- A 20% increase in market value does NOT equal a 20% increase in taxes
- The amount local governments are permitted to increase their property tax mills is limited to half the three-year average rate of inflation plus newly taxable value growth (15-10-420, MCA)
- TY 2025 is unique as values generally increased but taxable value generally decreased due to SB 541 and HB 231. Mills will float up in most areas.
- Your tax bill is determined by multiple factors:
  - Market Valuation (determined by DOR)
  - Taxable Value Rate (determined by legislature – big changes in TY 2025 and 2026)
  - Your relative share of taxable value in the entire taxing jurisdiction
  - Total mills levied by all taxing jurisdictions in your property's levy district (including voted levies)

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