

Cap Montana Property Taxes.

Constitutional Initiative **(CI-121)** caps Montana residential property taxes and limits its growth. It moves Montana residential property to an **'Acquisition-Value'** property tax system and is capped at **1%**, with **2019** being the basis year for appraisal value.

Current Montana residential property tax system

Montana residential property taxes are based on three components - the value of the property (reappraised & reassessed **every two years**), multiplied by the tax rate, and then divided by the number of mills levied in that tax levy district. This gives you the effective tax rate.

Many Montanans saw a 30%+ increase in their residential property taxes this past year, with an even bigger increase coming due to the pandemic real estate boom for Montana.

CI-121 (Yes)

All Montana residential property owners have seen their tax burdens go up much faster than the rate of inflation. CI-121's fiscal note shows a \$175M residential property tax increase coming by 2025.

The dramatic increases are caused from how current Montana law 'values' the property, and secondarily because there is no effective rate tax cap.

CI-121 amends the Montana Constitution, moving to an 'Acquisition-Value' property tax system for residential property, with 2019 being the basis or starting year for appraisal value.

This means no reappraisal of the property **every two years**. Residential property is only reappraised & reassessed when a property changes ownership (sold) or if it's significantly improved.

Property taxes do go up every year, but only by the standard rate of inflation or 2%, whichever is less.

In addition, CI-121 caps the effective residential property tax rate at 1%, which ultimately means there are no workarounds which could lead to higher than 1% effective residential property tax rates.

Top 10 reasons to support CI-121

- #1** - Rolls back tax valuations to 2019 – before COVID and a torrent of out-of-state money distorted property values.
- #2** - Caps property taxes rates on residences at 1% and limits annual increases in assessed valuations to 2% or the inflation rate, whichever is lower.
- #3** - Saves Montanans \$175 million annually on excess property taxes - with much of those benefits going towards homeowners on fixed incomes.
- #4** - Provides predictability for homebuyers trying to calculate their mortgage and property tax payments.
- #5** - Does not cut funding to schools, police, and fire departments – only slows down the rate of growth of revenues.
- #6** - Benefits renters by eliminating huge property tax increases that landlords pass on to them
- #7** - Rewards homeowners who stay in their homes long-term and build real neighborhoods.
- #8** - Penalizes speculators, out-of-state investors, and “flippers.”
- #9** - Saves taxpayer dollars by eliminating most of the need for appraisals by the State.
- #10** - Provides the Montana Legislature with the authority to provide similar tax relief to all property classes, not just residences.