

Montana Association of School Business Officials

Revenue Interim Committee - Key Issues Summary

Presented by Shelley Turner, MASBO Representative

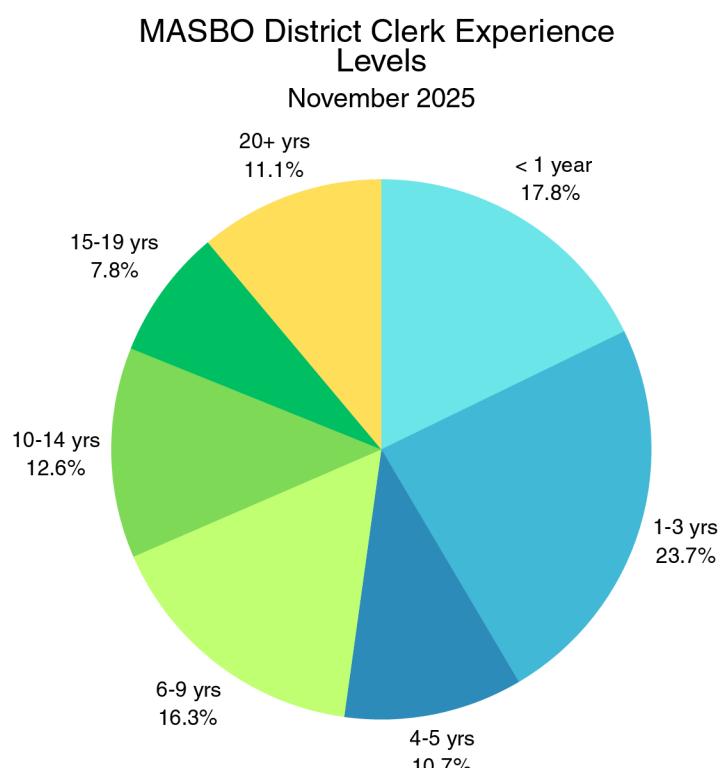
November 12-13, 2025

MASBO represents Montana's school business officials, professionals responsible for managing the fiscal integrity and transparency of our public school districts. Our members strongly support the intent of SB 542 and HB 231 to create a fairer, more affordable, and more transparent property-tax system, but implementation challenges remain. Below are the key issues and data illustrating those challenges.

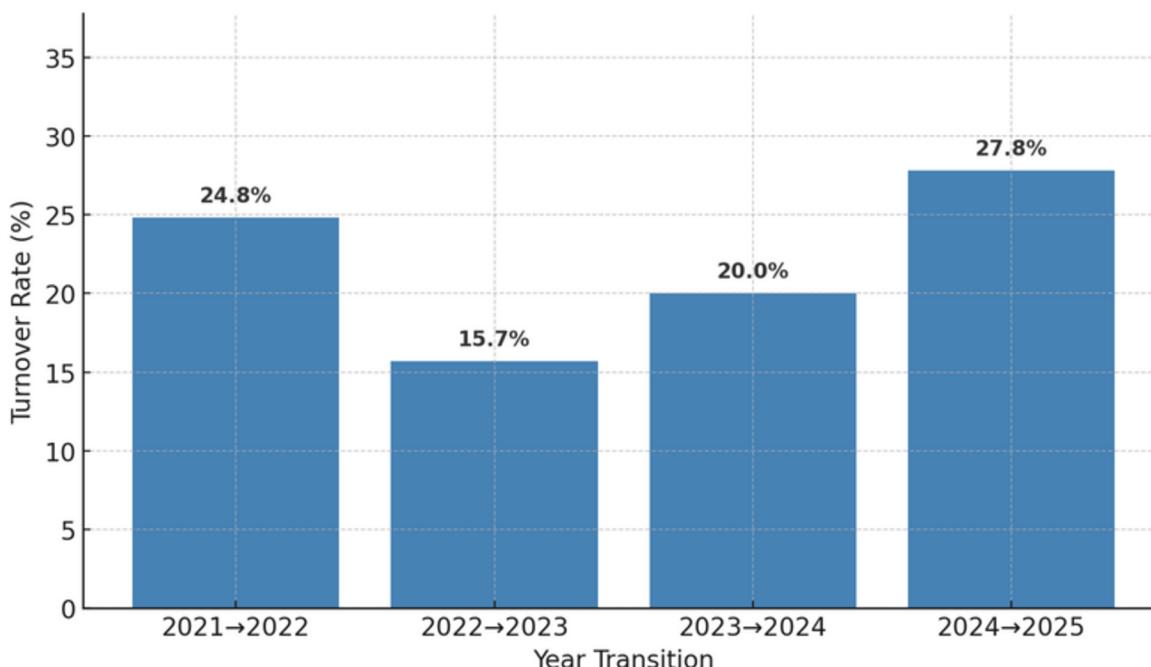
Issue 1: Workforce Capacity & Implementation Strain

More than half (52%) of MASBO members serving in the District Clerk position have less than three years of experience.

High turnover-27.8% for clerks in 2024-25 compounds the difficulty of adapting to yearly tax system changes and implementing new formulas accurately, in conjunction with numerous other legal changes and substantial training requirements.

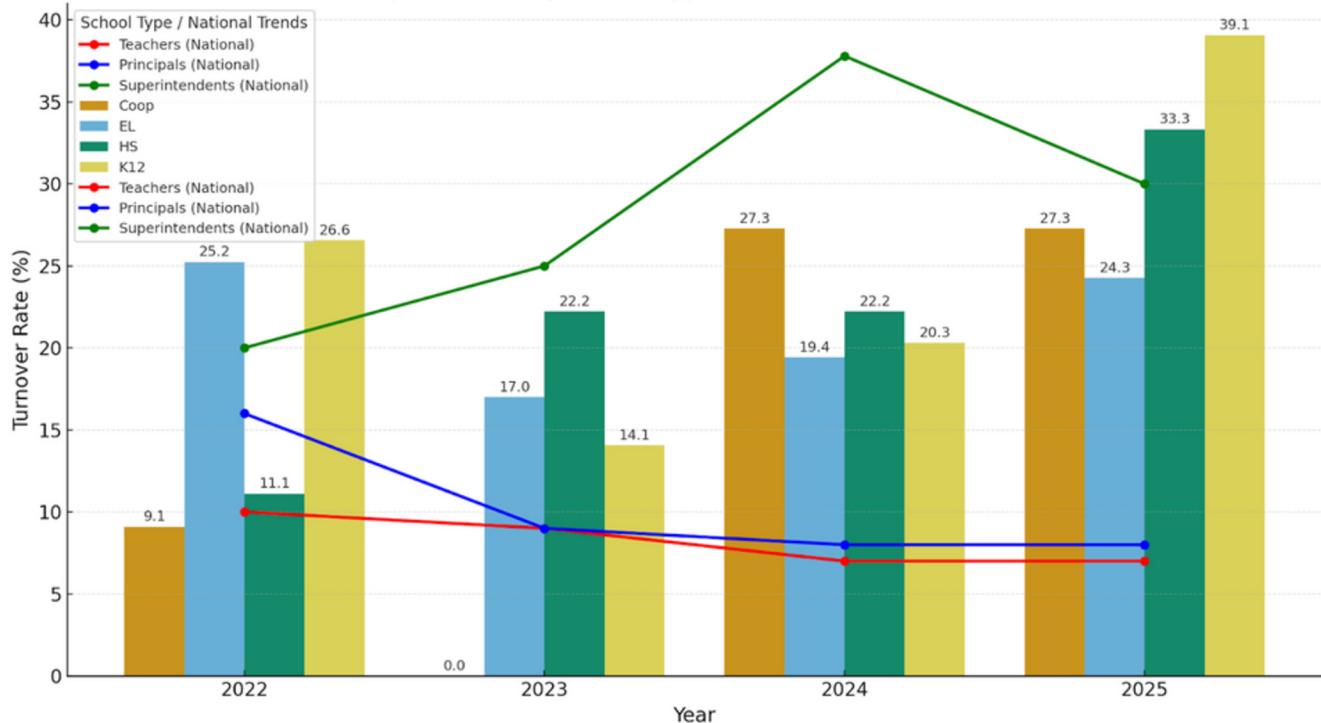


District Clerk Turnover Rates (2021-2025)



Source: MASBO Membership Survey 2025; District Clerk Turnover Analysis 2021-2025

Leadership Turnover by School Type vs National Trends (2022-2025)



Issue 2: Timing Conflict in Permissive Levy Estimates (§20-9-502, MCA)

Districts must publish estimated permissive levies by March 31 each year. However, these estimates rely on prior-year taxable-value formulas. This creates unavoidable mismatches between published estimates and actual tax bills. Additionally, if a District Clerk would like to try to make the estimates more accurate by utilizing more current data, the Department of Revenue's new median home value isn't released until after the March 31st deadline.

MASBO requests that the legislature consider removing the requirement of the SB307 notice of intent to increase or decrease non voted levies since the ability of the districts to create accurate information (while an estimate) is extremely limited due to the substantial formula changes, prior year data usage, and in unavailability of true median home value information to be used in the calculations. Creating data that has no chance of accuracy sets up the district for miscommunication and mistrust with the community it serves.

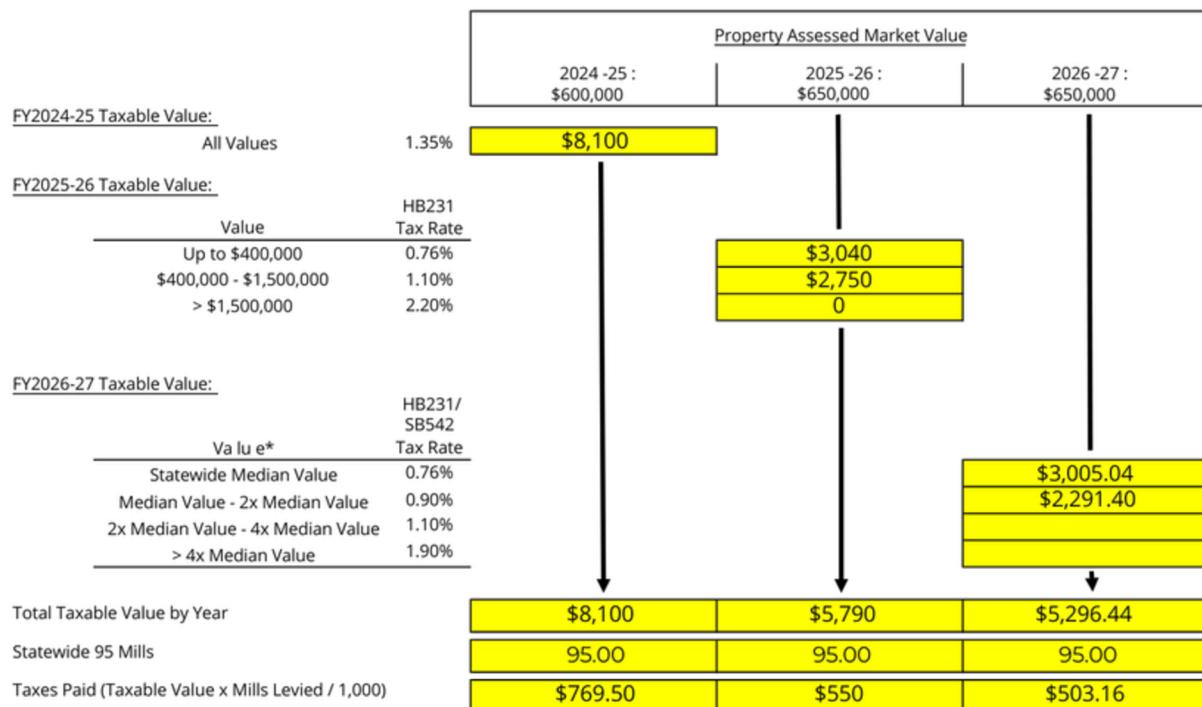
Issue 3: Complexity in FY27 Tax Calculations (HB 231 / SB 542)

Starting FY27, taxable value for residential property is tied to the statewide median home value, introducing a four-tier rate system:

This progressive system is fair in intent but challenging to apply. Clerks must calculate across multiple tiers and publish estimates for not only the notice listed above, but also for levy and bond ballot language, before knowing the new median. Even accurate work can appear inconsistent when estimates differ from actual bills.

Example: Property valued at \$600,000 in 2024/2025, and reassessed to \$650,000 in the 2025/2026 year, which applies to 2026/2027

TAX & TAXABLE VALUE CALCULATIONS
Owner-Occupied & Long-Term Rental Properties - 15-6-134, MCA



* Estimated current statewide median value: \$395,400

MASBO urges clear state guidance, calculation tools, and training to ensure consistent implementation statewide. MASBO asks for possible allocations staffing at the OPI and/or other agencies to implement new guidance documents, training materials and training outreach to not only schools, but also county and state agencies involved in these changes.

Key Takeaway

MASBO fully supports Montana's efforts to modernize its tax system and make a fair and affordable system for our taxpayers. Personally, I am a fourth generation Montanan, and appreciate this more than you can know. However, predictability, training, and aligned data releases are critical for successful implementation. Stability benefits both taxpayers and the schools that serve them.