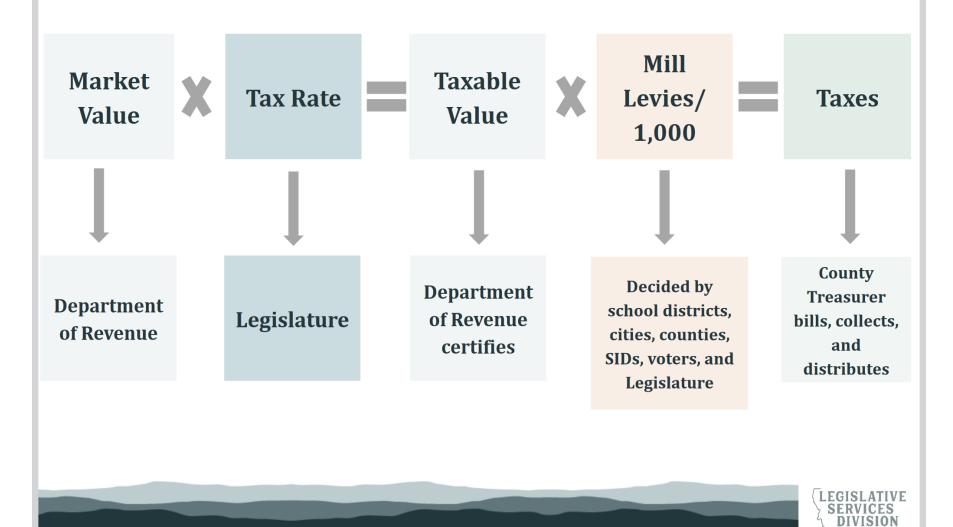
# Montana and Missoula Property Taxes

For the Missoula Economic Partnership Annual Meeting November 8, 2023 by Mike Kadas

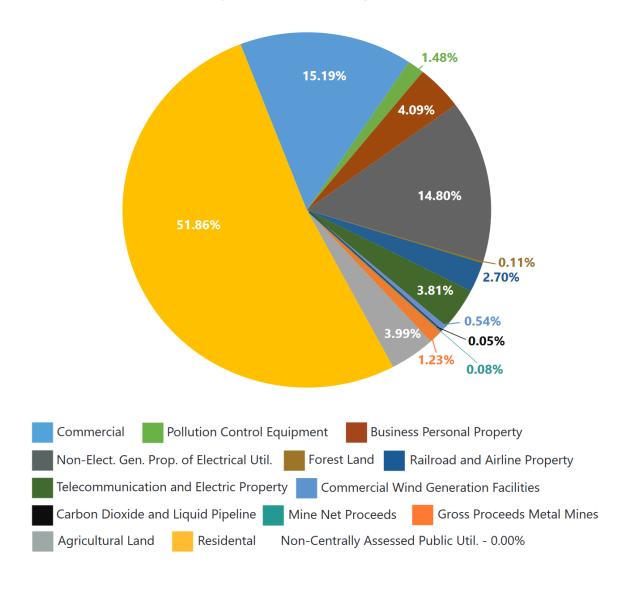


# How are property taxes calculated?



The following graph compares the percent of property tax paid for each class of property in Tax Year 2022.

## **Percent of Property Taxes Paid by Class, Tax Year 2022**

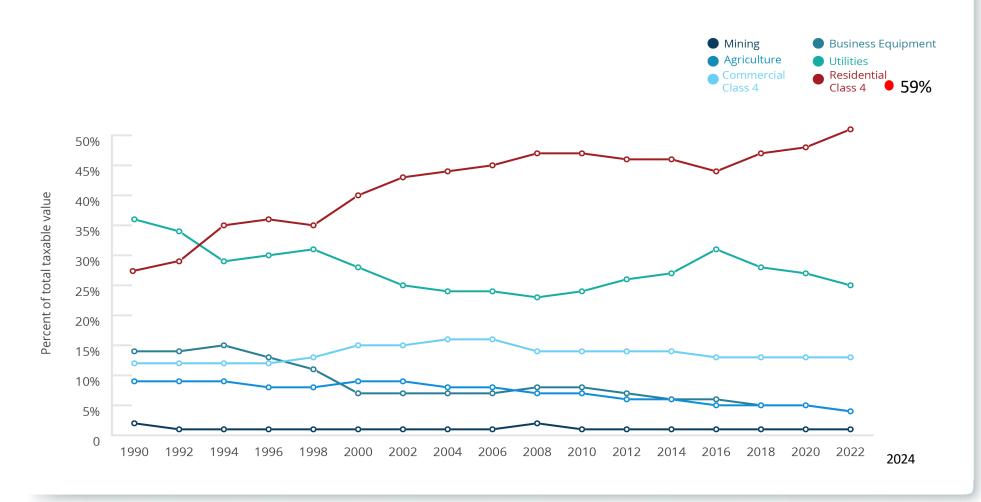


# Statewide Taxable Value by Class FY23 &FY24

	FY2	23	FY	24
	Taxable	Percent	Taxable	Percent
Property Classes	Value	of Total	Value	of Total
Agricultural Land	\$152	4%	\$153	3%
Residential	\$1,851	51%	\$2,766	59%
Commercial	\$475	13%	\$628	13%
Business Equipment	\$148	4%	\$201	4%
Electric T&D, Pipelines	\$619	17%	\$590	13%
RR & Airlines	\$98	3%	\$92	2%
Telecoms & Elect Generation	\$148	4%	\$128	3%
All Other Classes	\$136	4%	\$127	3%
Total	\$3,626	100%	\$4,686	100%
*values in millions of dollars				

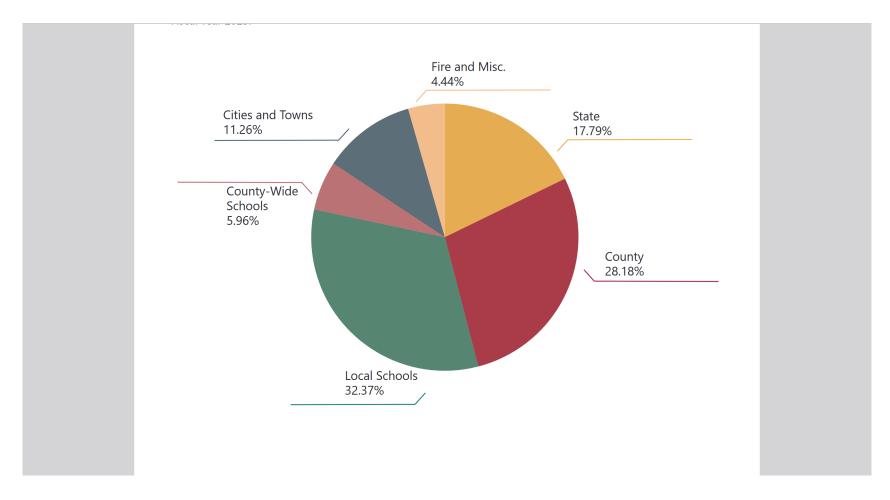
## **Residential Property Has Grown as a Share of Overall Taxable Value**

Taxable value by class as a percentage of total taxable value



# FY 23 Statewide Property Taxes by Jurisdiction

**MDOR Biennial Report** 



# Local Government Budget Cap

## 15-10-420 MCA

- Previous year's property tax revenue for the jurisdiction
- Inflated by 50% of the last 3 years average inflation
- The new inflated base is divided by the new taxable value less newly taxable property to determine millage limit
- New millage is the maximum that can be used and is applied to the new taxable value, including newly taxable property
- If a local government budgets less than the cap the unused mills are banked and can be used in the future
- Mill levies that are excluded from the cap include assessments, SIDs, voted levies, health insurance levies and judgement levies

# School Funding and Budget Cap



# School District General Fund - Adopted Budget

Data Sources:

- Montana Department of Revenue
- Montana Office of Public Instruction
- Montana Department of Administration

There is a formula to establish a district's general fund budget limits (shown on the previous tab) and a **formula for how a district's adopted budget is funded (shown on this tab)**. Certain school funding formula components are used to establish a minimum Basic Amount for School Equity (BASE) budget and a maximum (MAX) budget for each school district in Montana. An enrollment metric called Average Number Belonging (ANB) is used throughout the school funding formula. The components of the formula used to fund the adopted budgets are shown below.

#### Five fully state-funded components:

**Quality Educator Payment** – a per-FTE payment for teachers and other licensed professionals

At-Risk Payment – a payment to schools to address at-risk students

**Indian Education for All Payment** – a per-ANB payment to fund the constitutionally required education regarding the cultural heritage of American Indians

**American Indian Achievement Gap Payment** – a per-American Indian student payment to help close the performance gap that exists between American Indian students and non-Indian students

**Data for Achievement Payment** – a per-ANB payment used by school districts to pay for costs related to student data systems

#### Other components:

#### Special Education Payments

- Special Education Allowable Cost Payment a per-ANB payment, regardless of the number of special education students
- Special Education Disproportionate Cost Payment varies based on the needs of the student in a district

Direct State Aid (note that non-isolated districts pay half of their direct state aid amount)

- Basic Entitlement a per-district payment, based on whether it is an elementary district, middle school district, or high school district
- Per-ANB Entitlement a per-ANB payment based on the count of students attending school in the district

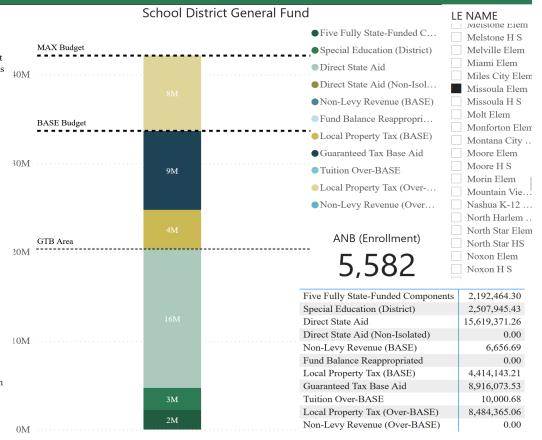
**Guaranteed tax base (GTB) aid** – a payment to help equalize differences in revenue generating capacity between school districts with different property tax bases and relative to the size of the direct state aid components

#### Local funding:

Local non-levy revenue (NLR) – NLR includes certain natural resource revenues and tuition navments

**Fund balance re-appropriated** – the difference between the end-of-year fund balance and the amount reserved for operations. It must be used to fund the next year's budget

Local property taxes – including required levies, voted mills, and permissive (non-voted)



# Change in Local Property Tax Revenue

	FY23 Budget	FY24 Budget	% Increase
City	\$73,217,116	\$77,758,167	6.2%
County	\$58,491,558	\$61,242,644	4.7%
Local School	\$53,175,165	\$57,641,887	8.4%
Urban Tran	\$10,033,854	\$11,987,008	19.5%
State (85.2 mills)	\$24,050,086	\$25,260,690	5.0%
Total	\$218,967,779	\$233,890,396	6.8%
Total less State	\$194,917,693	\$208,629,706	7.0%

# FY 24 Burden Shifting

	Residential	Commercial
Median Value FY23	\$413,200	\$560,743
37% Average Increase in Residential Value	\$566,084	
26% Average Increase in Commercial Value		\$712,144
Tax increase	\$1,105	\$1,167
Percentage increase	20%	11%
Increase in State Tax @ 85.2 mills	\$79	\$61
7% Increase in Local Budgets	\$355	\$677
Tax Relief to Other Classes Through Reduced		
Mills	\$671	\$430
17.3 State Mills	\$132	\$233

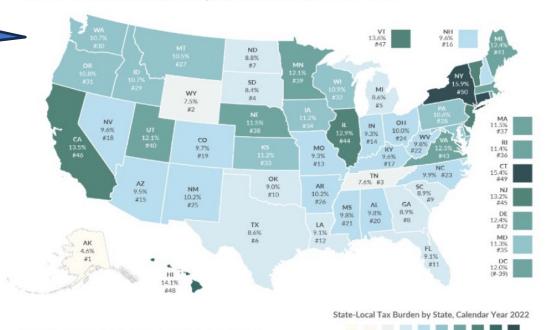


- Montana's complex property tax system is forecasted to collect \$2.1 billion in 2023 from 18 property tax classes representing \$259 billion of total market valuation, according to the 2022 Montana Department of Revenue (DOR) appraisal.
- The property tax revenue allocation is divided as follows: 56% to schools, 28% to counties, 11% to cities/towns, 4% to special districts, and 1% to the university system. With the exception of 6 mills, all property tax ends up local.
- The legislature sets the tax rate for each class of property, the DOR, an Executive agency, centrally appraises property, and local government/schools define the mills needed to provide services within legal limits.

# State-Local Tax Burden by State

State-Local Tax Burdens by State, Calendar Year 2022

With no sales tax, Montana is ranked around the middle (27th) of states on tax overall burden



Lower

- State and local taxes paid divided by state's share of net national product
- Accounts for taxes paid in other states

TAX FOUNDATION

indicates where it would rank if included.

Source: Tax Foundation calculations.

Note: D.C's rank does not affect states' ranks, but the figure in parentheses

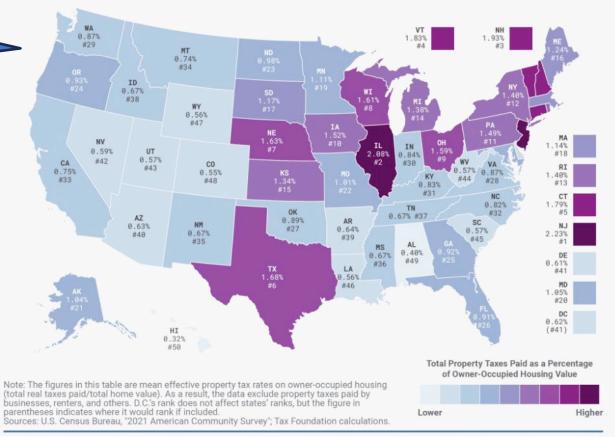
@TaxFoundation

Higher

# **How High Are Property Taxes in Your State?**

Property Taxes Paid as a Percentage of Owner-Occupied Housing Value, 2021

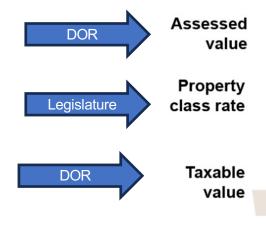
Montana is ranked as a lower-than-average state(34th) for property tax on owner occupied housing. The recent market value increase may shift this, but other states experienced similar increase as well.







I borrowed from Eric Dietrich the Montana Free Press. Consider a hypothetical "School District" with only the following property.



#### The school district's PROPERTIES



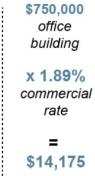








\$1 million factory building
x 1.89% industrial rate
<b>=</b> \$18,900



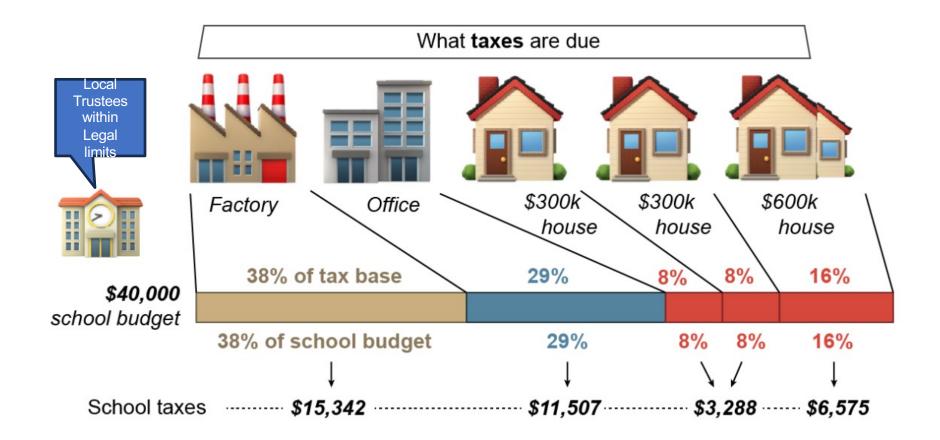


\$300,000	;
small	
house	
x 1.35% residential rate	
=	
\$4,050	

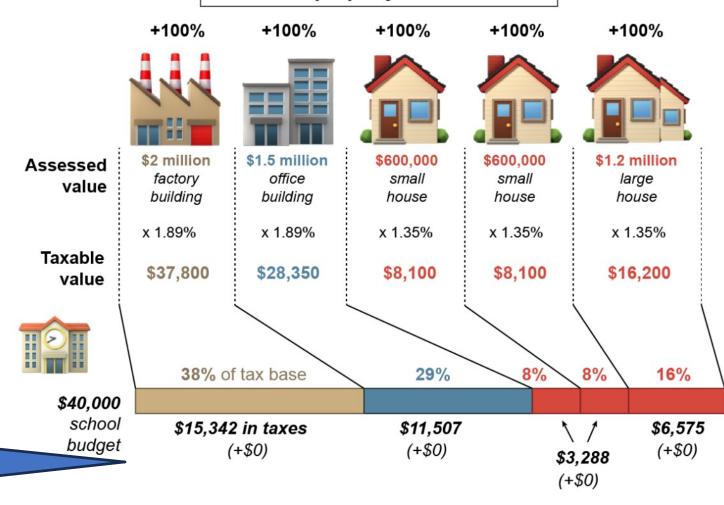
\$600,000 large house
x 1.35% residential rate
<b>=</b> \$8,100

Sums to a	TAX BASE	of \$49,275	total taxab	le value
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38% of	29% of	8% of		8% of	16% of
tax base	tax base	tax base	į	tax base	tax base

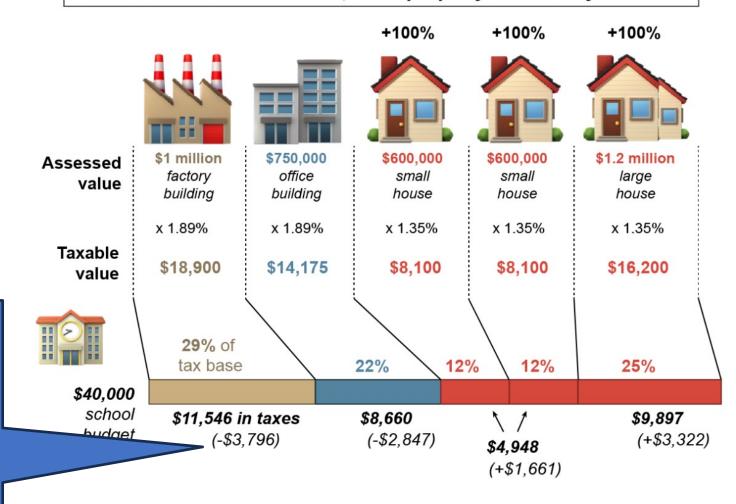


## Case 1: All property values double



Floating Mills: Assuming no fixed mills, the mill will float down to offset market value increases.

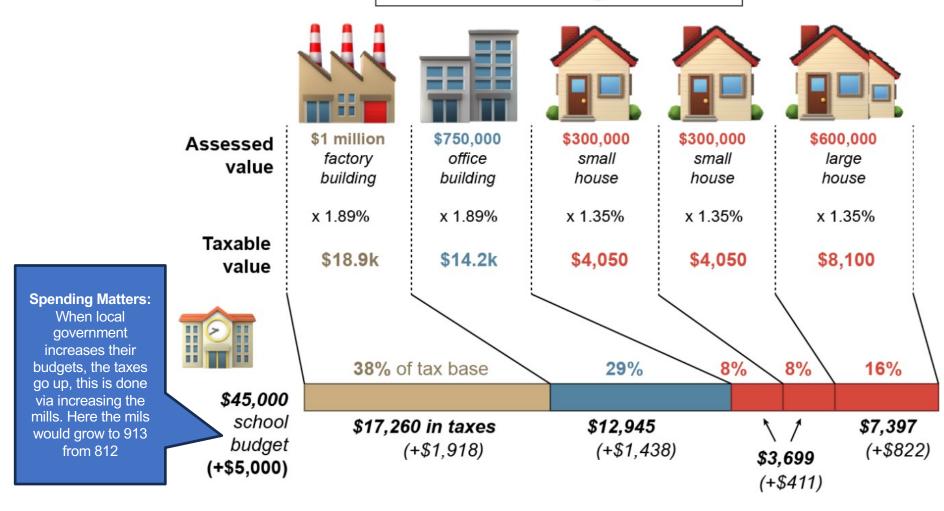
### Case 2: Home values double, other property values stay constant



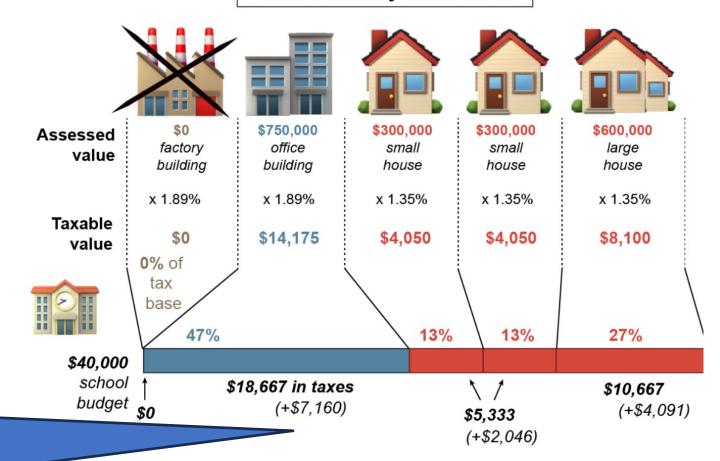
#### **Relative Shift:**

When 1 class of properties increases in value faster than another, it creates relative shift in taxes. Here homes get a shirt from commercial and industrial. The argument being they are worth relatively more.

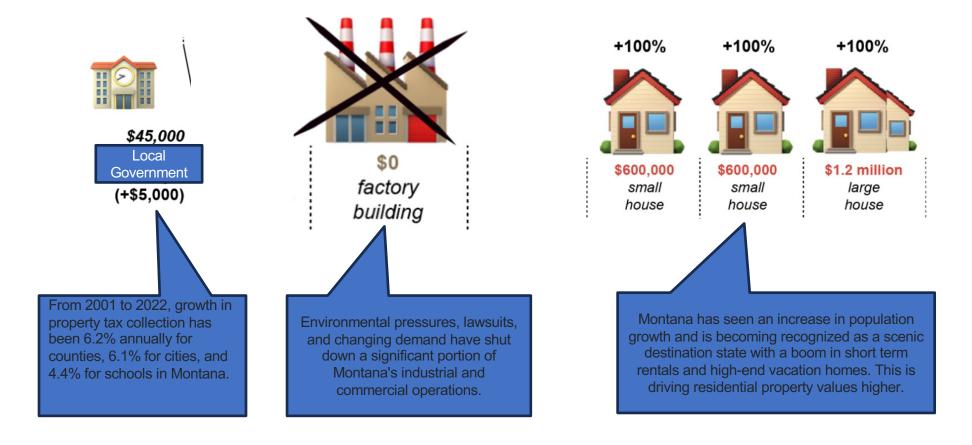
## Case 3: School budget increases



## Case 4: Factory shuts down



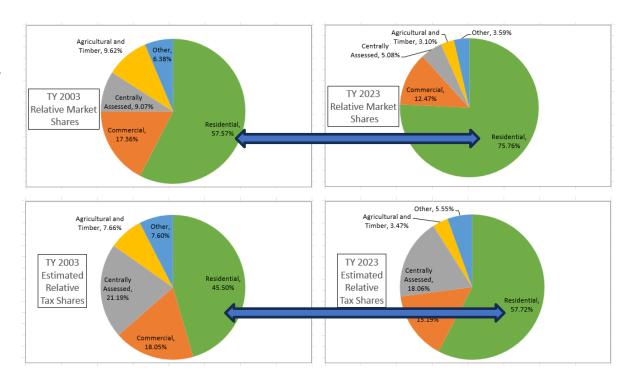
Tax Obligation Floats:
When a taxable entity closes or gets a reduced rate, the tax transfers to the other remaining payers and tax classes. For example, if the rate on homes dropped form 1.35% to a lower factor, the Commercial and Industrial would pay more.



Montana is experiencing the impact of all 3 of these factors

## These Charts show some key concepts:

- Residential Grew from 57.6% to 75.8% of Montana's total book of business in 20 years.
- Residential Tax Contribution grew from 45.5% to 57.72%
- In 2003 the Residential market value to tax contribution discount was 21%
- In 2023 the Residential market value to tax contribution discount is 23.8%
- While residential is paying a lower tax share relative to its market value in 2023 than in 2003, other classes are paying more. For example, commercial grew from paying 4% more taxes than market value to 22% more.
- Reducing the residential rate lower than 1.35% will increase the transfer.



This data and charts were calculated by the Montana Department of Revenue

#### Tax Burden Chart across all classes

- There are 18 Property tax classes, with timber having the lowest rate. Only Classes with numbers that are smaller than 1 in the Class 4 Residential Multiplier column pay a lower tax rate than residential.
- Class 4 Residential is the largest class now containing approximately 76% of all property value in the state, up from 53% from 20 years ago. Residential pays 58% of all property tax
- Local Schools are the largest user of property tax at 56%, Counties 28%, Cities and Towns 11%, Special Districts 4%, University mills 1%.
- Cutting the property tax rate on 1 classes automatically transfers obligations to other classes, as it does not cut overall local taxes. Critical Question: Transfer to Whom?
- Each County/Tax Jurisdiction will have a different property mix and thus responds differently to tax rate changes.
- Market Value Comparison is not perfect as timber production and agriculture production generate assessed valuation.
- Example Formula: tax rate x \$100,000 x 500 mills Thus for residential: .0135 x \$100,000 x .500 =\$675.00

Class	Description	Valuation Standard	Valuation Cycle	TY 2023 Tax Rate	Class 4 Residential Multiplier	Est. Taxes of \$100K in Market Value at 500 Mills	TY 2023 Share Of Total Market Valuation	TY 2023 Estimated Share Of Total Taxes
Class 1	Net Proceeds of Mines	Net Proceeds	Annual	100.00%	74.07	\$50,000	0.00%	0.06%
Class 2	Gross Proceeds of Metal Mines	Gross Proceeds	Annual	3.00%	2.22	\$1,500	0.42%	0.72%
Class 3	Agricultural Land	Productivity Value	2 Year	2.16%	1.60	\$1,080	2.49%	3.39%
Class 4	Residential (land and improvements)	Market Value	2 Year	1.35%	1.00	\$675	75.76%	57.72%
Old55 4	Commercial and Industrial (land and improvements)	Market Value	2 Year	1.89%	1.40	\$945	12.47%	15.19%
Class 5	Pollution Control Equipment, Independent and Rural Electric and Telephone Cooperatives, New and Expanding Industry, Electrolytic Reduction Facilities, Research and Development Firms, and Gasohol Production Property	Market Value	Annual	3.00%	2.22	\$1,500	0.75%	1.27%
Class 7	Noncentrally Assessed Utilities	Market Value	Annual	8.00%	5.93	\$4,000	0.00%	0.00%
Class 8	Business Equipment	Market Value	Annual	1.50%*	1.11	\$750	3.13%	4.78%
Class 9	Pipelines and Nonelectric Generating Property of Electric Utilities	Market Value	Annual	12.00%	8.89	\$6,000	1.84%	11.39%
Class 10	Forest Land	Productivity Value	6 Year**	0.29%	0.21	\$145	0.61%	0.09%
Class 12	Airlines and Railroads	Market Value	Annual	3.06%	2.27	\$1,530	1.11%	2.10%
Class 13	Telecommunication Utilities and Electric Generating Property of Electric Utilities	Market Value	Annual	6.00%	4.44	\$3,000	0.79%	2.78%
Class 14	Renewable Energy Production and Transmission Property	Market Value	Annual	3.00%	2.22	\$1,500	0.50%	0.45%
Class 15	Carbon Dioxide and Liquid Pipeline Property	Market Value	Annual	3.00%	2.22	\$1,500	0.08%	0.04%
Class 16	High Voltage DC Converter Property	Market Value	Annual	2.25%	1.67	\$1,125	0.00%	0.00%
Class 17	Qualified Data Centers	Market Value	Annual	0.90%	0.67	\$450	0.03%	0.02%
Class 18	Green Hydrogen Facilities	Market Value	Annual	1.50%***	1.11	\$750	0.00%	0.00%

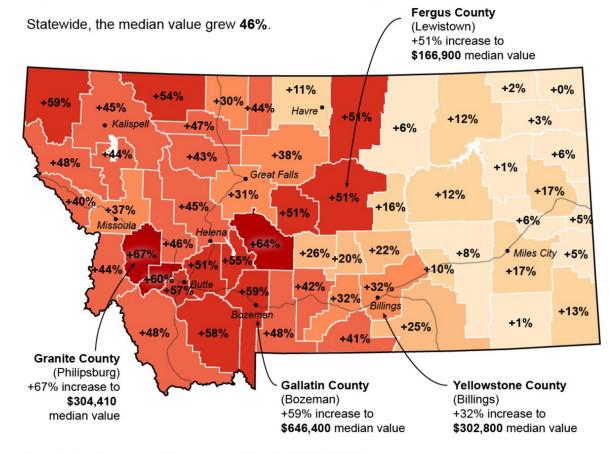
\*Class 8 has a graduated tax rate. 0% of the first \$300,000; 1.5% for the next \$6 million; and 3% for all remaining class 8 property

\*\*Starting in TY 2025, Class 10 property will move to a two-year valuation cycle.

\*\*\*Qualified facilities are taxes at 1.5% for the first 15 years after construction commences and 3% after

#### Assessments on the rise

County-level change in the median value of residential property as assessed by the Montana Department of Revenue between its 2021 and 2023 reappraisal cycles.



Data: Montana Department of Revenue. Graphic: Eric Dietrich / MTFP.

Residential increased, but the range of increase went from 0 to 67%.

# **Taxable Value Distribution by County TY 2023**

	Residen	tial	Comme	rcial	Agricultu	Agricultural		Other	
County	Taxable	Percent	Taxable	Percent	Taxable	Percent	Taxable	Percent	Taxable
	Value	of Total	Value	of Total	Value	of Total	Value	of Total	Value
Madison	301,994,983	88%	21,346,593	6%	2,851,536	1%	15,760,301	5%	341,953,413
Lake	96,212,908	87%	8,505,447	8%	1,522,748	1%	4,264,045	4%	110,505,148
Ravalli	116,744,142	80%	15,305,556	11%	1,142,842	1%	11,935,519	8%	145,128,059
Flathead	395,713,207	78%	77,112,799	15%	1,167,852	0%	34,047,739	7%	508,041,597
Lincoln	46,771,615	78%	4,845,690	8%	284,501	0%	8,257,002	14%	60,158,808
Gallatin	550,299,203	74%	140,744,843	19%	3,473,525	0%	49,180,618	7%	743,698,189
Park	68,519,695	73%	13,708,772	15%	2,166,611	2%	9,762,427	10%	94,157,505
Jefferson	31,870,133	70%	2,888,546	6%	1,022,701	2%	9,694,048	21%	45,475,428
Granite	15,174,466	70%	1,113,879	5%	710,311	3%	4,812,080	22%	21,810,736
Missoula	258,050,956	67%	84,794,628	22%	575,249	0%	39,194,066	10%	382,614,899
Lewis And Clark	142,787,043	66%	36,969,733	17%	2,008,734	1%	34,474,286	16%	216,239,796
Broadwater	17,429,344	64%	1,890,186	7%	1,469,250	5%	6,490,215	24%	27,278,995
Mineral	8,210,614	59%	1,133,697	8%	61,195	0%	4,613,818	33%	14,019,324
Beaverhead	20,481,124	58%	3,552,659	10%	2,869,644	8%	8,320,267	24%	35,223,694
Powell	12,808,628	53%	1,460,805	6%	1,169,344	5%	8,681,959	36%	24,120,736
Deer Lodge	15,218,232	52%	1,910,668	7%	461,409	2%	11,415,656	39%	29,005,965
Yellowstone	262,777,262	52%	97,752,995	19%	3,576,197	1%	141,665,700	28%	505,772,154
Cascade	113,712,382	51%	38,602,293	17%	4,635,453	2%	66,085,392	30%	223,035,520
Carbon	33,715,326	51%	3,571,047	5%	2,258,628	3%	26,802,951	40%	66,347,952
Sanders	24,154,399	49%	2,988,812	6%	597,953	1%	21,650,566	44%	49,391,730
Meagher	5,272,807	46%	689,535	6%	1,798,330	16%	3,598,199	32%	11,358,871
Silver Bow	48,685,022	46%	16,754,403	16%	425,781	0%	40,519,336	38%	106,384,542
Custer	10,849,407	42%	3,708,067	14%	3,301,970	13%	7,858,032	31%	25,717,476
Teton	10,373,611	40%	2,268,065	9%	4,958,788	19%	8,146,679	32%	25,747,143
Pondera	6,558,973	32%	1,954,194	9%	3,967,233	19%	8,109,168	39%	20,589,568
Stillwater	21,581,727	31%	2,487,715	4%	2,026,539	3%	42,587,316	62%	68,683,297
Musselshell	4,675,652	31%	973,097	7%	1,698,612	11%	7,541,436	51%	14,888,797
Fergus	17,875,805	31%	4,151,709	7%	5,279,341	9%	29,887,251	52%	57,194,106
Petroleum	598,047	31%	40,282	2%	975,074	51%	308,318	16%	1,921,721
Hill	14,569,856	31%	4,869,345	10%	7,624,863	16%	19,942,673	42%	47,006,737

	Residen	tial	Comme	rcial	Agricultu	ural	Other	r	Total
County	Taxable	Percent	Taxable	Percent	Taxable	Percent	Taxable	Percent	Taxable
	Value	of Total	Value	of Total	Value	of Total	Value	of Total	Value
Sweet Grass	10,166,814	31%	1,697,073	5%	1,843,176	6%	19,565,273	59%	33,272,336
Dawson	7,682,773	29%	2,482,540	9%	3,558,507	14%	12,409,382	47%	26,133,202
Valley	8,713,397	28%	2,230,474	7%	5,240,810	17%	14,402,360	47%	30,587,041
Liberty	2,862,260	27%	1,039,626	10%	3,876,381	. 37%	2,706,653	26%	10,484,920
Blaine	4,280,320	26%	847,134	5%	4,995,439	31%	6,049,465	37%	16,172,358
Phillips	3,806,244	24%	794,211	. 5%	3,832,760	24%	7,445,615	47%	15,878,830
Daniels	1,618,066	23%	452,990	7%	3,092,509	45%	1,741,486	25%	6,905,051
Sheridan	3,356,792	23%	1,554,438	11%	4,691,089	32%	5,098,095	35%	14,700,414
Chouteau	6,899,890	21%	1,825,271	6%	9,151,874	28%	14,429,371	45%	32,306,406
Big Horn	5,315,111	21%	3,061,982	12%	3,246,568	13%	13,311,571	53%	24,935,232
McCone	1,733,051	21%	289,259	3%	3,967,456	47%	2,435,591	29%	8,425,357
Toole	4,650,915	20%	2,627,817	11%	4,818,033	21%	10,873,955	47%	22,970,720
Richland	11,986,819	20%	5,366,795	9%	4,301,546	7%	38,474,799	64%	60,129,959
Glacier	6,336,269	19%	2,913,804	9%	2,856,163	9%	20,674,323	63%	32,780,559
Garfield	1,628,727	16%	133,971	1%	3,680,220	36%	4,740,393	47%	10,183,311
Prairie	851,552	15%	112,325	2%	1,429,300	26%	3,137,674	57%	5,530,851
Judith Basin	3,671,127	15%	562,211	2%	2,939,768	12%	16,800,497	70%	23,973,603
Golden Valley	1,088,900	14%	109,676	1%	1,183,341	16%	5,233,540	69%	7,615,457
Powder River	1,549,982	14%	247,671	2%	1,829,695	17%	7,291,235	67%	10,918,583
Treasure	673,376	13%	113,232	2%	1,193,065	23%	3,213,365	62%	5,193,038
Wheatland	2,167,961	12%	314,073	2%	2,006,701	11%	14,323,015	76%	18,811,750
Roosevelt	3,728,462	11%	2,069,112	6%	4,544,141	14%	22,318,132	68%	32,659,847
Rosebud	4,043,277	7%	1,211,241	2%	3,632,392	6%	48,485,619	85%	57,372,529
Fallon	2,848,059	5%	1,372,107	2%	1,807,740	3%	55,857,656	90%	61,885,562
Wibaux	832,340	2%	112,632	0%	1,231,592	4%	32,896,222	94%	35,072,786
<u>Carter</u>	1,259,280	2%	103,734	0%	2,120,093	3%	70,013,339	95%	73,496,446
Statewide	2,777,438,333	59%	31,741,459	13%	153,152,573	3%	1,139,535,689	24%	4,701,868,054

Class	Description	Valuation Standard	Valuation Cycle	TY 2023 Tax Rate	Class 4 Residential Multiplier	Est. Taxes of \$100K in Market Value at 500 Mills	TY 2023 Share Of Total Market Valuation	TY 2023 Estimated Share Of Total Taxes
Class 1	Net Proceeds of Mines	Net Proceeds	Annual	100.00%	74.07	\$50,000	0.00%	0.06%
Class 2	Gross Proceeds of Metal Mines	Gross Proceeds	Annual	3.00%	2.22	\$1,500	0.42%	0.72%
Class 3	Agricultural Land	Productivity Value	2 Year	2.16%	1.60	\$1,080	2.49%	3.39%
Class 4	Residential (land and improvements)	Market Value	2 Year	1.35%	1.00	\$675	75.76%	57.72%
Class 4	Commercial and Industrial (land and improvements)	Market Value	2 Year	1.89%	1.40	\$945	12.47%	15.19%
Class 5	Pollution Control Equipment, Independent and Rural Electric and Telephone Cooperatives, New and Expanding Industry, Electrolytic Reduction Facilities, Research and Development Firms, and Gasohol Production Property	Market Value	Annual	3.00%	2.22	\$1,500	0.75%	1.27%
Class 7	Noncentrally Assessed Utilities	Market Value	Annual	8.00%	5.93	\$4,000	0.00%	0.00%
Class 8	Business Equipment	Market Value	Annual	1.50%*	1.11	\$750	3.13%	4.78%
Class 9	Pipelines and Nonelectric Generating Property of Electric Utilities	Market Value	Annual	12.00%	8.89	\$6,000	1.84%	11.39%
Class 10	Forest Land	Productivity Value	6 Year**	0.29%	0.21	\$145	0.61%	0.09%
Class 12	Airlines and Railroads	Market Value	Annual	3.06%	2.27	\$1,530	1.11%	2.10%
Class 13	Telecommunication Utilities and Electric Generating Property of Electric Utilities	Market Value	Annual	6.00%	4.44	\$3,000	0.79%	2.78%
Class 14	Renewable Energy Production and Transmission Property	Market Value	Annual	3.00%	2.22	\$1,500	0.50%	0.45%
Class 15	Carbon Dioxide and Liquid Pipeline Property	Market Value	Annual	3.00%	2.22	\$1,500	0.08%	0.04%
Class 16	High Voltage DC Converter Property	Market Value	Annual	2.25%	1.67	\$1,125	0.00%	0.00%
Class 17	Qualified Data Centers	Market Value	Annual	0.90%	0.67	\$450	0.03%	0.02%
Class 18	Green Hydrogen Facilities	Market Value	Annual	1.50%***	1.11	\$750	0.00%	0.00%

## Missoula County Specific

	Class	MV	TV	%TV
1	3	24,649,958	575,249	0%
1	4.1	19,596,849,253	258,050,956	67%
1	4.2	6,028,620,844	84,794,628	22%
	5	83,934,589	2,497,296	1%
	8	357,370,707	6,648,793	2%
	9	182,719,799	21,926,372	6%
	10	547,946,923	422,061	0%
	12	100,618,335	3,078,928	1%
	13	78,415,249	4,619,003	1%
	14	53,760	1,613	0%

<sup>\*</sup>Class 8 has a graduated tax rate. 0% of the first \$300,000; 1.5% for the next \$6 million; and 3% for all remaining class 8 property

<sup>\*\*</sup>Starting in TY 2025, Class 10 property will move to a two-year valuation cycle.
\*\*\*Qualified facilities are taxes at 1.5% for the first 15 years after construction commences and 3% after

Class	Description	Valuation Standard	Valuation Cycle	TY 2023 Tax Rate	Class 4 Residential Multiplier	Est. Taxes of \$100K in Market Value at 500	TY 2023 Share Of Total Market	TY 2023 Estimated Share Of Total Taxes	Class	Flathead S MV	pecifics TV	%TV
Class 1	Net Proceeds of Mines	Net Proceeds	Annual	100.00%	74.07	Mills \$50,000	Valuation 0.00%	0.06%				
Class 2	Gross Proceeds of Metal Mines	Gross Proceeds	Annual	3.00%	2.22							
Class 3	Agricultural Land	Productivity Value		2.16%	1.60				3	36,189,205	1.167.852	0%
	Residential (land and improvements)	Market Value	2 Year	1.35%	1.00		75,76%	57,72%	_			78%
Class 4	Commercial and Industrial (land and improvements)	Market Value	2 Year	1.89%	1.40			15.19%	4.2			15%
Class 5	Pollution Control Equipment, Independent and Rural Electric and Telephone Cooperatives, New and Expanding Industry, Electrolytic Reduction Facilities, Research and Development Firms, and Gasohol Production Property	Market Value	Annual	3.00%	2,22	\$1,500	0.75%	1.27%	5	201,299,731	6,005,592	1%
Class 7	Noncentrally Assessed Utilities	Market Value	Annual	8.00%	5.93	\$4,000	0.00%	0.00%			-,,	
Class 8	Business Equipment	Market Value	Annual	1.50%*	1.11	\$750	3.13%	4.78%	8	383,557,251	8,698,872	2%
Class 9	Pipelines and Nonelectric Generating Property of Electric Utilities	Market Value	Annual	12.00%	8.89	\$6,000	1.84%	11.39%	9	66,598,105	7,991,774	2%
Class 10	Forest Land	Productivity Value	6 Year**	0.29%	0.21	\$145	0.61%	0.09%	10	262,922,882	706,644	0%
Class 12	Airlines and Railroads	Market Value	Annual	3.06%	2.27	\$1,530	1.11%	2.10%	12	163,589,744	5,005,847	1%
Class 13	Telecommunication Utilities and Electric Generating Property of Electric Utilities	Market Value	Annual	6.00%	4.44	\$3,000	0.79%	2.78%	13	96,013,324	5,638,477	1%
Class 14	Renewable Energy Production and Transmission Property	Market Value	Annual	3.00%	2.22	\$1,500	0.50%	0.45%	14	15,260	458	0%
Class 15	Carbon Dioxide and Liquid Pipeline Property	Market Value	Annual	3.00%	2.22	\$1,500	0.08%	0.04%	15	4,998	75	0%
Class 16	High Voltage DC Converter Property	Market Value	Annual	2.25%	1.67	\$1,125	0.00%	0.00%				
Class 17	Qualified Data Centers	Market Value	Annual	0.90%	0.67	\$450	0.03%	0.02%				
		1	1			1						

1.11

\$750

0.00%

0.00%

Annual 1.50%\*\*\*

Market Value

Class 18 Green Hydrogen Facilities

<sup>\*</sup>Class 8 has a graduated tax rate. 0% of the first \$300,000; 1.5% for the next \$6 million; and 3% for all remaining class 8 property

<sup>\*\*</sup>Starting in TY 2025, Class 10 property will move to a two-year valuation cycle.

<sup>\*\*\*</sup>Qualified facilities are taxes at 1.5% for the first 15 years after construction commences and 3% after

Class	Description	Valuation Standard	Valuation Cycle	TY 2023 Tax Rate	Class 4 Residential Multiplier	Est. Taxes of \$100K in Market Value at 500 Mills	TY 2023 Share Of Total Market Valuation	TY 2023 Estimated Share Of Total Taxes
Class 1	Net Proceeds of Mines	Net Proceeds	Annual	100.00%	74.07	\$50,000	0.00%	0.06%
Class 2	Gross Proceeds of Metal Mines	Gross Proceeds	Annual	3.00%	2.22	\$1,500	0.42%	0.72%
Class 3	Agricultural Land	Productivity Value	2 Year	2.16%	1.60	\$1,080	2.49%	3.39%
Class 4	Residential (land and improvements)	Market Value	2 Year	1.35%	1.00	\$675	75.76%	57.72%
Class 4	Commercial and Industrial (land and improvements)	Market Value	2 Year	1.89%	1.40	\$945	12.47%	15.19%
Class 5	Pollution Control Equipment, Independent and Rural Electric and Telephone Cooperatives, New and Expanding Industry, Electrolytic Reduction Facilities, Research and Development Firms, and Gasohol Production Property	Market Value	Annual	3.00%	2.22	\$1,500	0.75%	1.27%
Class 7	Noncentrally Assessed Utilities	Market Value	Annual	8.00%	5.93	\$4,000	0.00%	0.00%
Class 8	Business Equipment	Market Value	Annual	1.50%*	1.11	\$750	3.13%	4.78%
Class 9	Pipelines and Nonelectric Generating Property of Electric Utilities	Market Value	Annual	12.00%	8.89	\$6,000	1.84%	11.39%
Class 10	Forest Land	Productivity Value	6 Year**	0.29%	0.21	\$145	0.61%	0.09%
Class 12	Airlines and Railroads	Market Value	Annual	3.06%	2.27	\$1,530	1.11%	2.10%
Class 13	Telecommunication Utilities and Electric Generating Property of Electric Utilities	Market Value	Annual	6.00%	4.44	\$3,000	0.79%	2.78%
Class 14	Renewable Energy Production and Transmission Property	Market Value	Annual	3.00%	2.22	\$1,500	0.50%	0.45%
Class 15	Carbon Dioxide and Liquid Pipeline Property	Market Value	Annual	3.00%	2.22	\$1,500	0.08%	0.04%
Class 16	High Voltage DC Converter Property	Market Value	Annual	2.25%	1.67	\$1,125	0.00%	0.00%
Class 17	Qualified Data Centers	Market Value	Annual	0.90%	0.67	\$450	0.03%	0.02%
Class 18	Green Hydrogen Facilities	Market Value	Annual	1.50%***	1.11	\$750	0.00%	0.00%

<sup>\*</sup>Class 8 has a graduated tax rate. 0% of the first \$300,000; 1.5% for the next \$6 million; and 3% for all remaining class 8 property

#### Gallatin Specifics

		•		
re s	Class	s MV	TV	%TV
6%	1	250,920	250,920	0%
2%				
9%	3	146,966,258	3,473,525	0%
2%	4.1	40,088,014,519	550,299,203	74%
9%	4.2	9,786,851,448	140,744,843	19%
7%	5	38,729,523	802,194	0%
0%		30,723,323	002,104	0 70
3%	8	447,941,643	8,563,431	1%
9%	9	246,826,891	29,619,221	4%
9%	10	216,548,484	123,325	0%
)%	12	142,090,036	4,347,959	1%
8%	13	93,368,215	5,473,568	1%

<sup>\*\*</sup>Starting in TY 2025, Class 10 property will move to a two-year valuation cycle.
\*\*\*Qualified facilities are taxes at 1.5% for the first 15 years after construction commences and 3% after

Class	Description	Valuation Standard	Valuation Cycle	TY 2023 Tax Rate	Class 4 Residential Multiplier	Est. Taxes of \$100K in Market Value at 500 Mills	TY 2023 Share Of Total Market Valuation	TY 2023 Estimated Share Of Total Taxes	
Class 1	Net Proceeds of Mines	Net Proceeds	Annual	100.00%	74.07	\$50,000	0.00%	0.06%	]
Class 2	Gross Proceeds of Metal Mines	Gross Proceeds	Annual	3.00%	2.22	\$1,500	0.42%	0.72%	
Class 3	Agricultural Land	Productivity Value	2 Year	2.16%	1.60	\$1,080	2.49%	3.39%	]
Class 4	Residential (land and improvements)	Market Value	2 Year	1.35%	1.00	\$675	75.76%	57.72%	1
Class 4	Commercial and Industrial (land and improvements)	Market Value	2 Year	1.89%	1.40	\$945	12.47%	15.19%	1
Class 5	Pollution Control Equipment, Independent and Rural Electric and Telephone Cooperatives, New and Expanding Industry, Electrolytic Reduction Facilities, Research and Development Firms, and Gasohol Production Property	Market Value	Annual	3.00%	2.22	\$1,500	0.75%	1.27%	
Class 7	Noncentrally Assessed Utilities	Market Value	Annual	8.00%	5.93	\$4,000	0.00%	0.00%	1
Class 8	Business Equipment	Market Value	Annual	1.50%*	1.11	\$750	3.13%	4.78%	]
Class 9	Pipelines and Nonelectric Generating Property of Electric Utilities	Market Value	Annual	12.00%	8.89	\$6,000	1.84%	11.39%	
Class 10	Forest Land	Productivity Value	6 Year**	0.29%	0.21	\$145	0.61%	0.09%	
Class 12	Airlines and Railroads	Market Value	Annual	3.06%	2.27	\$1,530	1.11%	2.10%	
Class 13	Telecommunication Utilities and Electric Generating Property of Electric Utilities	Market Value	Annual	6.00%	4.44	\$3,000	0.79%	2.78%	
Class 14	Renewable Energy Production and Transmission Property	Market Value	Annual	3.00%	2.22	\$1,500	0.50%	0.45%	
Class 15	Carbon Dioxide and Liquid Pipeline Property	Market Value	Annual	3.00%	2.22	\$1,500	0.08%	0.04%	
Class 16	High Voltage DC Converter Property	Market Value	Annual	2.25%	1.67	\$1,125	0.00%	0.00%	
Class 17	Qualified Data Centers	Market Value	Annual	0.90%	0.67	\$450	0.03%	0.02%	
Class 18	Green Hydrogen Facilities	Market Value	Annual	1.50%***	1.11	\$750	0.00%	0.00%	

<sup>\*</sup>Class 8 has a graduated tax rate. 0% of the first \$300,000; 1.5% for the next \$6 million; and 3% for all remaining class 8 property
\*\*Starting in TY 2025, Class 10 property will move to a two-year valuation cycle.

\*\*\*Qualified facilities are taxes at 1.5% for the first 15 years after construction commences and 3% after

#### Lake Specifics

Class	MV	TV	%TV
3	72,824,390	1,522,748	1%
4.1	7,320,888,765	96,212,908	87%
4.2	1,065,405,419	8,505,447	8%
5	20,163,249	561,909	1%
	·	ŕ	
8	48,813,324	929,036	1%
9	7,445,186	893,421	1%
10	208,098,789	115,583	0%
12	18,727,817	573,073	1%
13	20,067,512	1,191,023	1%

Class	Description	Valuation Standard	Valuation Cycle	TY 2023 Tax Rate	Class 4 Residential Multiplier	Est. Taxes of \$100K in Market Value at 500 Mills	TY 2023 Share Of Total Market Valuation	TY 2023 Estimated Share Of Total Taxes
Class 1	Net Proceeds of Mines	Net Proceeds	Annual	100.00%	74.07	\$50,000	0.00%	0.06%
Class 2	Gross Proceeds of Metal Mines	Gross Proceeds	Annual	3.00%	2.22	\$1,500	0.42%	0.72%
Class 3	Agricultural Land	Productivity Value	2 Year	2.16%	1.60	\$1,080	2.49%	3.39%
Class 4	Residential (land and improvements)	Market Value	2 Year	1.35%	1.00	\$675	75.76%	57.72%
Class 4	Commercial and Industrial (land and improvements)	Market Value	2 Year	1.89%	1.40	\$945	12.47%	15.19%
Class 5	Pollution Control Equipment, Independent and Rural Electric and Telephone Cooperatives, New and Expanding Industry, Electrolytic Reduction Facilities, Research and Development Firms, and Gasohol Production Property	Market Value	Annual	3.00%	2.22	\$1,500	0.75%	1.27%
Class 7	Noncentrally Assessed Utilities	Market Value	Annual	8.00%	5.93	\$4,000	0.00%	0.00%
Class 8	Business Equipment	Market Value	Annual	1.50%*	1.11	\$750	3.13%	4.78%
Class 9	Pipelines and Nonelectric Generating Property of Electric Utilities	Market Value	Annual	12.00%	8.89	\$6,000	1.84%	11.39%
Class 10	Forest Land	Productivity Value	6 Year**	0.29%	0.21	\$145	0.61%	0.09%
Class 12	Airlines and Railroads	Market Value	Annual	3.06%	2.27	\$1,530	1.11%	2.10%
Class 13	Telecommunication Utilities and Electric Generating Property of Electric Utilities	Market Value	Annual	6.00%	4.44	\$3,000	0.79%	2.78%
Class 14	Renewable Energy Production and Transmission Property	Market Value	Annual	3.00%	2.22	\$1,500	0.50%	0.45%
Class 15	Carbon Dioxide and Liquid Pipeline Property	Market Value	Annual	3.00%	2.22	\$1,500	0.08%	0.04%
Class 16	High Voltage DC Converter Property	Market Value	Annual	2.25%	1.67	\$1,125	0.00%	0.00%
Class 17	Qualified Data Centers	Market Value	Annual	0.90%	0.67	\$450	0.03%	0.02%
Class 18	Green Hydrogen Facilities	Market Value	Annual	1.50%***	1.11	\$750	0.00%	0.00%
*Class 8 has	a graduated tax rate, 0% of the first \$300,000: 1.5% for the next \$	6 million: and 3% for all	remaining clas	s 8 property				

## Toole County Specific

Class	MV	TV	%TV
3	233,234,083	4,818,033	21%
4.1	358,252,785	4,650,915	20%
4.2	207,401,222	2,627,817	11%
5	22,700,143	671,470	3%
7	39,036	3,123	0%
8	30,462,155	490,934	2%
9	23,947,213	2,873,665	13%
12	86,990,105	2,661,899	12%
13	3,137,118	188,231	1%
14	132,821,141	3,984,633	17%

<sup>\*</sup>Class 8 has a graduated tax rate. 0% of the first \$300,000; 1.5% for the next \$6 million; and 3% for all remaining class 8 property

<sup>\*\*</sup>Starting in TY 2025, Class 10 property will move to a two-year valuation cycle.

\*\*\*Qualified facilities are taxes at 1.5% for the first 15 years after construction commences and 3% after

Local Government spending choices do matter. The Gallatin had a 58% residential increase, the Flathead had a 45% increase in residential values, and Missoula experienced a 37% increase.

County Fiscal Year	Estimated Market Value of a \$400,000 home appraised in FY 2023, and growth in FY 2024	Estimated Taxes paid on the \$400,000 home (FY 2023)	Difference
Flathead FY 2023	\$400,000.00	\$4,004.32	
Flathead FY 2024	\$581,307.19	\$4,392.80	\$388.48
Gallatin FY 2023	\$400,000.00	\$3,364.04	
Gallatin FY 2024	\$636,377.06	\$4,089.27	\$725.24
Missoula FY 2023	\$400,000.00	\$4,823.39	
Missoula FY 2024	\$546,922.57	\$5,537.66	\$714.28

Local Government choices do make a difference. Missoula experienced a lower rate of residential increase than either Flathead or the Gallatin, yet increased taxes nearly the most.

#### Montana Scenery and Destination: Examples of Vacation and High-End Home Development

#### **Gallatin County/Madison County:**

- 2. Yellowstone Club Situated in Big Sky, this exclusive community features high-end homes, ski-in/ski-out access, and a private golf course.
- 3. Spanish Peaks Mountain Club Also located in Big Sky, this development offers luxury homes, a private golf course, and access to outdoor activities.
- 4. Moonlight Basin Found in Big Sky, this development boasts luxury homes, ski-in/ski-out access, and a private golf course.
- 5. The Club at Spanish Peaks Located in Big Sky, this community offers high-end homes, a private ski resort, and golf course.

#### **Flathead County:**

- 6. Whitefish Mountain Resort Situated in Whitefish, this development offers luxury homes, ski-in/ski-out access, and stunning mountain views.
- 7. Iron Horse Also located in Whitefish, this community features high-end homes, a private golf course, and access to outdoor activities.

#### Ravalli County/ Missoula:

- 8. Stock Farm Club Found in Hamilton, this development offers luxury homes, a private golf course, and equestrian facilities.
- 9. The Ranch Club Located in Missoula, this development offers luxury homes, a championship golf course, and stunning views of the surrounding mountains.
- 10. Stone Mountain Estates Situated in Missoula, this exclusive community features high-end homes with panoramic views and access to nearby recreational areas.

#### **Lincoln County:**

11. Wilderness Club - Situated in Eureka, this development features high-end homes, a championship golf course, and various recreational activities.

#### **Granite County:**

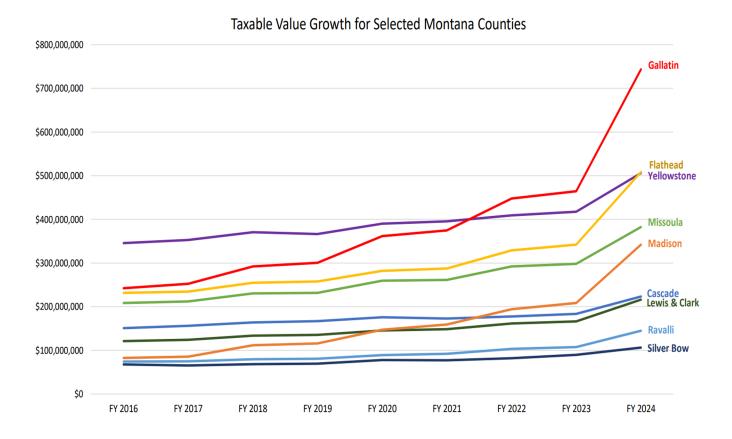
12. Rock Creek - Located in Philipsburg, this community offers luxury homes and access to outdoor activities such as fishing and hiking.

## Growth in houses worth more than 1.5 million dollars.

	Number of	over 1.5 million per	Average home				
Tax Year	properties	home.		value			
2009	587	\$ 423,229,755.98	\$	2,221,004.70			
2010	705	\$ 436,681,146.55	\$	2,119,405.88			
2011	716	\$ 475,082,040.03	\$	2,163,522.40			
2012	753	\$ 540,235,554.91	\$	2,217,444.30			
2013	775	\$ 587,157,221.79	\$	2,257,622.22			
2014	831	\$ 672,279,333.02	\$	2,309,000.40			
2015	869	\$ 1,283,178,202.96	\$	2,976,614.73			
2016	936	\$ 1,386,331,533.95	\$	2,981,123.43			
2017	1144	\$ 2,216,388,748.20	\$	3,437,402.75			
2018	1207	\$ 2,353,236,548.29	\$	3,449,657.46			
2019	1598	\$ 3,229,204,540.65	\$	3,520,778.81			
2020	1706	\$ 3,670,579,469.15	\$	3,651,570.61			
2021	2194	\$ 4,808,950,828.80	\$	3,691,864.55			
2022	2326	\$ 5,464,274,791.39	\$	3,849,215.30			
2023	4886	\$ 11,521,450,935.27	\$	3,858,053.81			

# Taxable Value Growth for Selected Counties Between FY 2016 (TY 2015) and FY 2024 (TY 2023)

Montana is increasingly a "scenery state" impacted by move ins, expensive vacation homes, and short-term rentals. Thus, we see some significant changes in where the market value wealth is held in Montana.



# What was done in the past to mitigate residential taxes?

- Mitigated residential (target was owner dwelling and long-term rental) by transferring obligation to other classes, or the state (effectively to income tax). The final residential rate was a blend of the rate charged and a homestead exemption, however the homestead exemption was removed in 2015 and the rate lowered.
- The simplistic soundbite solution set forth today: Cut the residential rate from 1.35% to .94%

																-					
Class	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
3	3.40%	3.30%	3.22%	3.14%	3.07%	3.01%	2.93%	2.82%	2.72%	2.63%	2.54%	2.47%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%
4 Res <sup>1</sup>	2.35%	2.26%	2.19%	2.12%	2.05%	1.99%	1.85%	1.71%	1.58%	1.47%	1.38%	1.31%	1.35%	1.35%	1.35%	1.35%	1.35%	1.35%	1.35%	1.35%	1.35%
4 Com <sup>2</sup>	2.96%	2.86%	2.78%	2.69%	2.62%	2.56%	2.51%	2.37%	2.24%	2.13%	2.02%	1.94%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%
5	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
6																					
7	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
8 <sup>3</sup>	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
9	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
10 Forest	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.34%	0.33%	0.32%	0.31%	0.30%	0.29%	0.37%	0.37%	0.37%	0.37%	0.37%	0.37%	0.34%	0.31%	0.29%
11																					
12	3.88%	3.81%	3.74%	3.55%	3.52%	3.44%	3.45%	3.40%	3.45%	3.45%	3.39%	3.28%	2.37%	3.04%	3.07%	3.12%	3.20%	3.20%	3.12%	3.06%	3.06%
13	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
14			3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
15					3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
16					2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
17															0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
184																				3.00%	3.00%
													Two Year	Appraisal	for Resed	ential from	m 2015 to	cuurent.			

<sup>1</sup>Rate includes homestead exemption for tax years 1999 through 2014

No mitigation of residential rates

<sup>&</sup>lt;sup>4</sup>Rate is 1.5% for first 15 years after construction or additional investment of \$25M

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
4 Res Exemption	31%	31.40%	32%	32.60%	33.20%	34%	36.80%	39.50%	41.80%	44%	45.50%	47%									
A Com Evernation	120/	12 00%	12 00%	14 20%	14 600/	1 = 0/	14 20%	15 00%	17 500/	100/	20.20%	21 50%									

The residential rate was 2.47% in 2014 and 47% of value was exempt for all residential properties. The last 6-year cycle was fully phased in for 2014. The bill implementing the 2-year cycle in 2015 adjusted the rates to account for the removal of the homestead exemption and for taxable value neutrality between classes (generally referred to as mitigation). The rates were 2.93% in 2009, 2.82% in 2010, 2.72% in 2011, 2.63% in 2012, 2.54% in 2013, and 2.47% after 2013. The homestead exemption also phased up each year. Ag has been on the 2-year cycle since 2015. Forest will be on the 2-year cycle beginning in TY25. The ag rate used to be the same as the residential rate, but the 2015 legislation changed the ag rate to a stand-alone rate of 2.16%, where it remains today.

In 2015, the overall residential rate was lowered to 1.35% from 2.47%, and the 47% homestead exemption removed. All classes were slated to go to a 2 yr or shorter appraisal, The tax mitigation shift has not occurred since.

<sup>&</sup>lt;sup>2</sup>Rate includes comstead exemption for tax years 1999 through 2014

<sup>&</sup>lt;sup>3</sup> Value less than \$20,000 exempt 2005 through 2013, \$100,000 exemption for all property 2014 to 2021, \$300,000 exemption 2022 to 2023; \$1M exemption goes into effect for 2024; 2% for first \$2 million in 2012 and 2013, 1.5% for first \$6 million 2014 to present

Consider the transfer to Commercial if the residential rate drops as suggested by some?

Much different impact today than in the past when residential was a much smaller portion of the state's total market value. Today residential is 76% of the market value share in the state.

If we were to mitigate commercial as well, then the transfer goes to the remaining 15% of the pie...huge shift.

#### Estimated TY 2023 Impact of Reducing the Class 4 Residential Tax Rate From 1.35% To 0.94% By Property Class

			TY 2022			TY 2023 (Current Law)			TY 20	TY 2023 (0.94% Residential Rate)			
County	Property	Taxable			Taxable				Taxable				
County	Type	Value		Taxes	Value		Taxes	% Chg.	Value		Taxes	% Chg.	
		(Millions)	Mills	(Millions)	(Millions)	Mills	(Millions)	from TY 22	(Millions)	Mills	(Millions)	from TY 22	
Silver Bow	Res.	\$32.1097	757.51	\$24.3233	\$48.6850	618.04	\$30.0892	23.7%	\$33.8992	703.45	\$23.8465	(2.0%	
Silver Bow	Comm.	\$13.4738	744.08	\$10.0256	\$16.7544	607.89	\$10.1849	1.6%	\$16.7544	690.68	\$11.5720	15.49	
Silver Bow	Ag.	\$0.4190	656.85	\$0.2752	\$0.4258	534.05	\$0.2274	(17.4%)	\$0.4258	604.48	\$0.2574	(6.5%	
Silver Bow	Other	\$43.7669	743.97	\$32.5613	\$40.5193	602.10	\$24.3969	(25.1%)	\$40.5193	683.79	\$27.7069	(14.9%	
Silver Bow	Total	\$89.7695	748.42	\$67.1854	\$106.3845	610.04	\$64.8983	(3.4%)	\$91.5987	691.96	\$63.3828	(5.7%	
Cascade	Res.	\$84.8544	694.67	\$58.9455	\$113.7124	640.14	\$72.7919	23.5%	\$79.1775	740.84	\$58.6578	(0.5%	
Cascade	Comm.	\$31.3193	732.20	\$22.9320	\$38.6023	676.02	\$26.0958	13.8%	\$38.6023	781.25	\$30.1582	31.59	
Cascade	Ag.	\$4.6089	569.45	\$2.6246	\$4.6355	537.32	\$2.4907	(5.1%)	\$4.6355	626.26	\$2.9030	10.69	
Cascade	<u>Other</u>	\$64.7512	646.79	\$41.8807	\$66.0854	608.11	\$40.1870	(4.0%)	\$66.0854	700.71	\$46.3066	10.69	
Cascade	Total	\$185.5338	681.19	\$126.3828	\$223.0355	634.72	\$141.5654	12.0%	\$188.5006	732.23	\$138.0256	9.29	
Yellowstone	Res.	\$200.8959	682.36	\$137.0826	\$262.7773	629.99	\$165.5481	20.8%	\$182.9708	741.82	\$135.7313	(1.0%	
Yellowstone	Comm.	\$85.4450	669.11	\$57.1719	\$97.7530	619.25	\$60.5332	5.9%	\$97.7530	723.01	\$70.6766	23.69	
Yellowstone	Ag.	\$3.4693	551.41	\$1.9130	\$3.5762	525.75	\$1.8802	(1.7%)	\$3.5762	598.03	\$2.1387	11.89	
Yellowstone	Other	\$127.9466	589.36	\$75.4067	\$141.6657	545.24	\$77.2415	2.4%	\$141.6657	624.54	\$88.4762	17.39	
Yellowstone	Total	\$417.7567	650.08	\$271.5743	\$505.7722	603.44	\$305.2030	12.4%	\$425.9657	697.29	\$297.0228	9.49	
Missoula	Res.	\$188.0145	827.54	\$155.5888	\$258.0510	716.39	\$184.8661	18.8%	\$179.6799	876.56	\$157.4998	1.29	
Missoula	Comm.	\$68.7786	860.65	\$59.1942	\$84.7946	744.78	\$63.1536	6.7%	\$84.7946	904.64	\$76.7088	29.69	
Missoula	Ag.	\$0.5610	680.08	\$0.3815	\$0.5752	584.71	\$0.3364	(11.8%)	\$0.5752	718.69	\$0.4134	8.49	
Missoula	<u>Other</u>	\$41.0313	759.24	\$31.1526	\$39.1941	667.54	\$26.1637	(16.0%)	\$39.1941	813.00	\$31.8648	2.39	
Missoula	Total	\$298.3854	825.50	\$246.3171	\$382.6149	717.48	\$274.5199	11.4%	\$304.2439	875.90	\$266.4868	8.29	
Lewis And Clark	Res.	\$98.3753	725.33	\$71.3547	\$142.7870	628.63	\$89.7598	25.8%	\$99.4221	760.36	\$75.5963	5.99	
Lewis And Clark	Comm.	\$28.7084	788.77	\$22.6443	\$36.9697	688.49	\$25.4531	12.4%	\$36.9697	826.90	\$30.5701	35.09	
Lewis And Clark	Ag.	\$1.9519	578.35	\$1.1289	\$2.0087	504.21	\$1.0128	(10.3%)	\$2.0087	602.94	\$1.2111	7.39	
Lewis And Clark	<u>Other</u>	\$37.0451	720.12	\$26.6769	\$34.4743	630.66	\$21.7415	(18.5%)	\$34.4743	758.38	\$26.1447	(2.0%	
Lewis And Clark	Total	\$166.0806	733.41	\$121.8047	\$216.2398	638.03	\$137.9673	13.3%	\$172.8748	772.36	\$133.5224	9.69	
Gallatin	Res.	\$317.0970	548.25	\$173.8494	\$550.2992	432.88	\$238.2121	37.0%	\$383.1713	528.68	\$202.5760	16.59	
Gallatin	Comm.	\$91.6776	573.43	\$52.5707	\$140.7448	456.97	\$64.3162	22.3%	\$140.7448	556.26	\$78.2910	48.99	
Gallatin	Ag.	\$3.3603	496.54	\$1.6685	\$3.4735	403.79	\$1.4026	(15.9%)	\$3.4735	490.73	\$1.7046	2.29	
Gallatin	<u>Other</u>	\$52.5910	523.91	\$27.5531	\$49.1806	424.50	\$20.8772	(24.2%)	\$49.1806	515.58	\$25.3566	(8.0%	
Gallatin	Total	\$464.7259	550.09	\$255.6416	\$743.6982	436.75	\$324.8081	27.1%	\$576.5703	534.07	\$307.9282	20.59	
Flathead	Res.	\$254.8355	558.23	\$142.2569	\$395.7132	424.01	\$167.7856	17.9%	\$275.5336	522.38	\$143.9330	1.29	
Flathead	Comm.	\$51.8690	623.15	\$32.3220	\$77.1128	473.88	\$36.5420	13.1%	\$77.1128	580.15	\$44.7371	38.49	
Flathead	Ag.	\$1.1622	522.57	\$0.6073	\$1.1679	404.41	\$0.4723	(22.2%)	\$1.1679	499.60	\$0.5835	(3.99	
Flathead	Other	\$32.7600	582.79	\$19.0921	\$34.0477	448.47	\$15.2694	(20.0%)	\$34.0477	548.57	\$18.6775	(2.29	
Flathead	Total	\$340.6267	570.36	\$194.2782	\$508.0416	433.17	\$220.0692	13.3%	\$387.8620	536.10	\$207.9311	7.09	

#### Estimated TY 2023 Impact of Reducing the Class 4 Residential Tax Rate From 1.35% To 0.94% By Property Class

What happens to other counties that had already seen a commercial increase, some with little to no residential?

			TY 2022			TY 2023	(Current Law)		TY 2023 (0.94% Residential Rate)			
County	Property Type	Taxable Value (Millions)	Mills	Taxes (Millions)	Taxable Value (Millions)	Mills	Taxes (Millions)	% Chg. from TY 22	Taxable Value (Millions)	Mills	Taxes (Millions)	% Chg.
Madison	Res.	\$177.0664	241.09	\$42,6893	\$301,9950		\$62,7627	47.0%	\$210,2780	245.39	\$51.6007	20.9
Madison	Comm.	\$12,2833	263.98	\$3.2425	\$21.3466		\$4.6749	44.2%	\$21.3466	259.52	\$5.5398	70.9
Madison	Ag.	\$2.7623	377.08	\$1.0416	\$2.8515		\$1.0103	(3.0%)	\$2.8515	421.68	\$1.2024	15.4
Madison	Other	\$16.3316	317.79	\$5.1899	\$15.7603		\$4.4596	(14.1%)	\$15.7603	336.36	\$5.3011	2.1
Madison	Total	\$208.4436	250.25	\$52.1634	\$341.9534		\$72.9075	39.8%	\$250.2364	254.34	\$63.6441	22.0
Broadwater	Res.	\$10.6180	578.95	\$6.1473	\$17.4293	501.86	\$8.7471	42.3%	\$12.1360	599.53	\$7.2758	18.4
Broadwater	Comm.	\$1.0870	590.37	\$0.6417	\$1.8902	507.58	\$0.9594	49.5%	\$1.8902	607.20	\$1.1477	78.9
Broadwater	Ag.	\$1.4345	574.98	\$0.8248	\$1.4693	500.55	\$0.7354	(10.8%)	\$1.4693	593.60	\$0.8721	5.7
Broadwater	<u>Other</u>	\$7.0049	576.87	\$4.0409	\$6.4902	501.55	\$3.2552	(19.4%)	\$6.4902	595.79	\$3.8668	(4.39
Broadwater	Total	\$20.1444	578.56	\$11.6548	\$27.2790	502.11	\$13.6971	17.5%	\$21.9856	598.69	\$13.1625	12.9
Sanders	Res.	\$16.2674	516.09	\$8.3955	\$24.1544	482.59	\$11.6568	38.8%	\$16.8186	555.91	\$9.3496	11.4
Sanders	Comm.	\$2.0569	598.90	\$1.2319	\$2.9888	526.64	\$1.5740	27.8%	\$2.9888	611.91	\$1.8289	48.5
Sanders	Ag.	\$0.5937	561.96	\$0.3336	\$0.5980	523.77	\$0.3132	(6.1%)	\$0.5980	604.34	\$0.3614	8.3
Sanders	<u>Other</u>	\$26.5974	448.51	\$11.9292	\$21.6506	440.00	\$9.5263	(20.1%)	\$21.6506	498.35	\$10.7895	(9.69
Sanders	Total	\$45.5154	480.94	\$21.8902	\$49.3917	467.09	\$23.0703	5.4%	\$42.0559	530.95	\$22.3294	2.0
Treasure	Res.	\$0.6686	589.95	\$0.3944	\$0.6734	608.09	\$0.4095	3.8%	\$0.4689	648.45	\$0.3040	(22.99
Treasure	Comm.	\$0.0929	669.16	\$0.0622	\$0.1132	699.21	\$0.0792	27.3%	\$0.1132	761.26	\$0.0862	38.6
Treasure	Ag.	\$1.1263	488.97	\$0.5507	\$1.1931	506.65	\$0.6045	9.8%	\$1.1931	522.87	\$0.6238	13.3
Treasure	<u>Other</u>	<u>\$3.3760</u>	494.29	\$1.6687	\$3.2134	<u>514.30</u>	\$1.6526	(1.0%)	\$3.2134	<u>532.48</u>	\$1.7111	<u>2.5</u>
Treasure	Total	\$5.2638	508.39	\$2.6760	\$5.1930	528.74	\$2.7458	2.6%	\$4.9885	546.27	\$2.7251	1.8
McCone	Res.	\$1.5698	719.96	\$1.1302	\$1.7331	717.27	\$1.2431	10.0%	\$1.2067	766.44	\$0.9249	(18.29
McCone	Comm.	\$0.2295	887.06	\$0.2036	\$0.2893	916.69	\$0.2652	30.2%	\$0.2893	997.66	\$0.2886	41.8
McCone	Ag.	\$4.0010	643.51	\$2.5747	\$3.9675	627.24	\$2.4885	(3.3%)	\$3.9675	661.85	\$2.6258	2.0
McCone	<u>Other</u>	\$2.2009	688.34	<u>\$1.5150</u>	\$2.4356	681.75	\$1.6605	9.6%	\$2.4356	724.58	\$1.7648	<u>16.5</u>
McCone	Total	\$8.0012	677.83	\$5.4234	\$8.4254	671.45	\$5.6572	4.3%	\$7.8990	709.46	\$5.6041	3.3

# What about the float the 95 mills argument?

- While the court will weigh in on the legal argument the math and an understanding is in order.
- Note: The Counties are technically correct in that schools will remain whole initially (short term) as the transfer is to the state (income taxpayer)
- Note: The schools filling in the Supreme Court indicates that they recognize the long-term concern for adequate and equitable funding cutting the 95 mills is likely to have.

•The 95 mills provide funding for the Guaranteed Tax Base (GTB) which ensures students have opportunity irrespective of the School District they live in. Below is an example showing the GTB in action between a very high wealth property district and a lower property wealth district. Without the GTB, taxpayers in Superior would struggle to pay for a school.

GTB Aid provides support for school districts (and counties for school retirement) with low tax value and/or high student areas. When combined with the school funding formula, this promotes base level equal opportunities for students across Montana.

For example, due to the difference in tax bases for these districts, Ennis K-12 and Superior K-12 school districts have relatively comparable enrollment (ANB), and Superior K-12 receives GTB aid while Ennis K-12 does not.

School District	ANB	Taxable Value	GTB	BASE Levy Revenue	Mill Value	Number of Mills
Ennis K-12	425	\$191.4M	\$0	\$1,217,878	\$191,381	6.36
Superior K-12	351	\$5.2M	\$791,827	\$249,824	\$5,196	48.08

The number of mills it would take to raise \$1.0 million for those two districts WITHOUT the per-mill GTB subsidy are calculated below. It would take Superior K-12 192.46 mills to collect \$1.0 million, while Ennis K-12 would need only 5.23 mills to do the same. GTB aid helps equalizes the tax burden for education between different areas.

School District	ANB	Taxable Value	GTB	Levy Revenue	Mill Value	Number of Mills
Ennis K-12	425	\$191.4M	\$0	\$1,000,000	\$191,381	5.23
Superior K-12	351	\$5.2M	\$0	\$1,000,000	\$5,196	192.46

State School funding of the AA schools is significant. Missoula receives 92.5 million in 2024, with 23.2 million directly buying down permissive school mills.

	County	Fiscal Year	Median Total Mills*	County Mills	County Seat	City Mills	Average School District Mills**	District General Fund GTB	State Funding for Schools (including district GF GTB & retire GTB; state funding for all budgeted funds)***
	Flathead	FY 2023	741.54	120.61	Kalispell	165.58	87.12	\$23,321,021	\$86,767,974
	Flathead	FY 2024	559.76	86.77	Kalispell	120.60	59.58	\$22,158,918	\$90,986,272
	Gallatin	FY 2023	622.97	91.25	Bozemar	204.50	86.05	\$17,208,815	\$72,828,885
	Gallatin	FY 2024	475.99	74.49	Bozemar	150.72	62.51	\$14,963,889	\$74,880,580
	Missoula	FY 2023	893.22	207.81	Missoula	240.38	77.18	\$24,655,803	\$87,398,990
1	Missoula	FY 2024	750.01	171.09	Missoula	200.38	65.04	\$23,190,614	\$92,455,765

<sup>\*</sup>Median mills for all levy districts within the city limits of Kalispell, Bozeman, or Missoula

<sup>\*</sup>FY 2024, all 3 counties included here reported 77.9 mills levied for school equalization not 95

<sup>\*\*</sup>Average mills for all overlapped elementary/high school districts and K-12 Districts in the county

<sup>\*\*\*</sup>K-12 BASE Aid (Direct State Aid and the five fully state funded components – Quality Educator Payment, At Risk Payment, Indian Education for All, Achievement Gap Payment, and Data for Achievement Payment), Special Education, Block Grants, Major Maintenance Aid,

Transformational Learning, and Advanced Opportunities

Winner: Here are some of the estimated tax savings for the top 10 centrally assessed companies from dropping the 95 school equity mils to 78 as per the concept set forth by the counties. I wonder if NEW will drop our utility rates or BNSF railroad our freight rates?

Name	Market Value	Taxable Value	Tax Savings
NORTHWESTERN ENERGY	2,656,650,403.00	267,029,696.00	4,568,878.10
BNSF RAILWAY CO	2,120,463,311.00	64,880,963.00	1,110,113.28
ONEOK	1,005,353,028.00	120,642,362.00	2,064,190.81
EXPRESS PIPELINE LLC	598,604,186.00	62,256,015.00	1,065,200.42
MONTANA RAIL LINK	491,092,716.00	15,026,980.00	257,111.63
CLEARWATER WIND 1 LLC	414,198,451.00	6,212,977.00	106,304.04
PACIFICORP	279,387,416.00	10,682,570.00	182,778.77
AVISTA CORPORATION	276,684,641.00	18,459,587.00	315,843.53
FLATHEAD ELECTRIC COOP INC.	255,214,941.00	10,621,131.00	181,727.55
MONTANA DAKOTA UTILITIES	241,405,696.00	23,483,266.00	401,798.68

Winner: Here are the tax savings for the top 10 industrial properties of cutting the 95 school equity mills to 78. I wonder if the fuel prices will drop?

Name	Market Value	Taxable Value	Tax Savings
CHS INC-Yellowstone Co	855,524,391	24,466,847	418,627.75
PHILLIPS 66 COMPANY-Yellowstone Co	920,119,685	22,294,823	381,464.42
MONTANA RENEWABLES LLC-Silver Bow Co	370,938,507	8,341,233	142,718.50
STILLWATER MINING COMPANY-Sweet Grass Co	278,540,206	8,309,568	142,176.71
EXXON MOBIL CORPORATION-Yellowstone Co	241,426,299	7,158,896	122,488.71
MONTANA REFINING COMPANY INC Cascade Co	214,107,483	6,812,938	116,569.37
REC ADVANCED SILICON MATERIALS LLC-Silver Bow Co	166,531,062	4,906,659	83,952.94
STILLWATER MINING COMPANY- Sweet Grass Co	139,026,318	4,146,761	70,951.08
MONTANA RESOURCES-Silver Bow Co	120,774,061	3,536,841	60,515.35
SIGNAL PEAK ENERGY LLP-Musselshell Co	115,392,495	3,371,775	57,691.07
MTSUN LLC-Yellowstone Co	102,033,531	2,981,541	51,014.17
STILLWATER MINING COMPANYSweet Grass Co	94,841,915	2,828,799	48,400.75

#### Winner

•I found some properties in Madison County (The huge vacation and resort development of the Yellowstone Club, Moonlight Basin, etc.),, and based on these properties, a property with approximately \$20 million in value would see a reduction of \$5,300 reduction in taxes if the 95 mills were lowered to 77.89.



Short-term win: The tax savings of the median homes in each county based on the values reported on DOR website of cutting the state school equity mills that will happen in year one. The loss to residential school district taxpayers begins in year 2. So, yes there is an initial tax saving on homes of cutting the 95.

Co	Market Value	Tax Savings
Beaverhead	\$261,700	\$60.45
Big Horn	\$83,750	\$19.34
Blaine	\$125,900	\$29.08
Broadwater	\$325,300	\$75.14
Carbon	\$303,500	\$70.10
Carter	\$55,900	\$12.91
Cascade	\$237,800	\$54.93
Chouteau	\$137,100	\$31.67
Custer	\$145,300	\$33.56
Daniels	\$82,953	\$19.16
Dawson	\$133,300	\$30.79
Deer Lodge	\$185,915	\$42.94
Fallon	\$123,850	\$28.61
Fergus	\$166,900	\$38.55
Flathead	\$444,700	\$102.72
Gallatin	\$646,400	\$149.31
Garfield	\$78,087	\$18.04
Glacier	\$122,595	\$28.32

Co	Market Value	Tax Savings
Golden Valley	\$81,310	\$18.78
Granite	\$304,410	\$70.31
Hill	\$168,200	\$38.85
Jefferson	\$395,700	\$91.40
Judith Basin	\$110,000	\$25.41
Lake	\$354,600	\$81.91
Lewis and Clark	\$343,900	\$79.44
Liberty	\$125,400	\$28.97
Lincoln	\$256,600	\$59.27
Madison	\$533,800	\$123.30
McCone	\$69,485	\$16.05
Meagher	\$185,880	\$42.94
Mineral	\$201,900	\$46.64
Missoula	\$413,200	\$95.44
Musselshell	\$86,070	\$19.88
Park	\$409,400	\$94.57
Petroleum	\$45,610	\$10.54
Phillips	\$101,850	\$23.53

Co	Market Value	Tax Savings
Pondera	\$159,500	\$36.84
Powder River	\$50,400	\$11.64
Powell	\$182,700	\$42.20
Prairie	\$61,300	\$14.16
Ravalli	\$389,600	\$89.99
Richland	\$177,033	\$40.89
Roosevelt	\$72,685	\$16.79
Rosebud	\$84,893	\$19.61
Sanders	\$229,030	\$52.90
Sheridan	\$91,685	\$21.18
Silver Bow	\$213,900	\$49.41
Stillwater	\$286,900	\$66.27
Sweet Grass	\$268,693	\$62.06
Teton	\$188,589	\$43.56
Toole	\$105,700	\$24.42
Treasure	\$56,966	\$13.16
Valley	\$94,800	\$21.90
Wheatland	\$94,050	\$21.72
Wibaux	\$70,675	\$16.32
Yellowstone	\$302,800	\$69.94

#### The 2023 legislature took several steps to help owner dwellings in Montana. These steps included:

- •A two-year rebate large enough to cover the median home tax increase in every county (except Gallatin, where it was not quite large enough). This would buy some time to model what would work as the older tools were not as effective in equitably transferring burdens.
- •Encouraging governments (state and local) to control their growth rate. Spending does matter, as can be seen by comparing the tax increases in the Flathead to other larger communities.
- •Segregating the 95 mills into a state special revenue account and directing that the larger portion of the money following the GTB formula to buy down local taxes.
- •Increasing the PTAP program for low-income homeowners from covering the first \$200,000 value of a home to now the first \$350,000 value. A low-income homeowner can get up to 70% tax reduction.
- •Targeting keeping our small business viable given the ecommerce pressure by making the first 1 million in business equipment tax exempt.
- •Implemented a system that allows property taxes to be paid with 7 payments versus 2. The long term goal is to get to 12 monthly payments.
- •Drastically focusing the interim work on looking at solutions that will reduce taxes for owner dwellings and long-term rentals. MARA and the tax committees are building models to see what works while limiting unintended consequences.

These steps are designed to help Montanans who own their own homes.

 Did the \$675.00 owner dwelling rebate cover the median home in every county? Yes, except the Gallatin.

1,000.00		TY 202		TY 2023 (Current Law)							
County	Market	Taxable		Taxes		Market	Taxable		Taxes	Change f	rom TY22
	Value	Value	Mills	(Millions)		Value	Value	Mills	(Millions)	\$	%
Silver Bow	\$136,400	\$1,841	757.51	\$1,394.87		\$213,900	\$2,888	618.04	\$1,784.68	\$389.80	27.99
Cascade	\$181,400	\$2,449	694.67	\$1,701.17	3	\$237,800	\$3,210	640.14	\$2,055.04	\$353.87	20.89
Yellowstone	\$229,200	\$3.094	682.36	\$2.111.35		\$302,800	\$4,088	629.99	\$2.575.29	\$463.94	22.0%
Missoula	\$302,200	\$4,080	827.54	\$3,376.10		\$413,200	\$5,578	716.39	\$3,996.19	\$620.09	18.4%
Lewis and Clark	\$237,800	\$3,210	725.33	\$2,328.53		\$343,900	\$4,643	628.63	\$2,918.50	\$589.97	25.3%
Gallatin	\$406,300	\$5,485	548.25	\$3,007.19		\$646,400	\$8,726	432.88	\$3,777.46	\$770.27	25.6%
Flathead	\$306,000	\$4,131	558.23	\$2,306.05		\$444,700	\$6,003	424.01	\$2,545.51	\$239.46	10.4%
Fergus	\$110,737	\$1,495	750.46	\$1,121.90		\$166,900	\$2,253	642.32	\$1,447.25	\$325.35	29.0%
Powder River	\$49,787	\$672	442.77	\$297.60		\$50,400	\$680	458.64	\$312.06	\$14.46	4.9%
Carbon	\$214,830	\$2,900	495.77	\$1,437.84		\$303,500	\$4,097	438.49	\$1,796.62	\$358.78	25.0%
Phillips	\$96,345	\$1,301	700.20	\$910.72		\$101,850	\$1,375	702.32	\$965.67	\$54.95	6.0%
Hill	\$151,900	\$2,051	660.71	\$1,354.89		\$168,200	\$2,271	670.46	\$1,522.42	\$167.52	12.49
Ravalli	\$270,500	\$3,652	495.37	\$1,808.98		\$389,600	\$5,260	416.32	\$2,189.70	\$380.72	21.09
Custer	\$124,700	\$1,683	787.44	\$1,325.61		\$145,300	\$1,962	753.07	\$1,477.19	\$151.57	11.49
Lake	\$245,600	\$3,316	521.90	\$1,730.40		\$354,600	\$4,787	452.84	\$2,167.80	\$437.39	25.3%
Dawson	\$114,000	\$1,539	784.57	\$1,207.46		\$133,300	\$1,800	797.63	\$1,435.37	\$227.92	18.9%
Roosevelt	\$70,650	\$954	685.88	\$654.17		\$72,685	\$981	704.30	\$691.10	\$36.92	5.6%
Beaverhead	\$176,800	\$2,387	597.74	\$1,426.70		\$261,700	\$3,533	508.50	\$1,796.51	\$369.82	25.9%
Chouteau	\$99,100	\$1,338	648.21	\$867.21		\$137,100	\$1,851	588.24	\$1,088.74	\$221.53	25.5%
Valley	\$84,977	\$1,147	652.59	\$748.64		\$94,800	\$1,280	670.05	\$857.53	\$108.88	14.5%
Toole	\$81,300	\$1,098	741.30	\$813.61		\$105,700	\$1,427	731.47	\$1,043.77	\$230.16	28.39
Big Horn	\$66,800	\$902	788.40	\$710.98		\$83,750	\$1,131	868.82	\$982.31	\$271.33	38.29
Musselshell	\$70,800	\$956	547.99	\$523.77		\$86,070	\$1,162	416.25	\$483.66	-\$40.11	(7.7%
Blaine	\$83,200	\$1,123	870.30	\$977.53		\$125,900	\$1,700	802.77	\$1,364.42	\$386.89	39.69
Madison	\$337,700	\$4,559	241.09	\$1,099.13		\$533,800	\$7,206	207.83	\$1,497.66	\$398.54	36.39
Pondera	\$108,400	\$1,463	675.31	\$988.25		\$159,500	\$2,153	637.15	\$1,371.95	\$383.70	38.89
Richland	\$167,166	\$2,257	511.89	\$1,155.21		\$177,033	\$2,390	494.63	\$1,182.14	\$26.93	2.39
Devell	£124.01E	61 606	E 4E 70	6020.20		£102 700	62.466	404 37	£1 310 33	\$200 OF	22 50

#### The Solution Conversation:

- Should short-term rentals like Air BnB be subject to the same tax rate as residential and long-term rentals? Removing the homestead exemption and utilizing a fixed low rate has resulted in some unintended consequences.
- Should out-of-state vacation homes worth millions, such as a 20 million condo in Yellowstone Club, be taxed at the same rate as owner-occupied dwellings, especially if the owner does not declare residency and pay Montana income tax? Removing the homestead exemption and utilizing a fixed low rate has resulted in some unintended consequences.
- Should second homes be taxed at the same rate as primary residences?
- Should out-of-state non-owner recreational holdings or high-value hobby farms with homes be eligible for the same favorable tax rates as agricultural and timber properties?
- Should a larger portion of the revenue generated from the 95 mills be allocated towards reducing local mills through the GTB formula? Currently, it's at 55%, but perhaps it should be increased to 75%.
- In my opinion, we should focus on working within the tax classes to more accurately determine who the rates are intended for. Once this is accomplished, we can strive for a fairer balance between the classes.
- This is not an easy task, as each county has its own unique circumstances.
- If the decline in natural resource businesses continues without intervention, this problem will only worsen.

## Property Tax Assistance



#### Property Tax Assistance Program

- Reduces taxable value on \$200,000 of market value (\$350,000 in 2024) to 20%, 50%, or 70% of value, based on income
- Maximum 2023 income: \$24,607 single/\$32,810 married or head of household
- Ownership and occupancy for 7 months of the year



#### <u>Disabled Veteran Program</u>

- Reduces taxable value of 100% disabled veteran or surviving spouse to 0%, 20%, 30%, or 50% of value, based on income
- Maximum 2023 income of \$56,892 single/\$65,645 married or head of household/\$49,599 surviving spouse
- Ownership and occupancy for 7 months of the year

# Property Tax Assistance



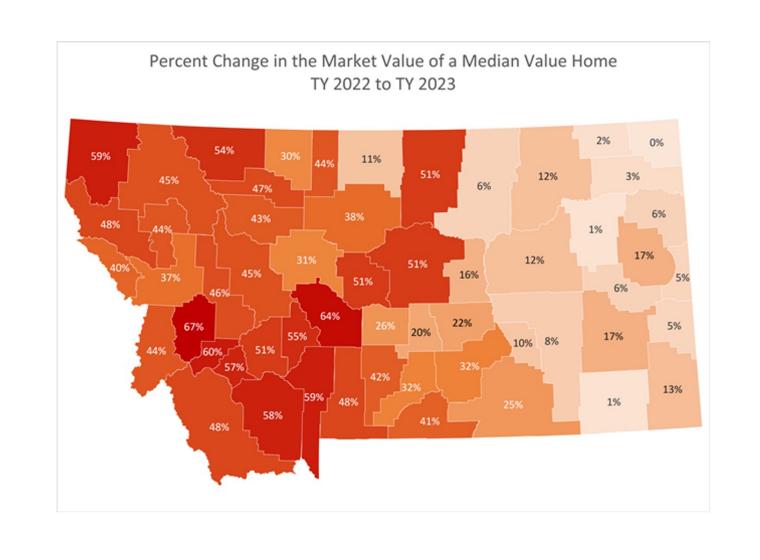
#### Intangible Land Value Exemption

- For up to 5 acres of land valued disproportionately higher than the primary residence located on the land
- Land value above 150% of the primary residence value is exempt (subject to the statewide average value of land)
- Requires ownership by applicant or family for 30 years



#### Elderly Homeowner & Renter Credit

- Refundable income tax credit of up to \$1,150 for homeowners and renters age 62+
- Credit for property taxes or 15% of rent paid, based on income
- Maximum income of \$45,000
- Must reside in Montana for 9 months of the year



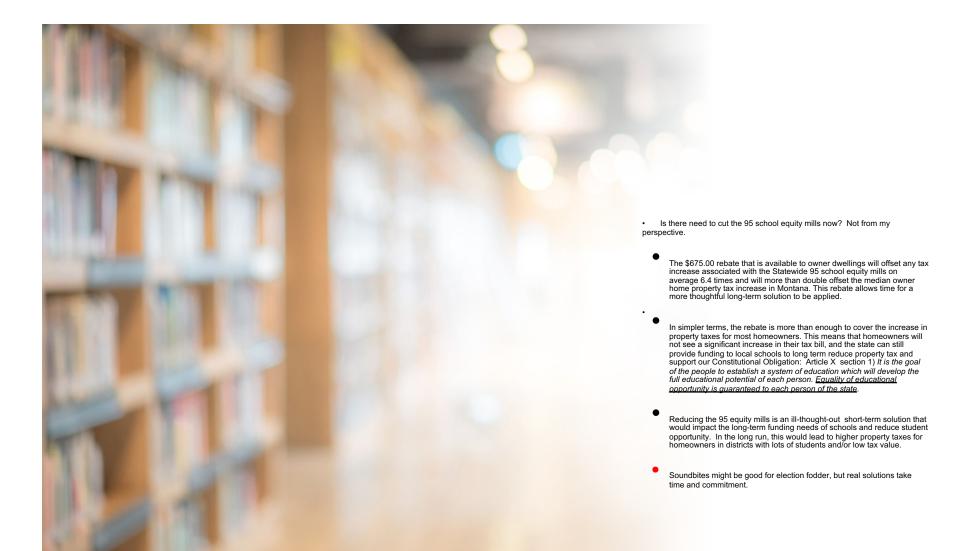


Due to move in demand, Air BnB, and Large Vacation Homes, Residential experienced the largest market value increase of all classes. However, it is still a discounted class.

		ty Taxes Paid by Property Class - Tax		1 Cui 2022 (1 13041 1 Cui 2025)	cui Lozo,					ty Taxes Paid by Property Class			,	1
x Class	Description	Market Value	Taxable Value	Taxes Paid	Percent of Market Value	Percent of Taxes Paid	MV-Tax	HJ 2 Market Value Growth	New Estimated Market Value	Estimated Taxable Value	Estimated Taxes Paid	Percent of Market Value	Percent of Taxes Paid	MV-Tax
	Mine Net Proceeds	4,379,892	4,379,892	1,594,457	0.00%	0.08%	-0.07%	96.83%	8,621,089	8,723,102	4,323,465	0.00%	0.19%	-0.1
	Gross Proceeds Metal Mines	1,582,322,789	47,469,685	25,744,260	0.82%	1.23%	-0.42%	-2.77%	1,538,520,372	46,155,612	22,876,286	0.59%	1.02%	-0.4
	Agricultural Land	6,677,543,892	152,225,342	83,286,884	3.45%	3.99%	-0.55%	-3.11%	6,469,626,401	147,495,779	73,103,908	2.50%	3.25%	-0.
4.:	Residential Improvements	101,150,852,713	1,368,739,657	801,797,755	52.19%	38.44%	13.74%	43.76%	145,417,852,727	1,966,457,912	974,643,199	56.20%	43.33%	12.
4.:	Residential Land	36,601,044,035	481,831,915	279,789,710	18.88%	13.41%	5.47%	43.76%	52,618,886,429	692,726,470	343,338,720	20.33%	15.26%	5.
4.3	Commercial Improvements	17,462,606,332	327,242,603	218,309,947	9.01%	10.47%	-1.46%	16.13%	20,279,035,714	380,803,053	188,738,901	7.84%	8.39%	-0.
4.5	Commercial Land	7,844,099,571	147,686,597	98,552,727	4.05%	4.73%	-0.68%	16.13%		171,647,747	85,074,442	3.52%	3.78%	-0.
	Subtotal Class 4	163,058,602,651	2,325,500,772	1,398,450,139	84.12%	67.05%	17.08%	39.47%	227,424,997,877	3,211,635,182	1,591,795,262	87.89%	70.77%	17
	Pollution Control Equipment	2,256,215,041	54,500,311	30,875,752	1.16%	1.48%	-0.32%	1.40%	2,287,802,052	55,283,176	27,400,216	0.88%	1.22%	-0.
	Non-Centrally Assessed Public Util.	219,703	17,576	9,731	0.00%	0.00%	0.00%	0.00%	219,703	17,576	8,711	0.00%	0.00%	0.
	Business Personal Property	6,266,021,510	147,661,048	85,310,593	3.23%	4.09%	-0.86%	2.30%	6,409,840,892	153,562,007	76,110,536	2.48%	3.38%	-0
	Non-Elect. Gen. Prop. Of Electrical Uti	5,216,762,075	618,477,027	308,587,994	2.69%	14.80%	-12.10%	2.60%	5,352,397,889	634,958,986	314,707,197	2.07%	13.99%	-11
10	Forest Land	1,526,654,816	4,732,957	2,387,636	0.79%	0.11%	0.67%	28.60%	1,963,278,093	6,086,958	3,016,903	0.76%	0.13%	0.
1	Railroad and Airline Property	3,211,430,339	98,269,778	56,329,795	1.66%	2.70%	-1.04%	-2.40%	3,134,301,855	95,909,646	47,536,072	1.21%	2.11%	-0.
1	Telecommunication & Electric Propert	2,462,747,229	147,729,647	79,440,353	1.27%	3.81%	-2.54%	0.50%	2,475,060,965	149,193,575	73,945,393	0.96%	3.29%	-2.
14	Commercial Wind Generation Facilitie	1,178,778,055	20,773,819	11,307,621	0.61%	0.54%	0.07%	11.20%	1,310,801,197	23,988,887	11,889,705	0.51%	0.53%	-0.
13	Carbon Dioxide and Liquid Pipeline	190,529,364	2,584,690	939,311	0.10%	0.05%	0.05%	0.00%	190,529,364	3,639,774	1,803,995	0.07%	0.08%	-0
1	Data Centers	196,819,317	1,771,374	1,447,934	0.10%	0.07%	0.03%	0.00%	196,819,317	1,771,374	877,953	0.08%	0.04%	0
	Total	193,829,026,673	3,626,093,918	2,085,712,460	100.00%	100.00%		33.50%	258,762,817,067	4,538,421,633	2,249,395,602	100.00%	100.00%	0.
										Taxes Paid Growt	7.85%			

•Given the large residential home value increase in Montana, who wins and who loses if the 95 Statewide School Equity Mils are reduced?





Class	Description	Valuation Standard	Valuation Cycle	TY 2023 Tax Rate	Class 4 Residential Multiplier	Est. Taxes of \$100K in Market Value at 500 Mills	TY 2023 Share Of Total Market Valuation	TY 2023 Estimated Share Of Total Taxes	
Class 1	Net Proceeds of Mines	Net Proceeds	Annual	100.00%	74.07	\$50,000	0.00%	0.06%	C
Class 2	Gross Proceeds of Metal Mines	Gross Proceeds	Annual	3.00%	2.22	\$1,500	0.42%	0.72%	
Class 3	Agricultural Land	Productivity Value	2 Year	2.16%	1.60	\$1,080	2.49%	3.39%	
Class 4	Residential (land and improvements)	Market Value	2 Year	1.35%	1.00	\$675	75.76%	57.72%	
Class 4	Commercial and Industrial (land and improvements)	Market Value	2 Year	1.89%	1.40	\$945	12.47%	15.19%	
Class 5	Pollution Control Equipment, Independent and Rural Electric and Telephone Cooperatives, New and Expanding Industry, Electrolytic Reduction Facilities, Research and Development Firms, and Gasohol Production Property	Market Value	Annual	3.00%	2.22	\$1,500	0.75%	1.27%	
Class 7	Noncentrally Assessed Utilities	Market Value	Annual	8.00%	5.93	\$4,000	0.00%	0.00%	
Class 8	Business Equipment	Market Value	Annual	1.50%*	1.11	\$750	3.13%	4.78%	
Class 9	Pipelines and Nonelectric Generating Property of Electric Utilities	Market Value	Annual	12.00%	8.89	\$6,000	1.84%	11.39%	
Class 10	Forest Land	Productivity Value	6 Year**	0.29%	0.21	\$145	0.61%	0.09%	
Class 12	Airlines and Railroads	Market Value	Annual	3.06%	2.27	\$1,530	1.11%	2.10%	
Class 13	Telecommunication Utilities and Electric Generating Property of Electric Utilities	Market Value	Annual	6.00%	4.44	\$3,000	0.79%	2.78%	
Class 14	Renewable Energy Production and Transmission Property	Market Value	Annual	3.00%	2.22	\$1,500	0.50%	0.45%	
Class 15	Carbon Dioxide and Liquid Pipeline Property	Market Value	Annual	3.00%	2.22	\$1,500	0.08%	0.04%	
Class 16	High Voltage DC Converter Property	Market Value	Annual	2.25%	1.67	\$1,125	0.00%	0.00%	
Class 17	Qualified Data Centers	Market Value	Annual	0.90%	0.67	\$450	0.03%	0.02%	
Class 18	Green Hydrogen Facilities	Market Value	Annual	1.50%***	1.11	\$750	0.00%	0.00%	

\*Class 8 has a graduated tax rate. 0% of the first \$300,000; 1.5% for the next \$6 million; and 3% for all remaining class 8 property

#### Hill Specifics

es				
06% 7 <b>2</b> %	Class	MV	TV	%TV
39%	3	384,221,884	7,624,863	16%
72%	4.1	1,111,814,092	14,569,856	31%
19%	4.2	410,253,854	4,869,345	10%
27%	5	58,079,954	1,742,394	4%
00%				
78%	8	48,627,057	814,564	2%
39%	9	94,736,765	11,368,421	24%
09%	10	5,964,879	9,802	0%
10%	12	176,615,516	5,404,437	11%
78%	13	10,071,622	603,055	1%

<sup>\*\*</sup>Starting in TY 2025, Class 10 property will move to a two-year valuation cycle.
\*\*\*Qualified facilities are taxes at 1.5% for the first 15 years after construction commences and 3% after

Class	Description	Valuation Standard	Valuation Cycle	TY 2023 Tax Rate	Class 4 Residential Multiplier	Est. Taxes of \$100K in Market Value at 500 Mills	TY 2023 Share Of Total Market Valuation	TY 2023 Estimated Share Of Total Taxes
Class 1	Net Proceeds of Mines	Net Proceeds	Annual	100.00%	74.07	\$50,000	0.00%	0.06%
Class 2	Gross Proceeds of Metal Mines	Gross Proceeds	Annual	3.00%	2.22	\$1,500	0.42%	0.72%
Class 3	Agricultural Land	Productivity Value	2 Year	2.16%	1.60	\$1,080	2.49%	3.39%
Class 4	Residential (land and improvements)	Market Value	2 Year	1.35%	1.00	\$675	75.76%	57.72%
Class 4	Commercial and Industrial (land and improvements)	Market Value	2 Year	1.89%	1.40	\$945	12.47%	15.19%
Class 5	Pollution Control Equipment, Independent and Rural Electric and Telephone Cooperatives, New and Expanding Industry, Electrolytic Reduction Facilities, Research and Development Firms, and Gasohol Production Property	Market Value	Annual	3.00%	2,22	\$1,500	0.75%	1,27%
	Noncentrally Assessed Utilities	Market Value	Annual	8.00%	5.93		0.73%	0.00%
	Business Equipment	Market Value	Annual	1.50%*	1.11	\$750	3.13%	4.78%
Class 9	Pipelines and Nonelectric Generating Property of Electric Utilities	Market Value	Annual	12.00%	8.89	\$6,000	1.84%	11.39%
Class 10	Forest Land	Productivity Value	6 Year**	0.29%	0.21	\$145	0.61%	0.09%
Class 12	Airlines and Railroads	Market Value	Annual	3.06%	2.27	\$1,530	1.11%	2.10%
Class 13	Telecommunication Utilities and Electric Generating Property of Electric Utilities	Market Value	Annual	6.00%	4.44	\$3,000	0.79%	2.78%
ICIass 14 I	Renewable Energy Production and Transmission Property	Market Value	Annual	3.00%	2.22	\$1,500	0.50%	0.45%
Class 15	Carbon Dioxide and Liquid Pipeline Property	Market Value	Annual	3.00%	2.22	\$1,500	0.08%	0.04%
Class 16	High Voltage DC Converter Property	Market Value	Annual	2.25%	1.67	\$1,125	0.00%	0.00%
Class 17	Qualified Data Centers	Market Value	Annual	0.90%	0.67	\$450	0.03%	0.02%
Class 18	Green Hydrogen Facilities	Market Value	Annual	1.50%***	1.11	\$750	0.00%	0.00%

#### Powell County Specific

%				
%	Class	MV	TV	%TV
%	3	54,837,553	1,169,344	5%
%	4.1	968,441,871	12,808,628	53%
%	4.2	135,916,673	1,460,805	6%
%	5	14,407,681	432,193	2%
%				
%	8	33,354,231	813,040	3%
%	9	46,816,100	5,617,930	23%
%	10	380,153,603	239,491	1%
%	12	38,104,885	1,166,012	5%
%	13	6,893,568	413,293	2%
- 1				

<sup>\*</sup>Class 8 has a graduated tax rate. 0% of the first \$300,000; 1.5% for the next \$6 million; and 3% for all remaining class 8 property
\*\*Starting in TY 2025, Class 10 property will move to a two-year valuation cycle.
\*\*\*Qualified facilities are taxes at 1.5% for the first 15 years after construction commences and 3% after

Class	Description	Valuation Standard	Valuation Cycle	TY 2023 Tax Rate	Class 4 Residential Multiplier	Est. Taxes of \$100K in Market Value at 500 Mills	TY 2023 Share Of Total Market Valuation	TY 2023 Estimated Share Of Total Taxes
Class 1	Net Proceeds of Mines	Net Proceeds	Annual	100.00%	74.07	\$50,000	0.00%	0.06%
Class 2	Gross Proceeds of Metal Mines	Gross Proceeds	Annual	3.00%	2.22	\$1,500	0.42%	0.72%
Class 3	Agricultural Land	Productivity Value	2 Year	2.16%	1.60	\$1,080	2.49%	3.39%
Class 4	Residential (land and improvements)	Market Value	2 Year	1.35%	1.00	\$675	75.76%	57.72%
Cla55 4	Commercial and Industrial (land and improvements)	Market Value	2 Year	1.89%	1.40	\$945	12.47%	15.19%
Class 5	Pollution Control Equipment, Independent and Rural Electric and Telephone Cooperatives, New and Expanding Industry, Electrolytic Reduction Facilities, Research and Development Firms, and Gasohol Production Property	Market Value	Annual	3.00%	2.22	\$1,500	0.75%	1.27%
Class 7	Noncentrally Assessed Utilities	Market Value	Annual	8.00%	5.93	\$4,000	0.00%	0.00%
Class 8	Business Equipment	Market Value	Annual	1.50%*	1.11	\$750	3.13%	4.78%
Class 9	Pipelines and Nonelectric Generating Property of Electric Utilities	Market Value	Annual	12.00%	8.89	\$6,000	1.84%	11.39%
Class 10	Forest Land	Productivity Value	6 Year**	0.29%	0.21	\$145	0.61%	0.09%
Class 12	Airlines and Railroads	Market Value	Annual	3.06%	2.27	\$1,530	1.11%	2.10%
Class 13	Telecommunication Utilities and Electric Generating Property of Electric Utilities	Market Value	Annual	6.00%	4.44	\$3,000	0.79%	2.78%
Class 14	Renewable Energy Production and Transmission Property	Market Value	Annual	3.00%	2.22	\$1,500	0.50%	0.45%
Class 15	Carbon Dioxide and Liquid Pipeline Property	Market Value	Annual	3.00%	2.22	\$1,500	0.08%	0.04%
Class 16	High Voltage DC Converter Property	Market Value	Annual	2.25%	1.67	\$1,125	0.00%	0.00%
Class 17	Qualified Data Centers	Market Value	Annual	0.90%	0.67	\$450	0.03%	0.02%
Class 18	Green Hydrogen Facilities	Market Value	Annual	1.50%***	1.11	\$750	0.00%	0.00%

<sup>\*</sup>Class 8 has a graduated tax rate. 0% of the first \$300,000; 1.5% for the next \$6 million; and 3% for all remaining class 8 property

#### Jefferson County Specific

1				
	Class	MV	TV	%TV
ó	1	358,560	358,560	1%
ó	2	321,678	9,650	0%
ó	3	39,321,685	1,022,701	2%
ó	4.1	2,422,492,649	31,870,133	70%
ó	4.2	192,621,563	2,888,546	6%
,	E	12 142 260	222 640	10/
ó	5	12,143,369	332,640	1%
ó	8	100,957,622	2,528,072	6%
ó	9	43,299,311	5,195,920	11%
ś	10	153,387,254	55,290	0%
6	12	19,866,207	607,907	1%
6	13	10,140,745	606,009	1%

<sup>\*\*</sup>Starting in TY 2025, Class 10 property will move to a two-year valuation cycle.
\*\*\*Qualified facilities are taxes at 1.5% for the first 15 years after construction commences and 3% after

Class	Description	Valuation Standard	Valuation Cycle	TY 2023 Tax Rate	Class 4 Residential Multiplier	Est. Taxes of \$100K in Market Value at 500 Mills	TY 2023 Share Of Total Market Valuation	TY 2023 Estimated Share Of Total Taxes
Class 1	Net Proceeds of Mines	Net Proceeds	Annual	100.00%	74.07	\$50,000	0.00%	0.06%
Class 2	Gross Proceeds of Metal Mines	Gross Proceeds	Annual	3.00%	2.22	\$1,500	0.42%	0.72%
Class 3	Agricultural Land	Productivity Value	2 Year	2.16%	1.60	\$1,080	2.49%	3.39%
Class 4	Residential (land and improvements)	Market Value	2 Year	1.35%	1.00	\$675	75.76%	57.72%
Class 4	Commercial and Industrial (land and improvements)	Market Value	2 Year	1.89%	1.40	\$945	12.47%	15.19%
Class 5	Pollution Control Equipment, Independent and Rural Electric and Telephone Cooperatives, New and Expanding Industry, Electrolytic Reduction Facilities, Research and Development Firms, and Gasohol Production Property	Market Value	Annual	3.00%	2.22	\$1,500	0.75%	1.27%
Class 7	Noncentrally Assessed Utilities	Market Value	Annual	8.00%	5.93	\$4,000	0.00%	0.00%
Class 8	Business Equipment	Market Value	Annual	1.50%*	1.11	\$750	3.13%	4.78%
Class 9	Pipelines and Nonelectric Generating Property of Electric Utilities	Market Value	Annual	12.00%	8.89	\$6,000	1.84%	11.39%
Class 10	Forest Land	Productivity Value	6 Year**	0.29%	0.21	\$145	0.61%	0.09%
Class 12	Airlines and Railroads	Market Value	Annual	3.06%	2.27	\$1,530	1.11%	2.10%
Class 13	Telecommunication Utilities and Electric Generating Property of Electric Utilities	Market Value	Annual	6.00%	4.44	\$3,000	0.79%	2.78%
Class 14	Renewable Energy Production and Transmission Property	Market Value	Annual	3.00%	2.22	\$1,500	0.50%	0.45%
Class 15	Carbon Dioxide and Liquid Pipeline Property	Market Value	Annual	3.00%	2.22	\$1,500	0.08%	0.04%
Class 16	High Voltage DC Converter Property	Market Value	Annual	2.25%	1.67	\$1,125	0.00%	0.00%
Class 17	Qualified Data Centers	Market Value	Annual	0.90%	0.67	\$450	0.03%	0.02%
Class 18	Green Hydrogen Facilities	Market Value	Annual	1.50%***	1.11	\$750	0.00%	0.00%

#### Pondera County Specific

Class	MV	TV	%TV
3	208,895,389	3,967,233	19%
4.1	502,036,962	6,558,973	32%
4.2	163,599,598	1,954,194	9%
5	20,279,297	608,379	3%
8	26,366,928	437,584	2%
9	47,105,888	5,652,706	27%
10	35,839,264	779	0%
12	35,868,326	1,097,572	5%
13	3,427,073	205,624	1%
14	7,101,617	106,524	1%

<sup>\*</sup>Class 8 has a graduated tax rate. 0% of the first \$300,000; 1.5% for the next \$6 million; and 3% for all remaining class 8 property

<sup>\*\*</sup>Starting in TY 2025, Class 10 property will move to a two-year valuation cycle.
\*\*\*Qualified facilities are taxes at 1.5% for the first 15 years after construction commences and 3% after

Class	Description	Valuation Standard	Valuation Cycle	TY 2023 Tax Rate	Class 4 Residential Multiplier	Est. Taxes of \$100K in Market Value at 500 Mills	TY 2023 Share Of Total Market Valuation	TY 2023 Estimated Share Of Total Taxes
Class 1	Net Proceeds of Mines	Net Proceeds	Annual	100.00%	74.07	\$50,000	0.00%	0.06%
Class 2	Gross Proceeds of Metal Mines	Gross Proceeds	Annual	3.00%	2.22	\$1,500	0.42%	0.72%
Class 3	Agricultural Land	Productivity Value	2 Year	2.16%	1.60	\$1,080	2.49%	3.39%
Class 4	Residential (land and improvements)	Market Value	2 Year	1.35%	1.00	\$675	75.76%	57.72%
Class 4	Commercial and Industrial (land and improvements)	Market Value	2 Year	1.89%	1.40	\$945	12.47%	15.19%
Class 5	Pollution Control Equipment, Independent and Rural Electric and Telephone Cooperatives, New and Expanding Industry, Electrolytic Reduction Facilities, Research and Development Firms, and Gasohol Production Property	Market Value	Annual	3.00%	2.22	\$1,500	0.75%	1.27%
Class 7	Noncentrally Assessed Utilities	Market Value	Annual	8.00%	5.93	\$4,000	0.00%	0.00%
Class 8	Business Equipment	Market Value	Annual	1.50%*	1.11	\$750	3.13%	4.78%
Class 9	Pipelines and Nonelectric Generating Property of Electric Utilities	Market Value	Annual	12.00%	8.89	\$6,000	1.84%	11.39%
Class 10	Forest Land	Productivity Value	6 Year**	0.29%	0.21	\$145	0.61%	0.09%
Class 12	Airlines and Railroads	Market Value	Annual	3.06%	2.27	\$1,530	1.11%	2.10%
Class 13	Telecommunication Utilities and Electric Generating Property of Electric Utilities	Market Value	Annual	6.00%	4.44	\$3,000	0.79%	2.78%
Class 14	Renewable Energy Production and Transmission Property	Market Value	Annual	3.00%	2.22	\$1,500	0.50%	0.45%
Class 15	Carbon Dioxide and Liquid Pipeline Property	Market Value	Annual	3.00%	2.22	\$1,500	0.08%	0.04%
Class 16	High Voltage DC Converter Property	Market Value	Annual	2.25%	1.67	\$1,125	0.00%	0.00%
Class 17	Qualified Data Centers	Market Value	Annual	0.90%	0.67	\$450	0.03%	0.02%
Class 18	Green Hydrogen Facilities	Market Value	Annual	1.50%***	1.11	\$750	0.00%	0.00%

#### Teton County Specific

Class	MV	TV	%TV
3	241,376,036	4,958,788	19%
4.1	789,629,563	10,373,611	40%
4.2	167,066,773	2,268,065	9%
5	37,994,314	1,139,836	4%
8	28,204,119	499,196	2%
9	30,275,929	3,633,111	14%
10	57,917,086	5,311	0%
12	49,177,105	1,504,820	6%
13	3,346,812	200,806	1%
14	51,327,074	1,163,599	5%

<sup>\*</sup>Class 8 has a graduated tax rate. 0% of the first \$300,000; 1.5% for the next \$6 million; and 3% for all remaining class 8 property

<sup>\*\*</sup>Starting in TY 2025, Class 10 property will move to a two-year valuation cycle.
\*\*\*Qualified facilities are taxes at 1.5% for the first 15 years after construction commences and 3% after

These two columns show the Total Market Share of each tax class and the total tax share. Residential is 76% of the Market, 58% of the tax.

Class	Description	Valuation Standard	Valuation Cycle	TY 2023 Tax Rate	Class 4 Residential Multiplier	Est. Taxes of \$100K in Market Value at 500 Mills	TY 2023 Share Of Total Market Valuation	TY 2023 Estimated Share Of Total Taxes
Class 1	Net Proceeds of Mines	Net Proceeds	Annual	100.00%	74.07	\$50,000	0.00%	0.06%
Class 2	Gross Proceeds of Metal Mines	Gross Proceeds	Annual	3.00%	2.22	\$1,500	0.42%	0.72%
Class 3	Agricultural Land	Productivity Value	2 Year	2.16%	1.60	\$1,080	2.49%	3.39%
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Class 7	Noncentrally Assessed Utilities	Market Value	Annual	8.00%	5.93	\$4,000	0.00%	0.00%
Class 8	Business Equipment	Market Value	Annual	1.50%*	1.11	\$750	3.13%	4.78%
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Class 18	Green Hydrogen Facilities	Market Value	Annual	1.50%***	1.11	\$750	0.00%	0.00%

<sup>\*</sup>Class 8 has a graduated tax rate. 0% of the first \$300,000; 1.5% for the next \$6 million; and 3% for all remaining class 8 property

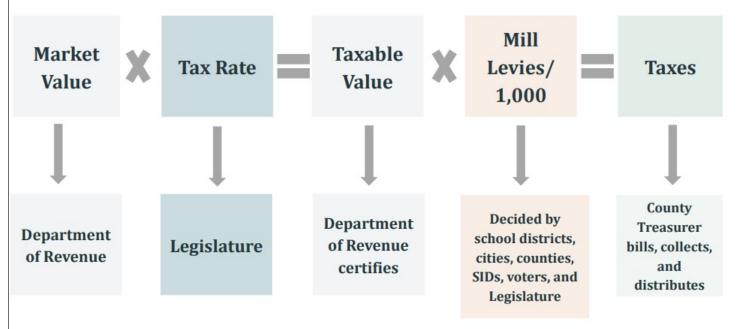
<sup>\*\*</sup>Starting in TY 2025, Class 10 property will move to a two-year valuation cycle.

<sup>\*\*\*</sup>Qualified facilities are taxes at 1.5% for the first 15 years after construction commences and 3% after

- Did the \$675.00 owner dwelling rebate cover the median home in every county? Yes, except the Gallatin.
- In Missoula, the \$675.00 two-year rebate more than covered the median home increase of \$620.00.
- This Chart also applied the 1.35% to .94% mitigation so that the very divergent impact on residential in each county would be visible. One County would have cut (transferred to someone) residential taxes by 36%.

		TY 202	2			Т	Y 2023 (	Current Law)			TY 2023 (0.94% Residential Rate)					
County	Market	Taxable		Taxes	Market	Taxable	Ì	Taxes	Change fr	om TY22	Market	Taxable	,	Taxes	Change fro	om TY22
	Value	Value	Mills	(Millions)	Value	Value	Mills	(Millions)	\$	%	Value	Value	Mills	(Millions)	\$ 9	6
Silver Bow	\$136,400	\$1,841	757.51	\$1,394.87	\$213,900	\$2,888	618.04	\$1,784.68	\$389.80	27.9%	\$213,900	\$2,010.66	703.45	\$1,414.41	\$19.53	1.4%
Cascade	\$181,400	\$2,449	694.67	\$1,701.17	\$237,800	\$3,210	640.14	\$2,055.04	\$353.87	20.8%	\$237,800	\$2,235.32	740.84	\$1,656.01	-\$45.16	(2.7%)
Yellowstone	\$229,200	\$3,094	682.36	\$2,111.35	\$302,800	\$4,088	629.99	\$2,575.29	\$463.94	22.0%	\$302,800	\$2,846.32	741.82	\$2,111.46	\$0.11	0.0%
Missoula	\$302,200	\$4,080	827.54	\$3,376.10	\$413,200	\$5,578	716.39	\$3,996.19	\$620.09	18.4%	\$413,200	\$3,884.08	876.56	\$3,404.62	\$28.52	0.8%
Lewis and Clark	\$237,800	\$3,210	725.33	\$2,328.53	\$343,900	\$4,643	628.63	\$2,918.50	\$589.97	25.3%	\$343,900	\$3,232.66	760.36	\$2,457.98	\$129.45	5.6%
Gallatin	\$406,300	\$5,485	548.25	\$3,007.19	\$646,400	\$8,726	432.88	\$3,777.46	\$770.27	25.6%	\$646,400	\$6,076.16	528.68	\$3,212.36	\$205.17	6.8%
Flathead	\$306,000	\$4,131	558.23	\$2,306.05	\$444,700	\$6,003	424.01	\$2,545.51	\$239.46	10.4%	\$444,700	\$4,180.18		\$2,183.64	-\$122.41	(5.3%)
Fergus	\$110,737	\$1,495		\$1,121.90	\$166,900		642.32		\$325.35	29.0%		\$1,568.86		\$1,162.65	\$40.75	3.6%
Powder River	\$49,787	\$672	442.77	\$297.60	\$50,400		458.64	\$312.06	\$14.46	4.9%	\$50,400	\$473.76	481.73	\$228.23	-\$69.37	(23.3%)
Carbon	\$214,830	\$2,900		\$1,437.84	\$303,500		438.49	\$1,796.62	\$358.78	25.0%		\$2,852.90		\$1,475.32	\$37.49	2.6%
Phillips	\$96,345	\$1,301	700.20	\$910.72	\$101,850	\$1,375		\$965.67	\$54.95	6.0%	\$101,850	\$957.39	767.85	\$735.13	-\$175.59	(19.3%)
Hill	\$151,900	\$2,051		\$1,354.89	\$168,200		670.46		\$167.52	12.4%	\$168,200			\$1,182.73	-\$172.17	(12.7%)
Ravalli	\$270,500	\$3,652		\$1,808.98	\$389,600		416.32	\$2,189.70	\$380.72	21.0%	\$389,600	\$3,662.24		\$1,896.10	\$87.12	4.8%
Custer	\$124,700	\$1,683		\$1,325.61	\$145,300		753.07	\$1,477.19	\$151.57	11.4%	\$145,300			\$1,178.81	-\$146.80	(11.1%)
Lake	\$245,600	\$3,316		\$1,730.40	\$354,600		452.84	\$2,167.80	\$437.39	25.3%		\$3,333.24		\$1,925.81	\$195.40	11.3%
Dawson	\$114,000	\$1,539		\$1,207.46	\$133,300		797.63	\$1,435.37	\$227.92	18.9%		\$1,253.02		\$1,098.99	-\$108.46	(9.0%)
Roosevelt	\$70,650	\$954	685.88	\$654.17	\$72,685		704.30	\$691.10	\$36.92	5.6%	\$72,685	\$683.24	746.78	\$510.23	-\$143.94	(22.0%)
Beaverhead	\$176,800	\$2,387		\$1,426.70	\$261,700		508.50		\$369.82	25.9%	\$261,700		597.57	\$1,470.02	\$43.32	3.0%
Chouteau	\$99,100	\$1,338	648.21	\$867.21	\$137,100		588.24	\$1,088.74	\$221.53	25.5%		\$1,288.74	641.24	\$826.39	-\$40.82	(4.7%)
Valley	\$84,977	\$1,147	652.59	\$748.64	\$94,800	\$1,280		\$857.53	\$108.88	14.5%	\$94,800	\$891.12	742.07	\$661.27	-\$87.38	(11.7%)
Toole	\$81,300	\$1,098	741.30	\$813.61	\$105,700		731.47	\$1,043.77	\$230.16	28.3%	\$105,700	\$993.58	787.91	\$782.85	-\$30.76	(3.8%)
Big Horn	\$66,800	\$902	788.40	\$710.98	\$83,750	\$1,131		\$982.31	\$271.33	38.2%	\$83,750	\$787.25	927.77	\$730.39	\$19.40	2.7%
Musselshell	\$70,800	\$956	547.99	\$523.77	\$86,070		416.25	\$483.66	-\$40.11	(7.7%)	\$86,070	\$809.06	454.06	\$367.36	-\$156.41	(29.9%)
Blaine	\$83,200	\$1,123	870.30	\$977.53	\$125,900		802.77	\$1,364.42	\$386.89	39.6%	\$125,900		882.40	\$1,044.28	\$66.76	6.8%
Madison	\$337,700	\$4,559		\$1,099.13	\$533,800		207.83 637.15	\$1,497.66	\$398.54	36.3% 38.8%		\$5,017.72		\$1,231.31	\$132.19	12.0%
Pondera Richland	\$108,400 \$167,166	\$1,463 \$2,257	675.31 511.89	\$988.25 \$1,155.21	\$159,500 \$177,033		494.63	\$1,371.95 \$1,182.14	\$383.70 \$26.93	2.3%		\$1,499.30 \$1,664.11	537.48	\$1,050.83	\$62.58 -\$260.78	(22.6%)
Powell	\$107,100	\$1,686	545.78	\$920.38	\$177,033		494.03	\$1,182.14	\$298.95	32.5%	\$177,033		572.02	\$982.38	\$62.00	6.7%
Rosebud	\$78,900	\$1,065	500.89	\$533.53	\$84,893	\$1,146		\$602.84	\$69.32	13.0%	\$84,893	\$797.99	554.99	\$442.88	-\$90.65	(17.0%)
Deer Lodge	\$116,100	\$1,567		\$1,140.06	\$185,915		524.20		\$175.60	15.4%		\$1,747.60		\$1,062.79	-\$77.27	(6.8%)
Teton	\$132,325	\$1,786	555.11	\$991.65	\$188,589		440.66	\$1,121.90	\$130.25	13.1%	\$188,589	\$1,772.74	492.76	\$873.53	-\$118.11	(11.9%)
Stillwater	\$217,750	\$2,940		\$1,412.75	\$286,900		461.80	\$1,788.62	\$375.88	26.6%	\$286,900		503.60	\$1,358.13	-\$54.61	(3.9%)
Treasure	\$51,730	\$698	589.95	\$411.99	\$56,966		608.09	\$467.65	\$55.65	13.5%	\$56,966	\$535.48	648.45	\$347.23	-\$64.76	(15.7%)
Sheridan	\$91,350	\$1,233		\$1,064.34	\$91,685		855.14		-\$5.90	(0.6%)	\$91,685	\$861.84	930.33	\$801.80	-\$262.54	(24.7%)
Sanders	\$155,150	\$2,095		\$1,080.97	\$229,030		482.59	\$1,492.14	\$411.17	38.0%		\$2,152.88		\$1,196.80	\$115.84	10.7%
Judith Basin	\$73,070	\$986	407.80	\$402.28	\$110,000		435.26	\$646.36	\$244.08	60.7%		\$1,034.00	457.86	\$473.42	\$71.15	17.7%
Daniels	\$81,307	\$1.098	813.34	\$892.76	\$82,953	\$1,120		\$880.40	-\$12.36	(1.4%)	\$82,953	\$779.76	862.94	\$672.88	-\$219.88	(24.6%)
Glacier	\$79,530	\$1,074	796.70	\$855.38	\$122,595	\$1,655	724.63	\$1,199.29	\$343.90	40.2%	\$122,595	\$1,152.39	780.70	\$899.67	\$44.29	5.2%
Fallon	\$117,448	\$1,586	426.33	\$675.97	\$123,850	\$1,672		\$570.13	-\$105.84	(15.7%)		\$1,164.19	368.06	\$428.49	-\$247.48	(36.6%)
Sweet Grass	\$188,800	\$2,549		\$1,192.12	\$268,693		423.42		\$343.77	28.8%		\$2,525.71	457.63	\$1,155.85	-\$36.27	(3.0%)
McCone	\$68,550	\$925	719.96	\$666.27	\$69,485		717.27	\$672.83	\$6.56	1.0%	\$69,485	\$653.16	766.44	\$500.61	-\$165.66	(24.9%)
Carter	\$49,480	\$668	311.77	\$208.26	\$55,900		316.08	\$238.53	\$30.27	14.5%	\$55,900	\$525.46	328.73	\$172.73	-\$35.53	(17.1%)
Broadwater	\$209,900	\$2,834	578.95	\$1,640.56	\$325,300	\$4,392	501.86	\$2,203.94	\$563.39	34.3%	\$325,300	\$3,057.82	599.53	\$1,833.24	\$192.68	11.7%
Wheatland	\$74,650	\$1,008	491.45	\$495.27	\$94,050	\$1,270	480.61	\$610.21	\$114.94	23.2%	\$94,050	\$884.07	504.99	\$446.44	-\$48.83	(9.9%)
Prairie	\$57,582	\$777	665.13	\$517.04	\$61,300	\$828	654.38	\$541.53	\$24.49	4.7%	\$61,300	\$576.22	693.39	\$399.55	-\$117.49	(22.7%)
Granite	\$181,849	\$2,455	505.75	\$1,241.61	\$304,410	\$4,110	402.61	\$1,654.54	\$412.94	33.3%	\$304,410	\$2,861.45	483.09	\$1,382.33	\$140.72	11.3%
Meagher	\$113,600	\$1,534	594.19	\$911.26	\$185,880	\$2,509	514.00	\$1,289.81	\$378.56	41.5%	\$185,880	\$1,747.27	585.06	\$1,022.27	\$111.01	12.2%
Liberty	\$86,800	\$1,172	577.03	\$676.17	\$125,400	\$1,693	510.20	\$863.71	\$187.55	27.7%	\$125,400	\$1,178.76	550.73	\$649.18	-\$26.99	(4.0%)
Park	\$276,006	\$3,726	455.09	\$1,695.70	\$409,400	\$5,527	378.27	\$2,090.67	\$394.97	23.3%	\$409,400	\$3,848.36	456.56	\$1,756.99	\$61.29	3.6%
Garfield	\$69,507	\$938	581.75	\$545.88	\$78,087	\$1,054		\$539.37	-\$6.51	(1.2%)	\$78,087	\$734.02	540.49	\$396.73	-\$149.15	(27.3%)
Jefferson	\$262,800	\$3,548	565.02	\$2,004.59	\$395,700	\$5,342	490.86	\$2,622.15	\$617.56	30.8%	\$395,700	\$3,719.58	599.77	\$2,230.91	\$226.32	11.3%
Wibaux	\$67,050	\$905	387.61	\$350.86	\$70,675	\$954	391.47	\$373.50	\$22.65	6.5%	\$70,675	\$664.35	406.80	\$270.25	-\$80.60	(23.0%)
Golden Valley	\$67,700	\$914	486.60	\$444.73	\$81,310		515.44	\$565.79	\$121.06	27.2%	\$81,310	\$764.31	538.10	\$411.28	-\$33.45	(7.5%
Mineral	\$143,811	\$1,941		\$1,279.53	\$201,900		609.77	\$1,662.03	\$382.49	29.9%	\$201,900			\$1,372.44	\$92.91	7.3%
Petroleum	\$39,192	\$529	773.56	\$409.29	\$45,610		701.55	\$431.97	\$22.68	5.5%	\$45,610	\$428.73	770.73	\$330.44	-\$78.85	(19.3%)
Lincoln	\$161,000	\$2,174	505.82	\$1,099.39	\$256,600	\$3,464	394.06	\$1,365.05	\$265.66	24.2%	\$256,600	\$2,412.04	484.53	\$1,168.70	\$69.30	6.3%
Statewide	\$240,500	\$3,247	584.59	\$1,898.01	\$341,000	\$4,604	486.85	\$2,241.24	\$343.23	18.1%	\$341,000	\$3,205.40	583.78	\$1,871.26	-\$26.74	(1.4%)
Statewide	9240,300	93,247	304.33	V2/050.01	7541,000	y <del>4</del> ,004	.00.03	Y4,671.64	Ç343.23	10.170	<b>7341,000</b>	y3,203,40	303.76	¥1,071.20	-920.74	(1.470)

## How are property taxes calculated?



The Legislature created the statewide 95 mills in 1993 in response to losing a Constitutional lawsuit in 1989 on adequacy and equity requirement

## How are mill levies set?

### **State**

- Mills set in state law:
  - 95 mills for state equalization
  - 6 mills for university system
  - 1.5 mills for vo-tech (certain counties)

## City, County, Local School

- Authority in state law, mills set locally
  - Permissive vs. voted
  - Required or formulaic (schools)

# DOR Values Property

#### **Montana Constitution**

Article VIII, Section 3:

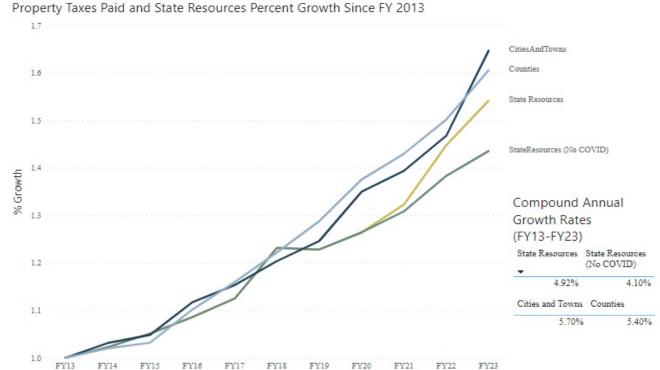
The state shall appraise, assess, and equalize the valuation of all property which is to be taxed in the manner provided by law.

#### **State Law**

- Market value except for agricultural, forest
- Approaches to value sales comparison, cost, income
- Reappraisal cycles
  - 2 year: residential, commercial, agricultural, certain centrally assessed in 2024, forest in 2025
  - 1 year: all other property

Growth rates of cities, counties, and state resources over last decade.

- State growth is shown with and without covid aide as federal covid dollars are considered one time only.
- I (Llew) take some ownership of the state growth from 2013 to present as I chaired/vice chaired Finance and Claims & Apportions for this decade. It is interesting that I get accused of not being "conservative enough" while keeping growth at 4.1%, which is between the CPI/population line of 3.1% and the GSP line of 5.1%.



		м	W 1 - 4	TV 2022	Class 4	Est. Taxes of	TY 2023	TY 2023		Butte/Silve	er bow Specif	ics
Class	Description	Valuation Standard	Valuation Cycle	Tax Rate	Residential Multiplier	\$100K in Market Value at 500 Mills	Share Of Total Market Valuation	Estimated Share Of Total Taxes	Class	s MV	TV	%TV
Class 1	Net Proceeds of Mines	Net Proceeds	Annual	100.00%	74.07	\$50,000	0.00%	0.06%				
Class 2	Gross Proceeds of Metal Mines	Gross Proceeds	Annual	3.00%	2.22	\$1,500	0.42%	0.72%	2	336,922,858	10,107,686	10%
Class 3	Agricultural Land	Productivity Value	2 Year	2.16%	1.60	\$1,080	2.49%	3.39%	3	12,431,082	425,781	0%
Class 4	Residential (land and improvements)	Market Value	2 Year	1.35%	1.00	\$675	75.76%	57.72%	4.1	3,776,919,499	48,685,022	46%
Class 4	Commercial and Industrial (land and improvements)	Market Value	2 Year	1.89%	1.40	\$945	12.47%	15.19%	4.2	1,316,074,834	16,754,403	16%
Class 5	Pollution Control Equipment, Independent and Rural Electric and Telephone Cooperatives, New and Expanding Industry, Electrolytic Reduction Facilities, Research and Development Firms, and Gasohol	Market Value	Annual	3.00%	2 22	¢1 500	0.75%	1 370/	_	40,000,400	200,000	00/
01 7	Production Property	Manhat Value	AI	0.000/	2.22				5	10,289,436	308,690	0%
Class 7	Noncentrally Assessed Utilities	Market Value	Annual	8.00%	5.93		0.00%	0.00%				
Class 8	Business Equipment	Market Value	Annual	1.50%*	1.11	\$750	3.13%	4.78%	8	430,684,472	10,983,964	10%
Class 9	Pipelines and Nonelectric Generating Property of Electric Utilities	Market Value	Annual	12.00%	8.89	\$6,000	1.84%	11.39%	9	129,836,089	15,580,333	15%
Class 10	Forest Land	Productivity Value	6 Year**	0.29%	0.21	\$145	0.61%	0.09%	10	56,767,977	28,281	0%
Class 12	Airlines and Railroads	Market Value	Annual	3.06%	2.27	\$1,530	1.11%	2.10%	12	23,722,472	725,908	1%
Class 13	Telecommunication Utilities and Electric Generating Property of Electric Utilities	Market Value	Annual	6.00%	4.44	\$3,000	0.79%	2.78%	13	33,439,234	1,999,697	2%
Class 14	Renewable Energy Production and Transmission Property	Market Value	Annual	3.00%	2.22	\$1,500	0.50%	0.45%				
Class 15	Carbon Dioxide and Liquid Pipeline Property	Market Value	Annual	3.00%	2.22	\$1,500	0.08%	0.04%				
Class 16	High Voltage DC Converter Property	Market Value	Annual	2.25%	1.67	\$1,125	0.00%	0.00%				
Class 17	Qualified Data Centers	Market Value	Annual	0.90%	0.67	\$450	0.03%	0.02%	17	87,197,455	784,777	1%
Class 18	Green Hydrogen Facilities	Market Value	Annual	1.50%***	1.11	\$750	0.00%	0.00%		•		

Class 18 Green Hydrogen Facilities Market Value Annual 1.50%\*\*\*

\*Class 8 has a graduated tax rate. 0% of the first \$300,000; 1.5% for the next \$6 million; and 3% for all remaining class 8 property

<sup>\*\*</sup>Starting in TY 2025, Class 10 property will move to a two-year valuation cycle.

<sup>\*\*\*</sup>Qualified facilities are taxes at 1.5% for the first 15 years after construction commences and 3% after

Local Government sets Budget within Legal limits



**\$40,000** school budget



in tax base

1,000 mill factor

## = **812** mills of school taxes

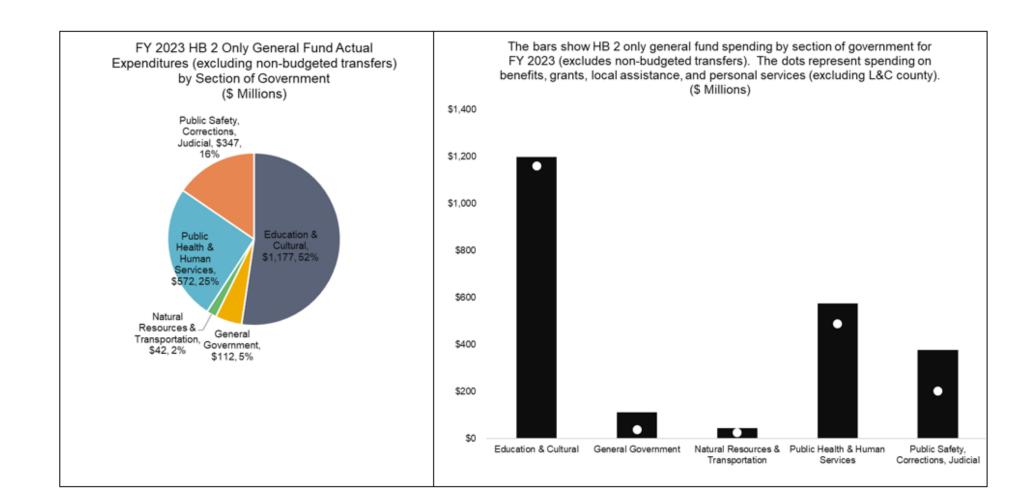
Taxable value	Millage rate	School tax	
\$18. <b>9</b> k	× <b>812</b> <i>mills</i> ÷ 1000	= \$15,342	
\$14.2k	× <b>812</b> <i>mills</i> ÷ 1000	= \$11,507	
\$4,050	× <b>812</b> <i>mills</i> ÷ 1000	= \$3,288	
\$4,050	× <b>812</b> <i>mills</i> ÷ 1000	= \$3,288	
\$8,100	× <b>812</b> <i>mills</i> ÷ 1000	= \$6,575	
		<b>\$40,000</b> ←	_ School budget

• The following chart displays the compounded annual growth rates in property tax collections for counties, cites, schools, and the state for the past 20-year period. While much ado has been made about a cap at ½ the rate of inflation, between voted mills, new mills, and the mill areas that are not subject to capping, growth has in many areas been significant.

Compou	und Annual Growth Rate		lections
	for Montana Counties		
	TY 2001 - 1	TY 2022	
			Growth Rate
Population & Infla			3.6439
	nomy (Personal Income)		5.4209
State Property Tax			3.7519
Countywide Schoo	3.6019		
	erty Tax Growth Rate		4.4029
County Property Ta			6.1919
City Property Tax C			6.1259
County	County Growth Rate*	County Seat	City Growth Rate
McCone	4.345%	Circle	4.2969
Meagher	3.481%	White Sulphur Springs	4.1149
Mineral	5.336%	Superior	5.5659
Missoula	6.407%	Missoula	5.6659
Musselshell	4.716%	Roundup	1.9009
Park	6.123%	Livingston	5.1749
Petroleum	7.569%	Winnett	5.5549
Phillips	5.412%	Malta	3.7969
Pondera	4.753%	Conrad	4.4289
Powder River	4.709%	Broadus	2.7749
Powell	6.196%	Deer Lodge	3.5019
Prairie	5.279%	Terry	4.1209
Ravalli	5.056%	Hamilton	5.9139
Richland	8.499%	Sidney	6.3729
Roosevelt	6.010%	Wolf Point	5.4029
Rosebud	5.187%	Forsyth	4.2989
Sanders	5.696%	Thompson Falls	3.3699
Sheridan	7.583%	Plentywood	3.8009
Silver Bow	5.934%	Butte	
Stillwater	7.165%	Columbus	5.6399
Sweet Grass	9.284%	Big Timber	5.8819
Teton	3.628%	Choteau	2.4799
Toole	6.714%	Shelby	2.7769
Treasure	4.762%	Hysham	5.7629
Valley	3.475%	Glasgow	4.3249
Wheatland	5.872%	Harlowton	3.3549
Wibaux	11.167%	Wibaux	4.9299
Yellowstone	5.982%	Billings	7.0839
Overall	6.191%	Overall	6.1259

Compou	nd Annual Growth Rate		Collections
	for Montana Counties	s and County Seats	
	TY 2001 - 1	TY 2022	
		7.46	Growth Rate
Population & Inflat			3.6439
	omy (Personal Income)		5.4209
State Property Tax			3.7519
	s Property Tax Growth Rate		3.6019
	erty Tax Growth Rate		4.4029
County Property Ta	x Growth Rate*		6.1919
City Property Tax G	rowth Rate		6.1259
County	County Growth Rate*	County Seat	City Growth Rate
Beaverhead	4.828%	Dillon	5.900
Big Horn	10.386%	Hardin	5.8149
Blaine	4.728%	Chinook	3.7149
Broadwater	6.577%	Townsend	1.306
Carbon	6.350%	Red Lodge	3.3529
Carter	9.059%	Ekalaka	5.478
Cascade	4.001%	Great Falls	5.608
Chouteau	4.031%	Fort Benton	7.364
Custer	5.036%	Miles City	3.7219
Daniels	4.931%	Scobey	4.876
Dawson	4.207%	Glendive	3.741
Deer Lodge	6.018%	Anaconda	2.680
Fallon	12.583%	Baker	4.625
Fergus	6.676%	Lewistown	3.469
Flathead	5.971%	Kalispell	5.7149
Gallatin	8.535%	Bozeman	8.529
Garfield	4.363%	Jordan	4.7119
Glacier	6.302%	Cut Bank	4.576
Golden Valley	5.623%	Ryegate	3.8159
Granite	6.064%	Philipsburg	16.953
Hill	4.734%	Havre	4.204
Jefferson	6.487%	Boulder	3.8959
Judith Basin	4.461%	Stanford	5.170
Lake	5.613%	Polson	6.5049
Lewis and Clark	5.439%	Helena	5.7949
Liberty	4.616%	Chester	4.0579
Lincoln	5.566%	Libby	3.1849
Madison	9.804%	Virginia City	3.827

<sup>\*</sup>The county growth rate includes mills for fire districts and miscellaneous





	2023	23/24		2023/24 Tax	2023/24 Tax	Share of	f Increase (\$/%) I	Due to
Property	Market Value	Reappraisal Increase, %	2023 Tax	Increase,	Increase,	Shift	Local Revenue	State Revenue
BV	\$394,800	37.2%	\$5,318	\$1,015	19.1%	\$559 (55.1%)	\$438 (43.%)	\$18 (2%)
KH	\$471,300	35.0%	\$6,349	\$1,029	17.2%	\$546 (50%)	\$523 (48%)	\$22 (2%)
MT	\$486,200	33.2%	\$6,550	\$1,026	15.7%	\$464 (45%)	\$539 (53%)	\$22 (2%)
RB	\$329,900	23.7%	\$4,444	\$329	7.4%	-\$52 (-16%)	\$366 (111%)	\$15 (5%)
MK	\$486,400	19.9%	\$6,552	\$268	4.1%	-\$293 (-109%)	\$539 (201%)	\$22 (8%)
MT	\$1,136,946	8.6%	\$15,316	-\$875	-5.7%	-\$2188 (250%)	\$1261 (-144%)	\$52 (-6%)

Relative Change in Taxable Values and Taxes; 2008-2017; 34,181 Missoula County Residential Properties; Ranked by Relative Change in Taxable Value; Quintiles and All Properties

Quintile	Relative change in				
Quintile	Mean Taxable Value	Mean Tax			
Highest	0.396	0.700			
4	0.199	0.471			
3	0.097	0.336			
2	0.012	0.230			
Lowest	-0.158	0.022			
All	0.095	0.335			

LOCAL G
2018; HTTPS://LEG.MT.GOV/CONTENT/COMMITTEES/INTERIM/2019-2020/REVENUE/HJ-35-BACKGROUND/HJ-35-ADDITIONAL/BARRETT-REVENUE-CAPS.PDF

/BER 19,

## Relative Changes in Taxable Values and Taxes; 2023-2024; 55 Montana Counties Ranked by Relative Change in Taxable Value; Unweighted Quintile Means and Missoula County

	Relative chang	\$ Tax Increase	
Quintile	Taxable Value	Tax	for Median Property
Highest	0.567	0.200	\$415
4	0.440	0.258	\$321
3	0.356	0.266	\$310
2	0.190	0.155	\$156
Lowest	0.035	0.064	\$34
Missoula	0.358	0.115	\$489

Highest= Granite, Deer Lodge, Gallatin, Madison, Broadwater, Meagher, Jefferson, Park, Silver Bow, Lincoln, Flathead. 4 = Beaverhead, Sweet Grass, Powell, Sanders, Lake, Lewis and Clark, Glacier, Judith Basin, Ravalli, Fergus, Teton.3 = Liberty, Pondera, Blaine, Carbon, Choteau, Mineral, Stillwater, Cascade, Yellowstone, Wheatland, Toole. 4 = Dawson, Golden Valley, Hill, Musselshell, Big Horn, Petroleum, Custer, Garfield, Valley, McCone, Powder River. 5 = Roosevelt, Richland, Rosebud, Prairie, Carter, Fallon, Phillips, treasure, Wibeaux, Sheridan, Daniels

## THE SHIFT TO RESIDENTIAL PROPERTY

- Legislatively and legally established policies and practices regarding what property is taxable.
- Legislative setting of tax rates.
- Structural change in the economy reducing the relative (and sometimes absolute) non-residential share of the tax base.
- Vagaries of market value trends, especially in the case of residential property, and especially now.
- Even if the Legislature had neutralized the impact of soaring market prices on taxable values, as it did in 2009, we would still be left with the status quo ante and a property tax that is poorly related to ability to pay, regressive and riddled with horizontal inequities. People would still be being "taxed out of their homes."

THE SOLUTION: FIND REVENUE FROM SOME OTHER SOURCE (WHICH YOU MAY HAVE TO CREATE) AND USE IT TO REDUCE RELIANCE ON PROPERTY TAXES.

## Yeah, but...

- What "other source?" Local option taxes? An unexpected surplus?
- How do you provide relief? A rebate? Across the board reductions in mills? Means tested assistance?

						Percent	Tax base appreciation		
Tax Jurisdiction	2023 Mills	2023 Taxes	2024 Mills			change Mills	(g)	(r)	s = (r-g)/(1+g)
City General	240.38		200.38						
City Park District	43.12		41.20						
City Road District	41.1		43.92						
City Total	324.6	\$2,833	285.50	3193.24	359.77	-12.0%	0.252	0.281	2.3%
County General	207.81		171.09						
Ft. Missoula County Open Space	9.53		7.52						
<b>ROSP County Open Space</b>	2.7		1.08						
HS Retirement	13.05		12.28						
Elem Retirement	22.94		22.04						
County Total	256.03	\$2,235	214.01	2393.68	158.77	-16.4%	0.258	0.281	1.9%
Urban Transportation District	57.57	\$503	54.14	605.56	103.03	-6.0%	0.257	0.281	1.9%
Missoula Elementary	178.63	\$1,559	160.26	1792.48	233.20	-10.3%	0.240	0.281	3.3%
MCHS + School Transportation	78.52	\$685	67.10	750.54	65.13	-14.5%	0.252	0.281	2.3%
State	102.5	\$895	85.20	952.94	58.21	-16.9%	0.243	0.281	3.1%
Total	997.85	\$8,710	866.22	9688.43		-13.2%			

2023 Market Value	\$646,600						
2024 Market Value	\$828,500						
Tax District	2023 Tax	Percent Change - Total	Dollar Change - Total	Percent Change Due to Shift	Dollar Change Due to Shift	Percent Change Due to Revenue Growth	Dollar Change Due to Revenue Growth
City Total	\$2,833	12.7%	\$359.77	2.6%	\$73.06	10.1%	\$286.71
County Total	\$2,235	7.1%	\$158.77	1.9%	\$43.56	5.2%	\$115.21
<b>Urban Transportation District</b>	\$503	20.5%	\$103.03	2.3%	\$11.49	18.2%	\$91.53
Missoula Elementary	\$1,559	15.0%	\$233.20	3.7%	\$57.80	11.2%	\$175.40
MCHS + School Transportation	\$685	9.6%	\$65.47	2.5%	\$17.18	7.0%	\$48.29
State	\$895	6.5%	\$58.21	3.2%	\$28.50	3.3%	\$29.71
Total Tax Bill	\$8,710	11.2%	\$978.10	2.7%	\$231.25	8.6%	\$746.85

Property	2023 Market	20/24 Reappraisal	2023 Tay	2023/24 Tax	2023/24 Tax	Share o	f Increase (\$/%)	Due to			
гторенту	Value	Increase, %	2023 147	Increase,	Increase,	Shift	Local Revenue	State Revenue			
	\$646,600	28.1%	\$8,710	\$978	11.2%	\$231	\$717	\$30	23.6%	73.3%	3.0%
	2023	23/24		2023/24 Tax	2023/24	Share o	f Increase (\$/%)	Due to			
Property	Market Value	Reappraisal Increase, %	2023 Tax	Increase,	Tax Increase, %	Shift	Local Revenue	State Revenue			
BV	\$394,800	37.2%	\$5,318	\$1,015	19.1%	\$559 (55.1%)	\$438 (43.%)	\$18 (2%)			
КН	\$471,300	35.0%	\$6,349	\$1,029	17.2%	\$546 (50%)	\$523 (48%)	\$22 (2%)			
MT	\$486,200	33.2%	\$6,550	\$1,026	15.7%	\$464 (45%)	\$539 (53%)	\$22 (2%)			
RB	\$329,900	23.7%	\$4,444	\$329	7.4%	-\$52 (-16%)	\$366 (111%)	\$15 (5%)			
MK	\$486,400	19.9%	\$6,552	\$268	4.1%	-\$293 (-109%)	\$539 (201%)	\$22 (8%)			
MT	\$1,136,946	8.6%	\$15,316	-\$875	-5.7%	¢2400 (2500()	\$1261 (-144%)	\$52 (-6%)			

				(23val - 22val -
taxers	22val	23val	23new	23new)/22val
city	177927466	227107781	4274227	0.252
county	298385359	382614897	7105353	0.258
utd	190775097	244785437	4987270	0.257
sd1	159472068	199407670	1643084	0.240
mchs	278101402	354669300	6384359	0.252
state	3628095274	4701869792	191191276	0.243

2024 Market Value	\$828,500				
2023 Taxable Value	\$8,729				
2024 Taxable Value	\$11,185				
Percent change in Taxable Value (r)	28.1%				
	Dansont Change		Percent	Dollar	
Tax District	Percent Change	2023 Tax	Change in	Change in	
	in Mills		Taxes	Taxes	
City total	-12.0%	\$2,833	12.7%	\$359.77	\$978.45
County Total	-16.4%	\$2,235	7.1%	\$158.77	
Urban Transportation District	-6.0%	\$503	20.5%	\$103.03	
Missoula Elementary	-10.3%	\$1,559	15.0%	\$233.20	
MCHS + School Transportation	-14.5%	\$685	9.6%	\$65.47	
State	-16.9%	\$895	6.5%	\$58.21	
Total	-13.2%	\$8,710	11.2%	\$978.10	



