

# Property Taxes and Budgeting

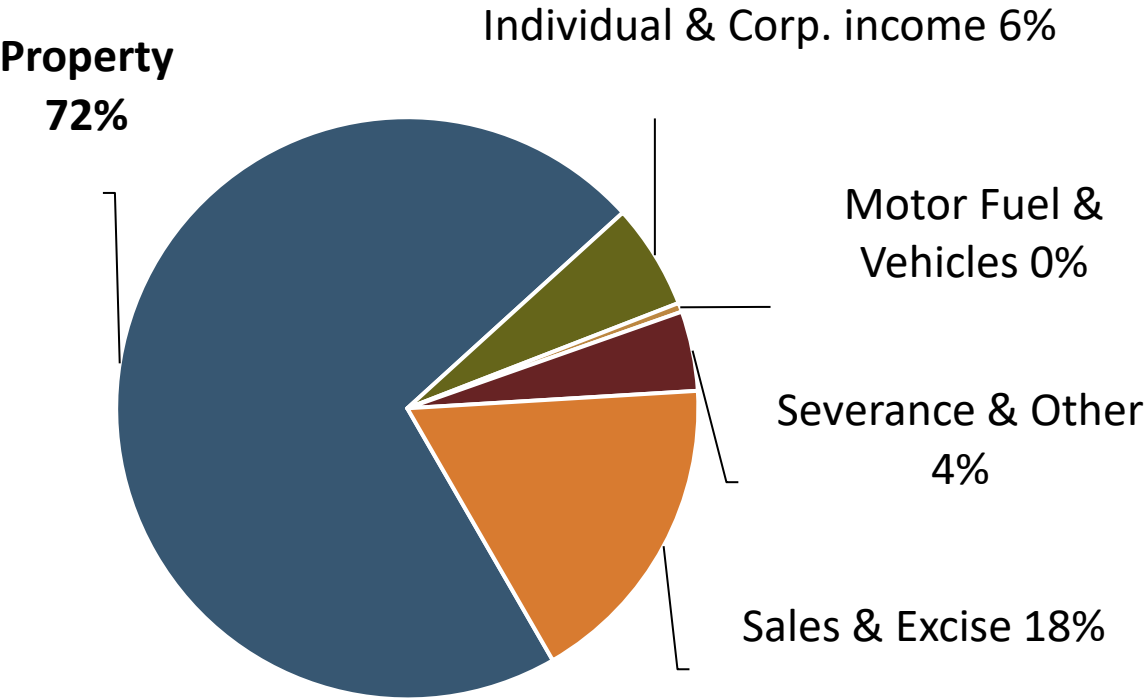


**Civic Academy**  
**March 13, 2025**

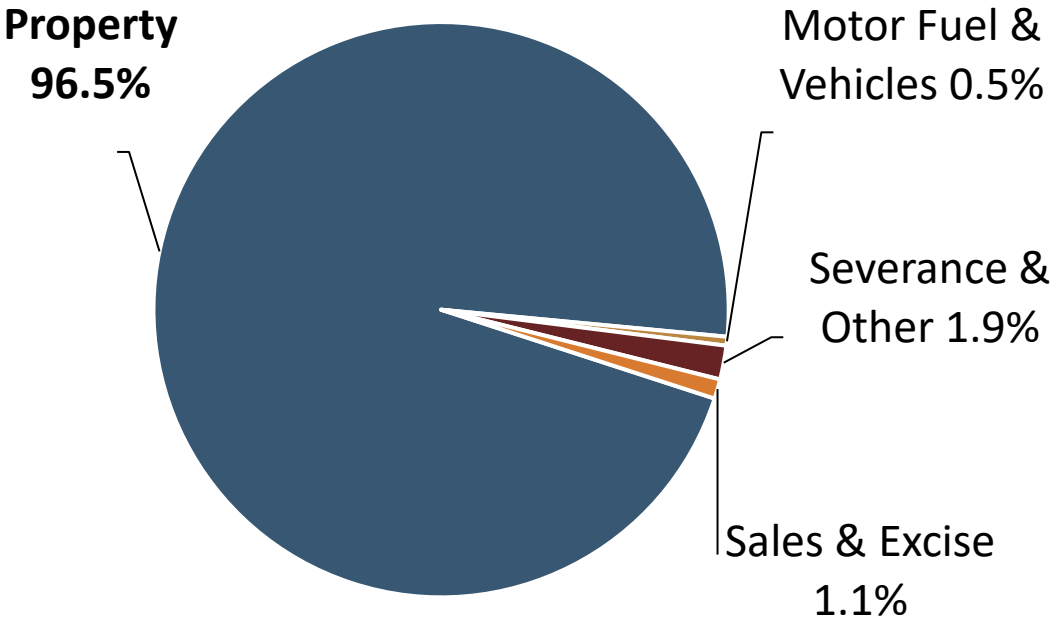
Dale Bickell, Chief Administrative Officer  
Jessica Miller, Website & Digital Engagement Administrator

# Local Government Tax Revenues

All U.S. Local Governments

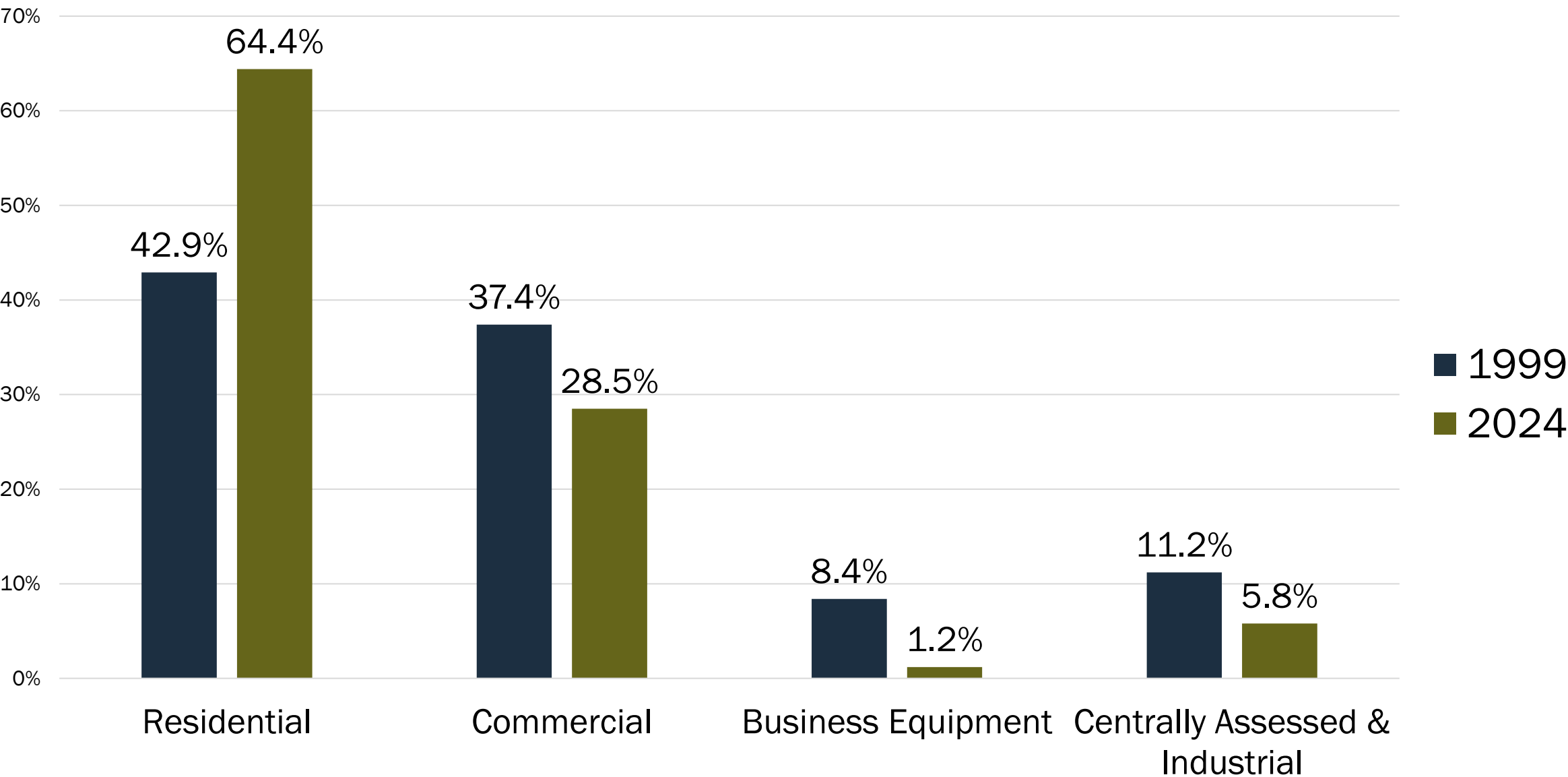


Montana Local Governments

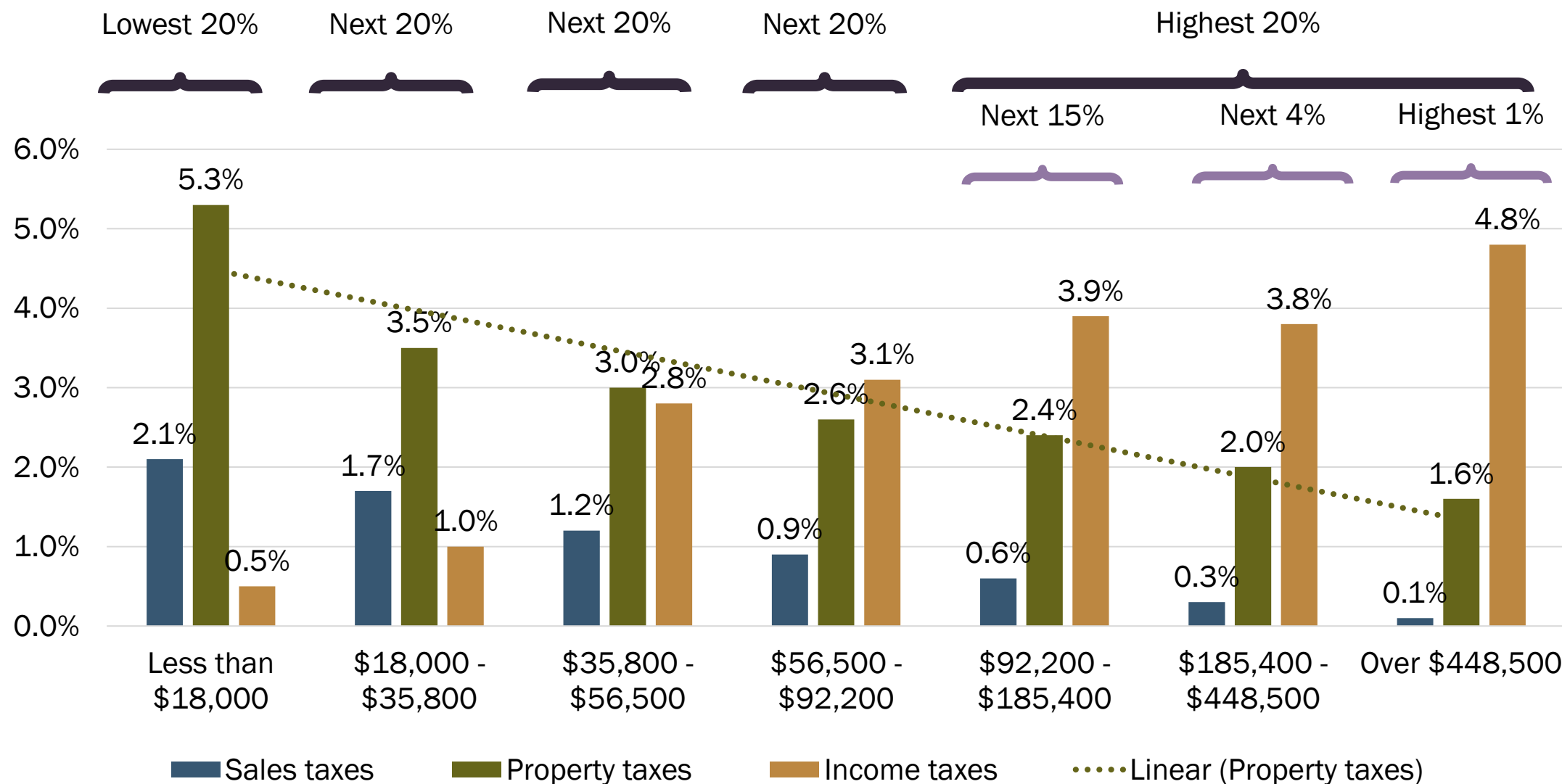


# Percent of Tax Base

Property Taxes – Who Pays



# Montana Taxes as Percentage of Income



Source: Montana Budget & Policy Center

## Proposed Property Tax Legislation 2025 – Limit Revenue

Bills in this category are intended to limit the amount of revenue cities can raise. These bills would result in cities providing fewer and lower-quality services to residents.

### Active

- SB 117 - Revise government entity limitations on property tax increases
- SB 32 - Generally revise property taxes – taxes only rise by inflation, not by new growth in the community
- HB 20 - Require voted levies to be in dollars rather than mills

### Failed

- SB 204 – Sunset or reapprove existing voter approved property tax levies - failed
- SB 205 - Revise laws related to voter approval for property tax levies and bonds – failed
- SB 108 - Require levies or bonds for judgments, settlements, or protested taxes to be submitted to voters – tabled

## Proposed Property Tax Legislation 2025 – Tax Shift

Bills in this category shift property the impact of property taxes among different classifications, such as residential, commercial, centrally assessed, agricultural, etc. Changes to one category can affect all other classifications but don't result in a change in government revenue.

### Shift - Active

- SB 189 - Lower residential, commercial, and agricultural property tax rates
- SB 322 - Increase business equipment tax exemption
- SB 337 - Provide a 5 year prepaid property tax exemption during subdivision development
- HB 528 - Revise property tax rates for agricultural, residential, and commercial property
- HB 424 - Revise taxes for class 17 data center property
- HB 155 - Revise class four residential and commercial property taxes
- HB 231 - Revise property tax rates for certain property

### Failed

- HB 213 - Revise residential and commercial property tax rate
- SB 512 - Provide disclosure of certain corporate property tax settlements
- HB 461 - Provide exemption for certain owner-occupied residential property owned by persons 67 or older

# Proposed Property Tax Legislation 2025 – Direct Relief and System Reform

Bills in this category provide communities with new revenue from sources other than property taxes. Some would allow residents to vote on a tourist tax or would reallocate existing tourism revenue from the state to the local communities. Some of these bills also provide tax relief to property owners or renters in the form of an income tax credit or similar refund.

## **Direct Relief - Active**

- HB 154 - Establish a housing fairness tax credit
- SB 434 - Provide property tax rebate on principal residence based on taxes paid

## **System Reform and New Revenue - Active**

- HB 489 - Revise sales tax laws to provide for local option tax
- SB 90 - Redistribute certain state tax revenue to primary residence property tax relief

## **Failed**

- HB 21 - Establish a Montana workforce housing tax credit – died
- SB 173 - Provide income tax relief for property taxes paid
- HB 306 - Provide tax credit to landlords that rent for below market rate
- SB 225 - Provide income tax credit for renters

## 2025 Appraisal Notice

Property Classification	Acres/ Quantity	Previous Assessed Value	Current Assessed Value	Previous Taxable Value	Current Taxable Value	Prior Year Millage Rate	Estimated 2025 General Taxes*
HALL TOWNSITE, S13, TO3 S, R07 E, BLOCK 2, LOT 4-7							08-4523-13-7-17-05-0000*
2201 - Residential City or Town Lots	-	-	-	-	-	-	-
3501 - Improvement on Residential City or Town Lots	-	-	-	-	-	-	-
<b>Land and Improvement Value</b>	0.21	289,600	333,040	3,910	4,295	901.40	3,871.51**
<b>Totals</b>		289,600	333,040	3,910	4,295	901.40	3,871.51**

Change in property value from  
January 2022 to January 2024

Estimate based on the total number of mills assessed  
the previous tax year by city, county, and schools.

Department of Revenue mails appraisal notices in June in odd-numbered years. There is a 30-day protest period. Go [directly to the sample form here](#) or navigate from <https://mtrevenue.gov/property/>.



# Property Tax Bill

GENERAL TAX DETAIL			
Levy Description	Amount	Levy Description	Amount
<b>City</b>		<b>Levy Description</b>	<b>Amount</b>
CITY OF MISSOULA GEN FUND	1,139.18	COUNTY SEARCH/RESCUE(Voted)	0.86
<b>County</b>		SEARCH/RESCUE SEELEY(Voted)	0.46
COUNTY AGING SERVICES(Voted)	28.42	COUNTY SUBSTANCE ABUSE FR(Voted)	5.86
COUNTY PUBLIC WORKS BRIDGES	15.30	COUNTY TECHNOLOGY FUND	24.34
CAPITAL IMPROVEMENTS	39.74	COUNTY WEED CONTROL(Voted)	11.36
COMMUNITY & PLANNING SVC	20.82	<b>Total County</b>	<b>972.64</b>
COMMUNITY ASSISTANCE FUND	13.30	<b>Local School</b>	
CHILD CARE PROVIDER TRAINING	1.08	101 MISSOULA ELEM GEN	435.52
DETENTION CENTER	185.20	110 MISSOULA ELEM TRANS	173.90
DISTRICT COURT	10.80	113 MISSOULA ELEM TUITION	40.54
ELECTIONS CENTER	8.70	117 MISSOULA ELEM ADULT ED	2.10
COUNTY EXTENSION SERVICE	8.36	128 MISSOULA ELEM TECH(Voted)	26.84
COUNTY FAIR	10.80	150 MISSOULA ELEM DEBT SVC(Voted)	188.52
COUNTY GENERAL FUND	227.00	161 MISSOULA ELEM BLDG RESERVE	33.86
GRANTS AND COMMUNITY SERVICES	11.82	201 MSLA CO HIGH SCH GEN	201.82
JUDGEMENT LEVY 2019	4.14	210 MSLA CO HIGH SCH TRANS	35.78
JUDGEMENT LEVY 2022	12.88	213 MSLA CO HIGH SCH TUITION	12.00
COUNTY LIBRARY(Voted)	51.06	217 MSLA CO HIGH SCH ADULT ED	4.78
LIBRARY GO BONDS(Voted)	32.80	228 MSLA CO HIGH SCH TECH(Voted)	12.90
LTGO 2017 BONDS(Voted)	3.36	250 MSLA CO HIGH SCH DEBT SV(Voted)	85.34
COUNTY MENTAL HEALTH TREATME	1.78	281 MSLA CO HIGH SCH BLDG RES	17.16
COUNTY HISTORICAL MUSEUM(Voted)	11.36	RETIREMENT-ELEMENTARY	125.30
COUNTY PARKS & RECREATION(Voted)	18.24	RETIREMENT-HIGH SCHOOL	89.82
COUNTY PERMISSIVE MEDICAL LEVY	63.62	TRANSPORTATION - H/SELEM	11.76
COUNTY/CITY PLANNING	10.88	<b>Total Local School</b>	<b>1,487.72</b>
COUNTY PROP & LIAB INS.	19.78	<b>Special Districts</b>	
COUNTY PUBLIC SAFETY FUND	126.88	MSLA URBAN TRANS DIST**	307.78
COMMUNITY JUSTICE DEPARTMENT	11.68	<b>State School</b>	
		STATE ELEM EQUALIZATION	153.50

Description	Code	1st Half	2nd Half
CPRK CITY PARK DIST.	CPRK	117.00	117.00
CRD CITY ROAD DIST.	CRD	125.00	125.00
FT MSLA PARKS OPEN SPACE(Voted)	FMRP	21.38	21.37
MISSOULA IRRIGATION DISTR	IMIS	17.00	17.00
ROSP COUNTY OPEN SPACE(Voted)	ROSP	3.07	3.07
SOC SOIL CONSERV. DIST.	SOC	2.96	2.95
WQD WATER QUAL DIST.	WQD	11.98	0.00
<b>TOTAL SPECIAL ASSESSMENTS</b>		<b>298.39</b>	<b>286.39</b>


General Taxes	District	Mill Levy	1st Half	2nd Half
DISTRICT 1.1	1.1	772.5000	2,195.83	2,195.83
<b>TOTAL TAXES DUE CURRENT YEAR:</b>				<b>\$4,976.44</b>

This portion of the tax bill is based on the taxable value of the property. Each jurisdiction (city, county, and schools) levies a specific number of mills, which is multiplied by the property's taxable value.

Special assessments include the city road and park districts, special improvement districts such as street or sewer projects, sidewalk projects, water quality district, and voted bonds such as open space. Some are a flat dollar amount for all properties and others are based on the taxable value.

Enroll in Missoula County tax notifications at [taxreminders.us](http://taxreminders.us)

Online check payments are free at [missoulataxes.us](http://missoulataxes.us) Credit/debit card payments incur a flat fee of \$1.25 plus 1.995% processing fee.



**Missoula County Treasurer**  
Tyler R Gernant  
200 West Broadway Street  
Missoula, MT 59802

**2023 REAL ESTATE  
STATEMENT OF TAXES PAYABLE**

**TOTAL 2023 TAXES DUE: \$4,976.44**

Temp Return Service Requested

MISSOULA MT 59803-1125

**PARCEL #: 4084720 STATEMENT#: 33083**

Property Location: 2101 BRIGGS ST  
Legal Description: (1) 04-2093-06-1-18-15-0000  
Sec:06 Twn:12 N Rng:19 W  
SUBDIV:BRG - Added By CSA During Conversion LO  
BRIGGS COURT, S06, T12 N, R19 W, Lot 15

Valuation Type	Market Value	Taxable Value
Real Estate	112,097	1,513
Improvements	309,003	4,172
Personal Property	0	0
<b>TOTAL</b>	<b>421,100</b>	<b>5,685</b>

Billing date: 10/29/2023

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<b>TOTAL SPECIAL ASSESSMENTS</b>		<b>298.39</b>	<b>286.39</b>
This property may qualify for a Property Tax Assistance Program. This may include: Intangible Land Value Assistance, Property Tax Assistance, Disabled or Deceased Veteran's Residential Exemption, and/or Elderly Homeowner's Tax Credit. Contact the Department of Revenue at (408)329-1400 for further information.			
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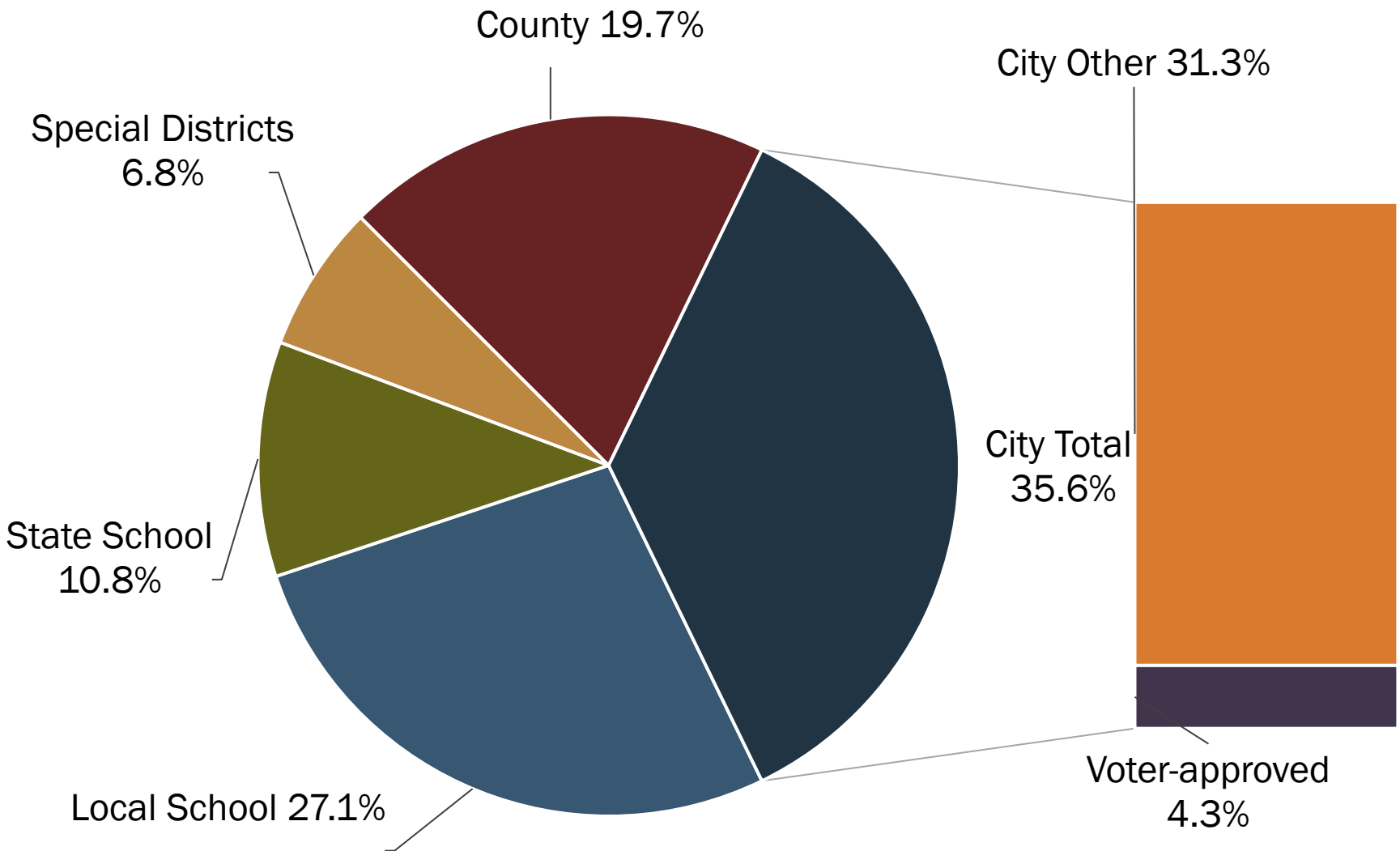
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$772.5 \text{ mills} \times \$5,685 \text{ taxable value} \div 1,000 = \$4,391.66$

Taxable value and market value are determined by the State of Montana Department of Revenue.

# Missoula Property Tax Distribution



- City includes City general fund, road and park districts, and the fire levy passed in 2024
  - Voter-approved levies for the City include Conservation Lands Management, voted general obligation bond, and Fire Levy
- Special districts include Mountain Line Urban Transportation District, Soil Conservation District, and Water Quality District
- County includes the library, Fort Missoula, and Open Space bonds
- For state school, 93% is for equalization levies and 7% is for the University and vo-tech

# Tax and Assessment Funded Categories

General Fund Taxes

Park District

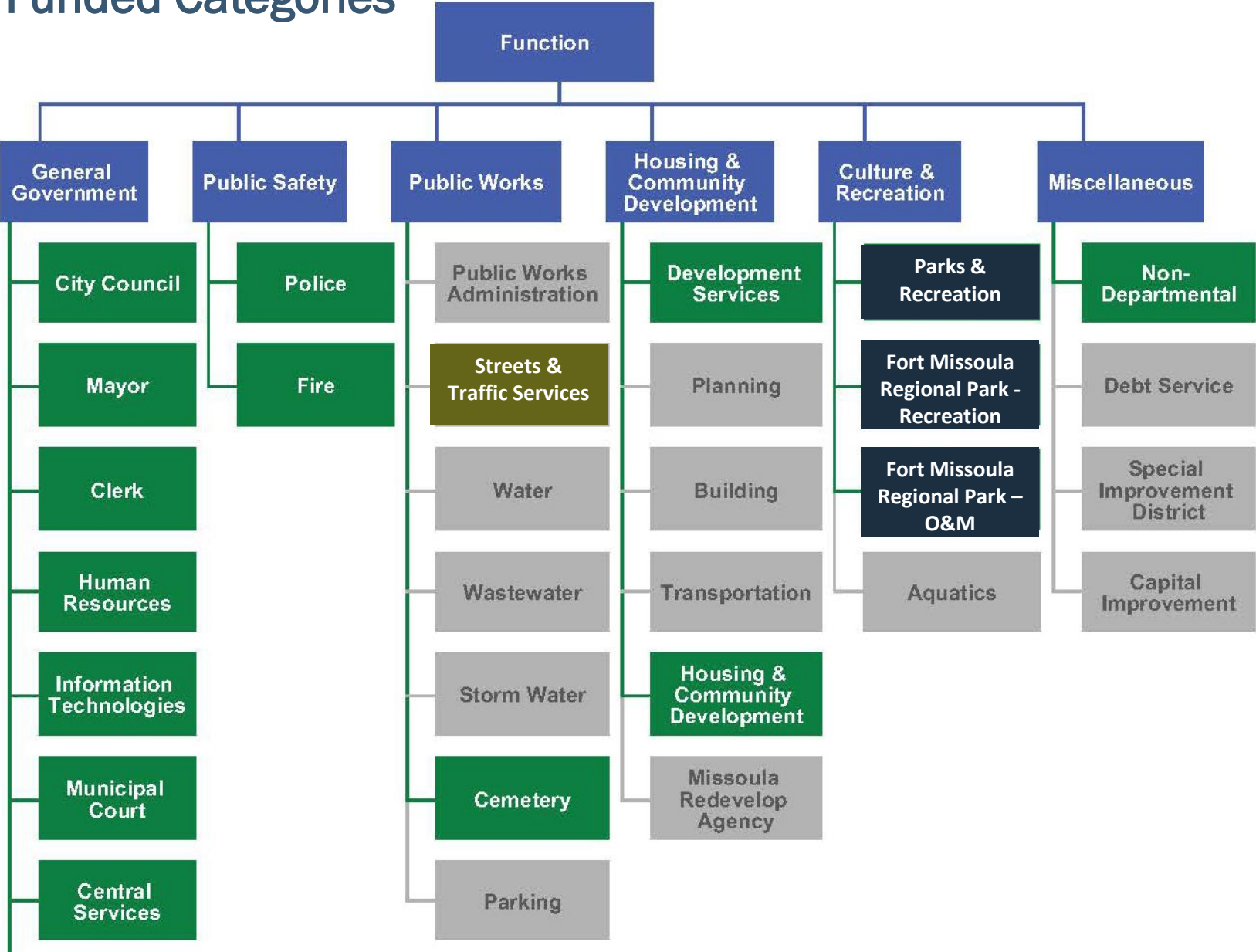
Road District

Finance

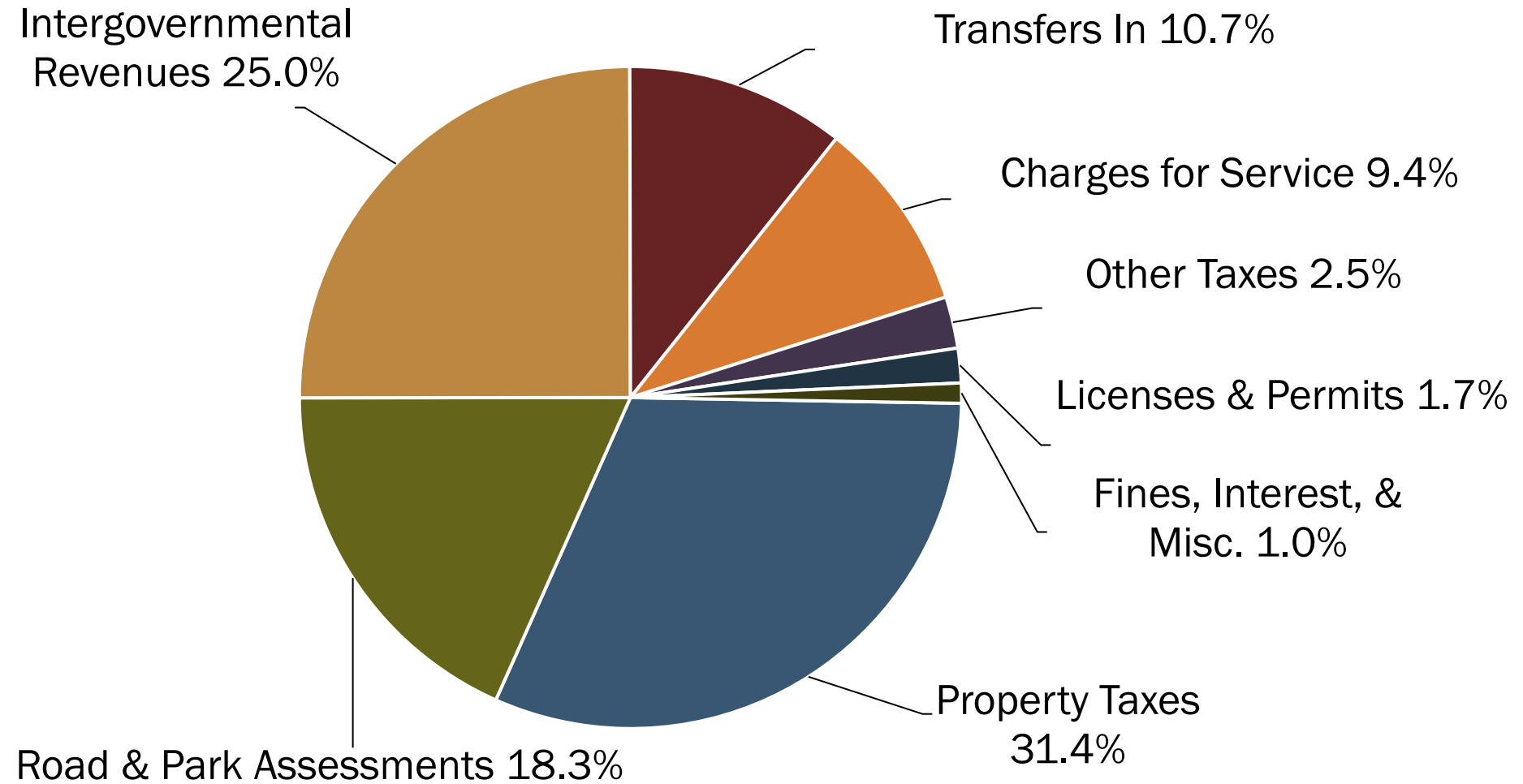
Attorney

Facility Maintenance

Fleet Maintenance

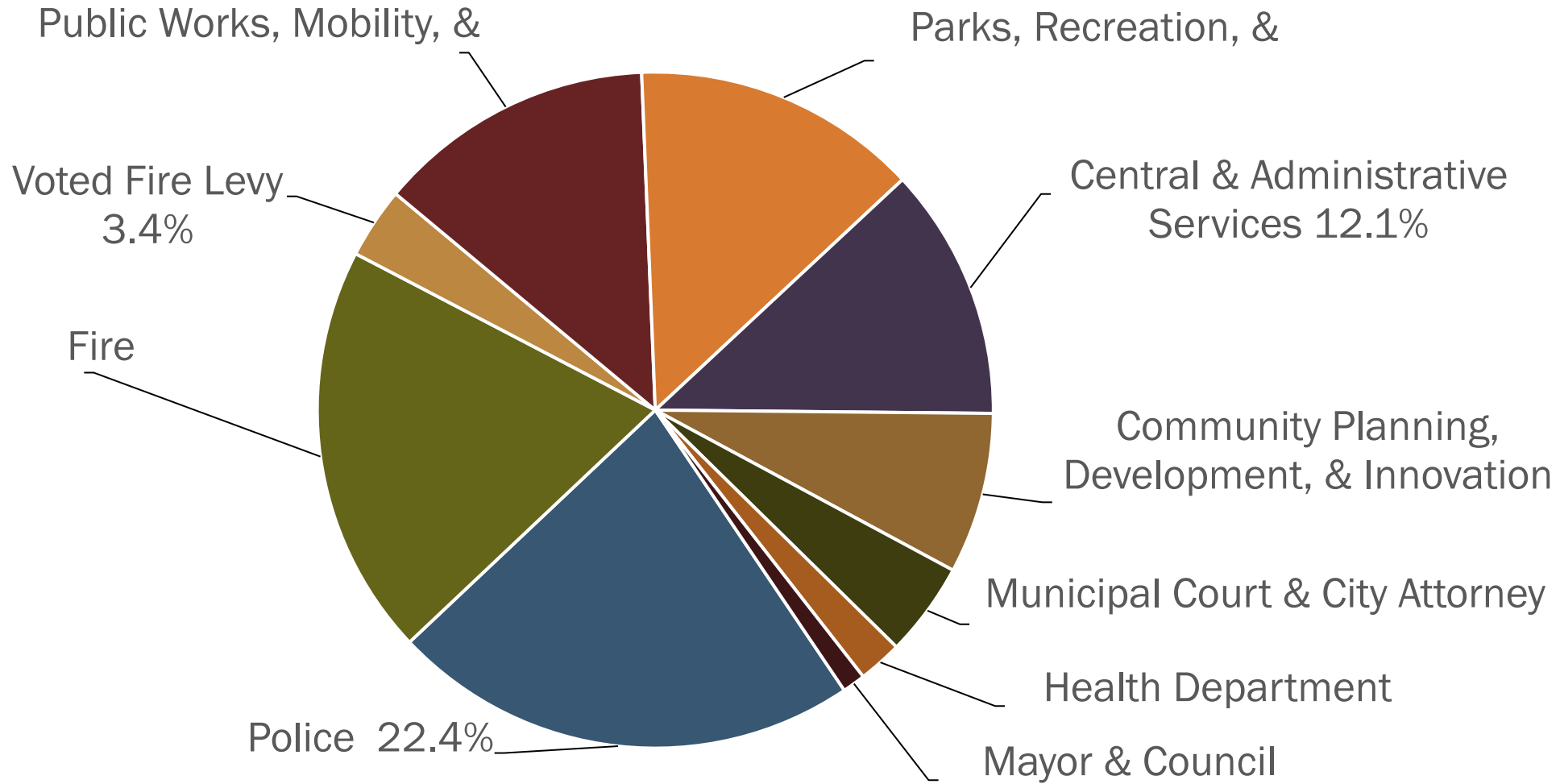


## FY 2025 General Fund, Road & Park District Revenues



Revenue \$114,285,557

# FY 2025 Tax & Assessment Expenditures



Expenditures \$117,379,676

Source: City of Missoula Finance Department



# City Budget Process

## Roles and Responsibilities (from City Charter)

- **Mayor:** Presents a budget for City Council's consideration and approval.
- **City Council:** Reviews Mayor's budget, adopts amendments, adopts the budget and levies the necessary taxes and fees.

## Schedule

- **Spring:** Departments present interim FY25 budget information to the City Council Budget and Finance Committee. These presentations set the stage for the upcoming budget season.
- **May and June:** Departments present FY26 draft budgets and new request proposals to City Council Budget and Finance Committee.
- **July:** Mayor presents strategic priorities and executive budget. Public hearing opens and City Council deliberations begin.
- **August:** Department of Revenue provides Certified Taxable Values (revenue numbers) on the first Monday in August. City Council deliberates and adopts a budget by mid-August.

# Inflation Pressure – Cost of Street Materials



**89%**

More in 2022  
than in 2019



Dwelling Units  
Permitted



**66%**

Since 2021

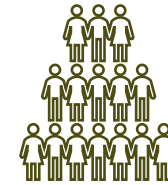


Cost per Linear Foot of  
Water Main



**13.7%**

Since 2020



Average Cost of Living  
Adjustment in Western Region  
(Department of Labor)



**72%**

Since 2017



Emulsified Asphalt



**53%**

Since 2020

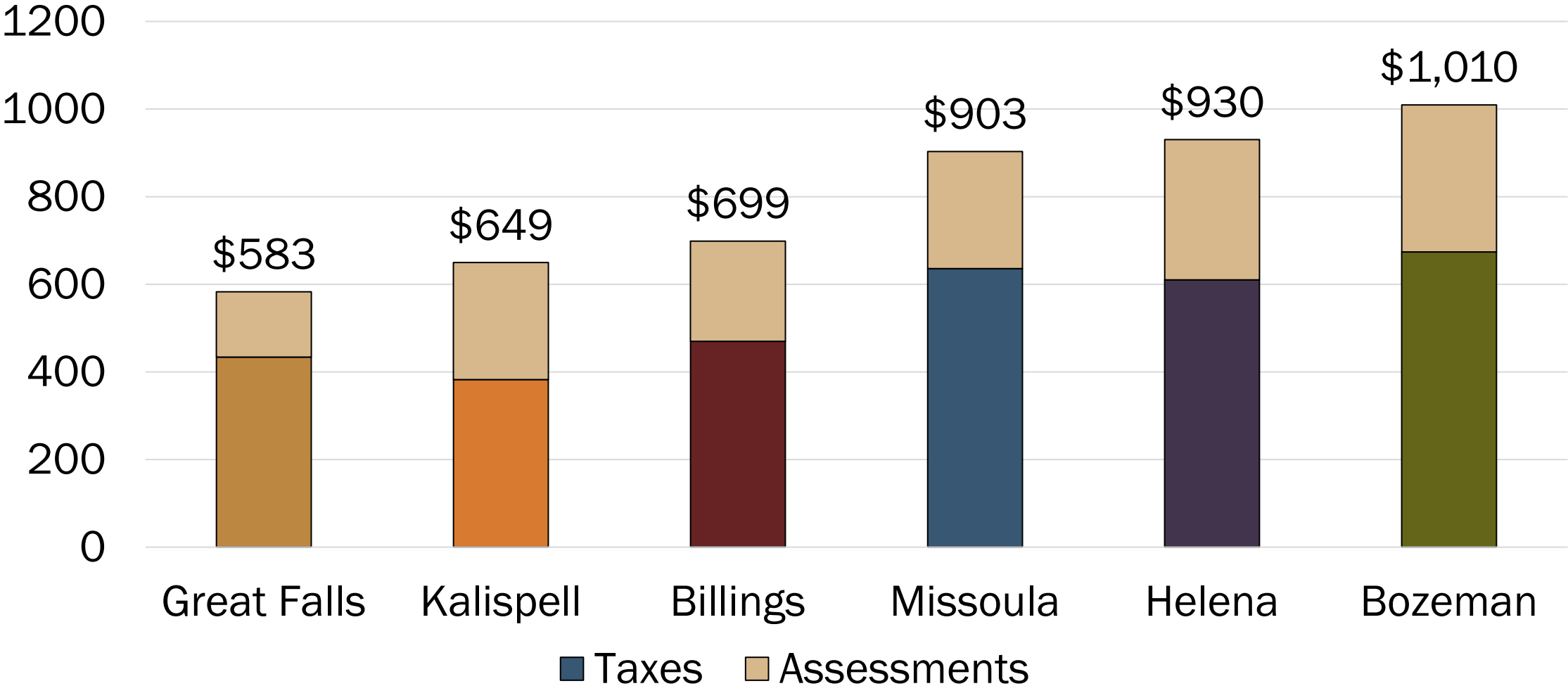


Fire Truck Purchase



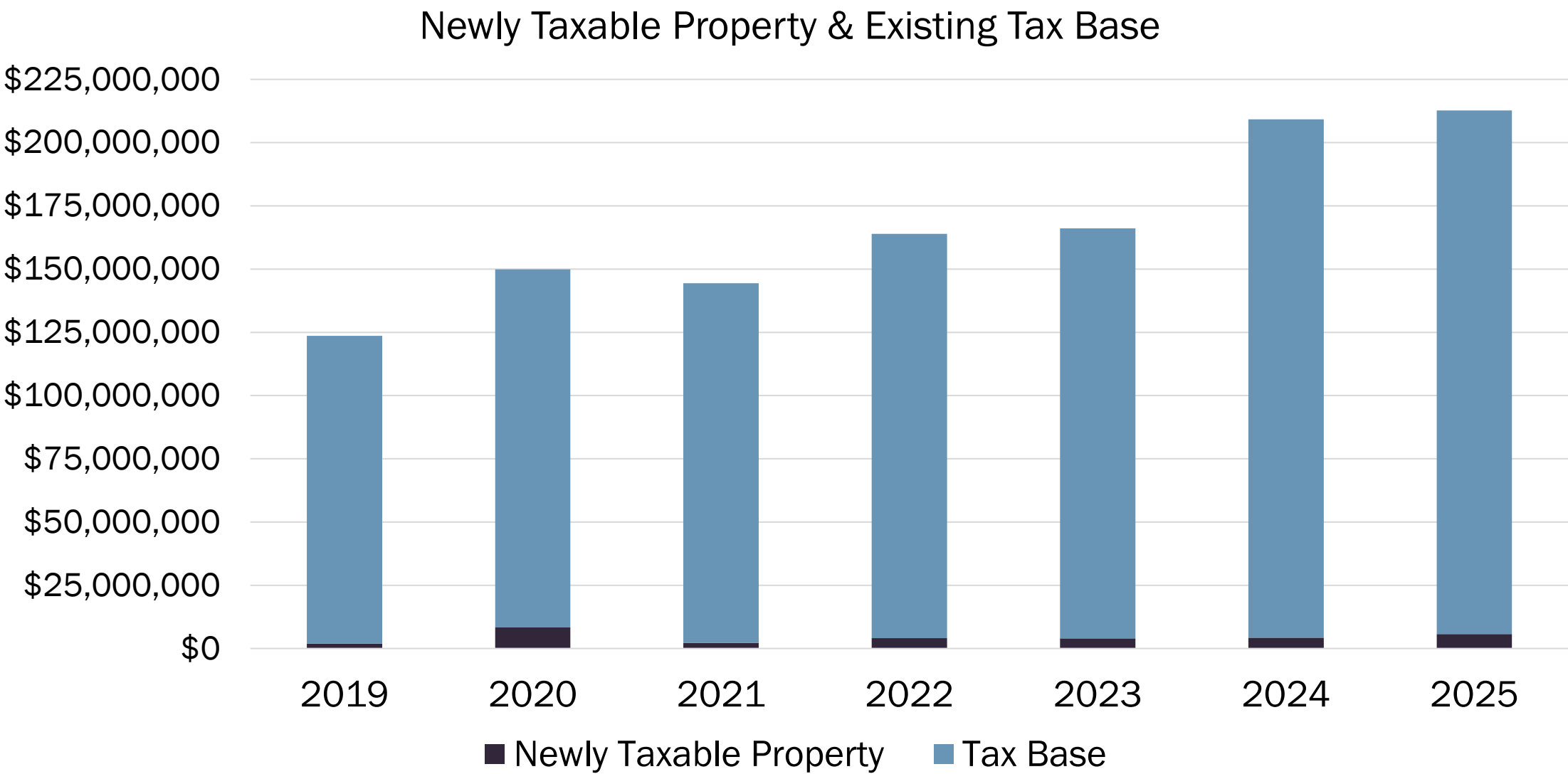
# Major City Comparisons

## FY25 Revenue Per Capita



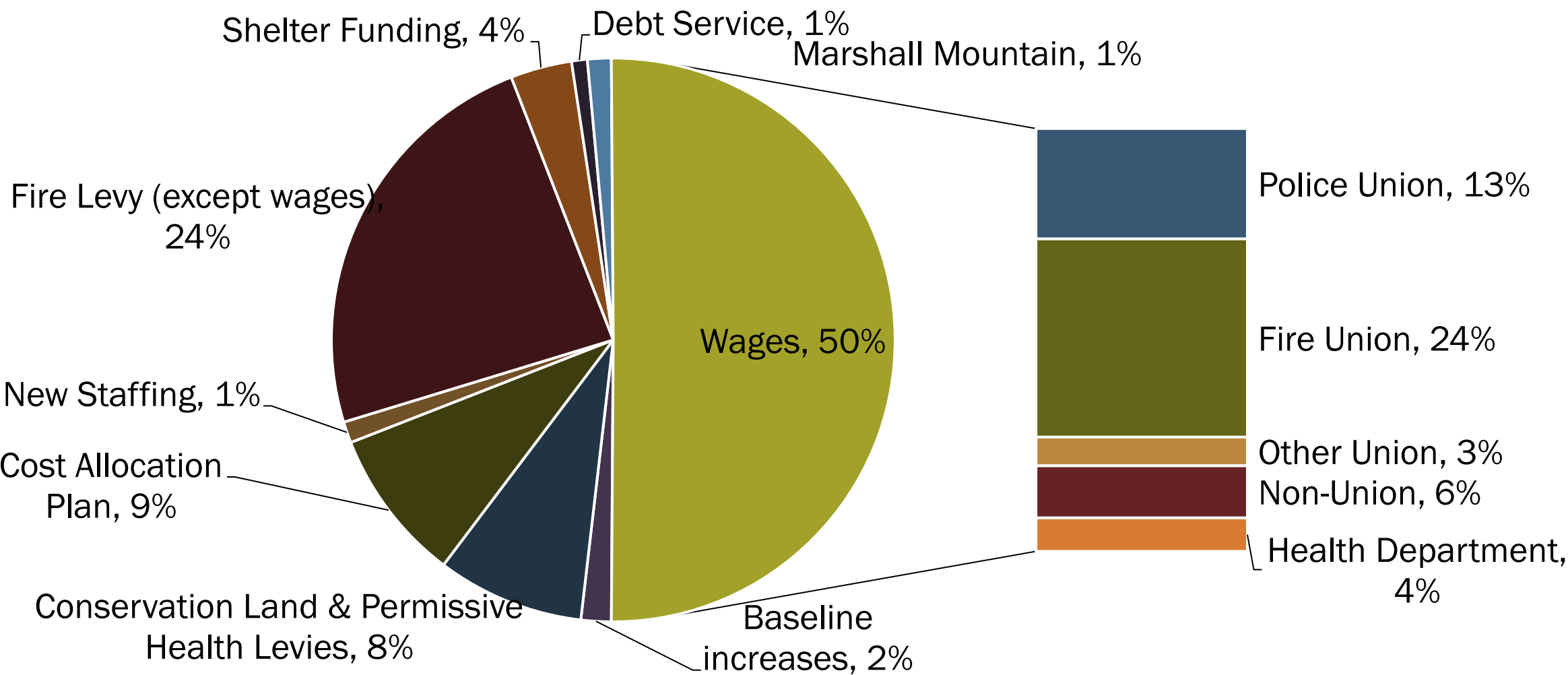
Source: City of Missoula Finance Department

# Value of Newly Taxable Property



# Tax & Assessment Increase

For fiscal year 2025, the City’s total increase in taxes and assessments is \$11.2 million. This chart shows how that increase is allocated.



# Budgeting into the Future – Data-Driven Decision-Making

## Program Inventories

- First used for FY25
- Program description & how it fits into City’s strategic goals; whether the program is mandated by state, federal, or City requirements; whether demand is decreasing or increasing’ etc.
- Program costs, funding sources, and offsetting revenue

## Metrics and Data

- Gathering data for all programs and using it to drive decision-making
- Fire data was used to support need for 2024 levy – we weren’t meeting nationwide standards for response times

NFPA 1710 Response Time Standards		
Benchmarks	Response Objectives (NFPA 1710)	MFD Times 2022
Turnout Time - Fire	80 seconds (1:20 minute/seconds)	1:23
Turnout Time - EMS	60 seconds (1:00 minute)	1:13
First Due Engine	240 seconds (4:00 minutes) 90% of the time	6:16
Second Due Engine	360 seconds (6:00 minutes) 90% of the time	10:19
Initial Full Alarm (Low/Medium Hazard)	480 seconds (8:00 minutes) 90% of the time	9:12

# Questions & Discussion

