

**OFFICE OF THE GOVERNOR**  
**PROPERTY TAX TASK FORCE**  
STATE OF MONTANA



GREG GIANFORTE  
GOVERNOR

PO BOX 200802  
HELENA, MONTANA 59620-0802

RYAN OSMUNDSON, CHAIR

## **Subcommittee Recommendation**

**Subcommittee Name:** Local Government

**Recommendation:** Montana should consider adopting portions of the Utah “Truth in Taxation” law for property taxes.

**Rationale:** Utah’s “Truth in Taxation” is broader than Montana’s 15-10-420, although both operate under similar premises. Utah sets a “certified tax rate” for all taxing jurisdictions, which is the mills necessary to raise the prior year’s budget excluding newly taxable property. A taxing jurisdiction may exceed this certified tax rate only if they hold a public hearing and advertise that hearing according to statutory guidelines. In Montana, individual taxing jurisdictions are responsible to calculate their 15-10-420 authority, but it works similarly where the taxing jurisdiction is entitled to the prior year’s budget, excluding newly taxable property, plus half the rate of inflation. If a taxing jurisdiction in Montana wishes to exceed this calculated amount, they must put the issue to a vote of the electorate.

**Barriers Addressed:** Utah’s “Truth in Taxation” does not have an automatic inflation adjustment. This is more protective of taxpayer’s than Montana’s 15-10-420. Conversely, for Montana taxing jurisdictions to exceed their calculated mill rates, they must ask the voters to approve it, while Utah requires only a noticed public hearing (which could ultimately result in a vote). The advertisements necessary under Utah law may result in increased transparency as compared to Montana noticing laws.

**Key Strategies:** The state legislature should consider Utah’s “Truth in Taxation” model. The Legislature could consider several modifications to 15-10-420 that would move the state closer to Utah’s system. Most of Utah’s mills are subject to their “Truth in Taxation” while 15-10-420 contains many exceptions. The largest gap in Utah’s system versus Montana’s likely lies in these exempted mills.

**Dissenting Opinions (if applicable):**

None.

**Supporting Graphics, Weblinks, or other documentation:**

*(Approved unanimously, without objection, by the Local Government Subcommittee on 7/1/2024)*