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PROPERTY TAX TASK FORCE
STATE OF MONTANA



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Subcommittee Recommendation Template

Subcommittee Name: Local Government

Recommendation:

Modifications to 15-10-420 should be pursued, with the 2023 Legislative Session Senate Bill 511 as the starting point. Population growth adjustments and elimination of banked mill authority should be considered.

Rationale:

15-10-420 places too much emphasis on newly taxable property as the mechanism to increase tax collections. By allowing full inflation with a population adjustment and then requiring some proportion of newly taxable property to reduce mill levies on existing property there will be more predictable growth in taxing authority.

Barriers Addressed:

The automatic growth of taxing authority under 15-10-420 has no relief valve for existing property. By requiring a portion of newly taxable property to be included when setting mill values, growth in tax base will partially reduce obligations from existing property in the jurisdiction.

Key Strategies:

Department of Revenue has developed a tool to estimate differences in outcome from several minor tweaks in the 15-10-420 formula. Members of the 2025 Legislature should familiarize themselves with the tool and understand how changing aspects of 15-10-420 causes differences in taxing authority.

Dissenting Opinions (if applicable):

Some members felt 15-10-420 already worked sufficiently and did not require any changes.

Supporting Graphics, Weblinks, or other documentation:

<If desired, include a supporting graphic to further illustrate your recommendation>