

Ballot and Resolution Estimated Impact on Homes Proposal

REVENUE INTERIM COMMITTEE
MEGAN MOORE – JANUARY 2026

2026 PROPERTY TAX CHANGES AFFECT BALLOT REQUIREMENTS

The Revenue Interim Committee agenda for the November 2025 meeting included [information on how ballot and resolution requirements](#) will be impacted by property tax rate changes. Beginning in 2026, the variation in tax rates for residential property will make it difficult to comply with laws requiring an estimate of the impact of voted levies, bonds, and increases in non-voted school district levies.

Stakeholders—including representatives of cities, counties, and school districts—offered input at the November meeting and committee members discussed options. The agenda item concluded with a proposal to require the estimate of the impact on a principal residence of the median market value within the county that qualifies for the homestead reduced tax rate. The committee requested input from interested parties on the proposal.

STAKEHOLDERS GENERALLY AGREE ON USING COUNTY MEDIAN

Committee staff provided draft language amending [15-10-425\(3\)\(b\)](#) to the stakeholders who participated in the November committee meeting and requested input on the concept. The following entities responded to the request for input:

- Bozeman Public Schools (Mike Waterman)
- Montana Association of Counties (MACo, Eric Bryson)
- Montana Association of School Business Officials (MASBO, Shelley Turner)
- Montana League of Cities and Towns (MLCT, Jennifer Olson)
- Department of Revenue (DOR, Tax Policy Research and Property Assessment Division).

The stakeholders generally agreed with using the county median for a residence that qualifies for the homestead reduced tax rate and that the Department of Revenue should calculate it. Opinions differed on whether to recalculate the median annually or every 2 years, with MACo and MLCT preferring an annual calculation and DOR and Bozeman Public Schools suggesting a 2-year calculation.

DOR noted that they already calculate county medians each reappraisal cycle and [post them online](#). They also do not expect the median to change much in the second year of the reappraisal cycle.

DIRECTION REQUESTED FOR MULTICOUNTY DISTRICTS

MASBO requested that the proposal provide direction for multicounty school districts. Two suggested options are:

1. Use the county where the physical office or primary school building is located; or
2. Require an estimate for each county in which the district is located.

This may also be a concern for special districts that cross county boundaries. In those cases, there may not be a physical office or primary building to use for purposes of designating the county median.

OTHER COMMENTS ON COMPLEXITY OF REQUIREMENT TO ESTIMATE IMPACTS

Though there was agreement on using the county median for a residence that qualifies for the homestead reduced tax rate, some commenters focused on the complexity of the requirement to estimate the impact to residences.

Mike Waterman of Bozeman Public Schools indicated that local school officials do not understand how to perform the calculation and gave an example of a 9-year veteran staff contacting him for advice.

The Montana League of Cities and Towns, represented by Jennifer Olson, raised concerns about the timing for spring elections when certified taxable values are not received until August and the applicability of the median to tiered rates that result in non-linear tax impacts.

COMMITTEE SHOULD REVIEW LANGUAGE AND MAKE DECISIONS

The following draft language incorporates stakeholder input in amending [15-10-425\(3\)\(b\)](#) and identifies decision points for the committee. If the committee moves forward with a legislative proposal, staff will provide a comprehensive bill draft that similarly amends [7-7-111\(1\)\(b\)](#), [20-9-116\(2\)\(a\)](#), and [20-9-426\(2\)](#).

1 (b) a statement of the impact of the election on ~~homes valued at \$100,000, \$300,000, and~~
2 ~~\$600,000 in the district and the median market value in the county for a principal residence that qualifies for the~~
3 ~~homestead reduced tax rate~~ in terms of actual dollars in additional property taxes that would be imposed ~~on~~
4 ~~residences with those values~~ if the mill levy were to pass. If the election impacts principal residences in more
5 than one county, the statement of the impact must include [the median market value in each impacted county
6 for a principal residence that qualifies for the homestead reduced tax rate] OR [the median market value in the
7 county where the physical office or primary building is located for a principal residence that qualifies for the
8 homestead reduced tax rate]. The ballot may also include a statement of the impact of the election on homes of
9 any other value in the district, if appropriate. The department of revenue shall calculate the median market
10 value in each county [every year] OR [every 2 years as part of the periodic reappraisal].

What county median value
should be used for
multicounty districts?

How often should DOR
calculate the county median?

Should there be an option to
include other values?