

CONSERVATIVE REFORMS

Providing Property Tax Relief to Montanans (HB 222)

The Challenge

Montana homeowners are rightfully concerned about the rising property taxes they pay. Their property taxes are too high, and too often the strain of rising property taxes is forcing some Montanans to consider selling the home they've owned and lived in for decades.

The state receives only a small fraction of property taxes, with the overwhelming majority going to local jurisdictions to fund schools, law enforcement, and roads. Unfortunately, some jurisdictions have been spending at a rate far higher than inflation and population growth, leading to out-of-control property tax increases.

According to the Tax Foundation, Montana [ranks](#) 19th in the nation in terms of state and local property taxes collected per capita, at \$1,717 per person.

The Solution

Coupled with long-term reforms to increase transparency and accountability and to ease the burden of property taxes on Montanans, policymakers should provide property tax rebates to Montanans for their primary residence.

The governor's proposed budget provides Montanans with up to \$1,000 in property tax rebates in both 2023 and 2024 through direct payments from the state. Sponsored by Rep. Tom Welch, R-Dillon, HB 222 would do just that. The \$500 million proposal represents the largest property tax relief package in state history.

At least 20 states are offering tax rebates and credits to help residents with rising prices and inflation at highs not seen in 40 years. Homeowners in New Jersey may receive up to \$1,500 in a one-time rebate. In New York, homeowners are receiving a property tax rebate of up to \$1,050.

The proposed \$2,000 property tax rebate in Montana, \$1,000 for both 2023 and 2024, represents the largest state-administered tax rebate in the country.

The Beneficiaries

Providing up to \$1,000 in direct property tax relief for Montanans for their primary residences in both 2023 and 2024 would directly benefit those who are seeing their property taxes rise and who are struggling to pay them.

The Conservative Principle in Practice

Conservatives generally believe individuals should keep more of what they earn and that government at all levels should limit spending to live within its means. Conservatives generally believe public policy should be designed to keep an individual's tax burden as low as possible.

The Champion

Representative Tom Welch, R-Dillon, has introduced legislation (HB 222) to provide Montana homeowners with \$1,000 property rebates for their primary residence in both 2023 and 2024.

The following stakeholders support HB 222 to provide Montana homeowners with substantial property tax relief through a rebate:

Montana Chamber of Commerce
AARP Montana
Montana Association of Realtors
Montana Housing Coalition

Montana Association of Counties
Montana League of Cities and Towns
Montana Coal Council
Montana Infrastructure Coalition

Localize It and Personalize It

The nearby table includes information on the average home value and property tax bill in each Montana county for tax years 2022 and 2023. The table also identifies how much a \$1,000 rebate each year would reduce property taxes for the average homeowner in each county.

Response to Common Arguments

Charge: Providing Montana property taxpayers with a \$1,000 property tax rebate for their primary residence in 2023 and 2024 is not enough.

Response: The \$500 million proposal is the largest property tax cut measure in state history and the largest one-time tax rebate or credit of any state in the nation. With a property tax rebate of \$1,000 in the first of two years, the average Montana

homeowner would see property taxes cut more than 50% in 46 of 56 counties, more than two-thirds in 37 counties, and 100% in 18 counties.

Charge: Montanans who rent should receive a rebate to help with rental housing.

Response: Montana renters, who have faced financial hardship and are at risk of housing instability, have received approximately \$110 million since April 2021 from the Montana Emergency Rental Assistance Program. Appropriated by the 67th Montana Legislature, the program assists eligible renters with past due and future rent and utility services, including home energy and internet service.

Charge: All Montanans should receive a rebate check – not just Montana property taxpayers for their primary residence.

Response: The budget proposal provides \$1 billion in tax relief for Montanans, including \$500 million in property tax rebates, up to \$1,000 in both 2023 and 2024, for Montanans for their primary residence. Montana taxpayers at all income levels will see tax relief with the budget's proposed \$500 million in permanent income tax cuts, including cutting the tax rate most income taxpayers pay from 6.5% to 5.9%, providing a refundable child tax credit of \$1,200 for younger kids, and substantially expanding the earned income tax credit to help lower income Montanans who work.

Message Points

- Already too high, Montanans' property taxes keep rising as some local jurisdictions' spending has grown well above the rates of inflation and population growth.
- Rising property taxes should not force someone out of their home, and Montanans need property tax relief, including through a rebate and long-term reforms.
- A \$1,000 property tax rebate in both 2023 and 2024 will help Montanans pay their property tax bills.
- The \$500 million property tax rebate proposal represents the largest property tax cut in state history as well as the largest one-time tax rebate or credit of any state in the nation.

Estimated Property Tax Reduction for Median Homes in 2023, by County

County	Median Home Value	Property Tax Bill	Reduction With \$1,000 Rebate*	Reduction With \$500 Rebate**
Beaverhead	\$221,104	\$1,784	56%	28%
Big Horn	\$121,500	\$1,293	77%	39%
Blaine	\$97,600	\$1,147	87%	44%
Broadwater	\$273,400	\$2,137	47%	23%
Carbon	\$261,300	\$1,749	57%	29%
Carter	\$71,100	\$299	100%	100%
Cascade	\$194,700	\$1,826	55%	27%
Chouteau	\$119,800	\$1,048	95%	48%
Custer	\$146,400	\$1,556	64%	32%
Daniels	\$96,100	\$1,055	95%	47%
Dawson	\$132,600	\$1,404	71%	36%
Deer Lodge	\$131,300	\$1,289	78%	39%
Fallon	\$148,500	\$855	100%	58%
Fergus	\$140,500	\$1,423	70%	35%
Flathead	\$342,400	\$2,580	39%	19%
Gallatin	\$441,900	\$3,270	31%	15%
Garfield	\$114,100	\$896	100%	56%
Glacier	\$99,100	\$1,066	94%	47%
Golden Valley	\$93,900	\$617	100%	81%
Granite	\$219,098	\$1,496	67%	33%
Hill	\$171,400	\$1,529	65%	33%
Jefferson	\$300,300	\$2,291	44%	22%
Judith Basin	\$101,450	\$559	100%	90%
Lake	\$317,657	\$2,238	45%	22%
Lewis and Clark	\$260,400	\$2,550	39%	20%
Liberty	\$108,900	\$848	100%	59%
Lincoln	\$214,800	\$1,467	68%	34%
Madison	\$379,581	\$1,235	81%	40%
McCone	\$95,100	\$924	100%	54%
Meagher	\$175,046	\$1,404	71%	36%
Mineral	\$208,600	\$1,856	54%	27%
Missoula	\$328,100	\$3,666	27%	14%
Musselshell	\$115,355	\$853	100%	59%
Park	\$333,777	\$2,050	49%	24%
Petroleum	\$75,250	\$786	100%	64%
Phillips	\$120,700	\$1,141	88%	44%
Pondera	\$129,100	\$1,177	85%	42%
Powder River	\$119,700	\$716	100%	70%
Powell	\$157,502	\$1,161	86%	43%
Prairie	\$65,800	\$591	100%	85%

County	Median Home Value	Property Tax Bill	Reduction With \$1,000 Rebate	Reduction With \$500 Rebate
Ravalli	\$305,736	\$2,045	49%	24%
Richland	\$208,700	\$1,442	69%	35%
Roosevelt	\$90,000	\$833	100%	60%
Rosebud	\$123,700	\$837	100%	60%
Sanders	\$219,362	\$1,529	65%	33%
Sheridan	\$108,200	\$1,261	79%	40%
Silver Bow	\$150,700	\$1,541	65%	32%
Stillwater	\$260,100	\$1,688	59%	30%
Sweet Grass	\$233,752	\$1,476	68%	34%
Teton	\$170,300	\$1,276	78%	39%
Toole	\$97,000	\$972	100%	51%
Treasure	\$93,900	\$748	100%	67%
Valley	\$107,600	\$948	100%	53%
Wheatland	\$83,100	\$552	100%	91%
Wibaux	\$78,400	\$410	100%	100%
Yellowstone	\$243,800	\$2,246	45%	22%

Taxpayers with a property tax bill less than the rebate amount will receive a rebate to cover 100% of their bill.

**HB 222, as introduced, provides a \$2,000 property tax credit over 2023 and 2024.*

***HB 222, as amended, provides a \$1,000 property tax credit over 2023 and 2024.*

Source: Montana Department of Revenue