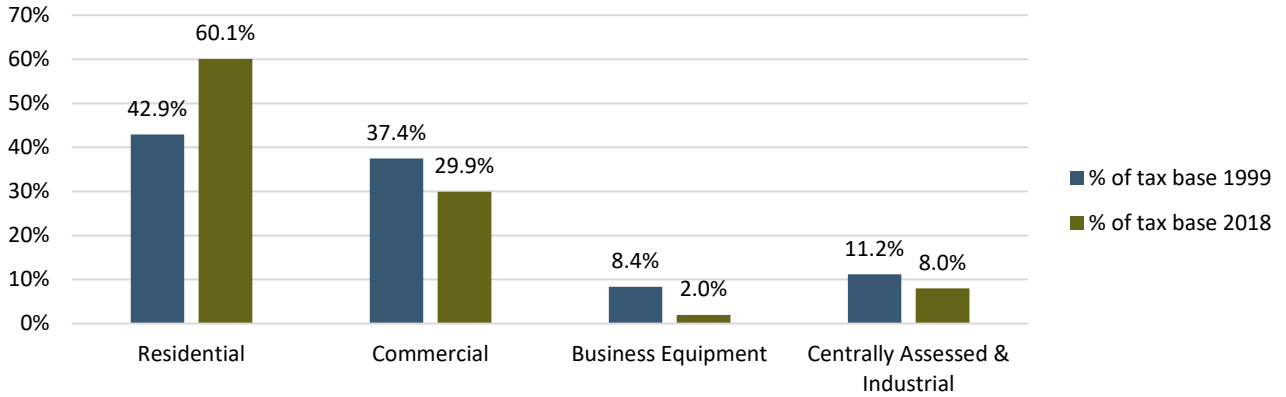


The Case for Property Tax Reform and New Revenues for Local Governments



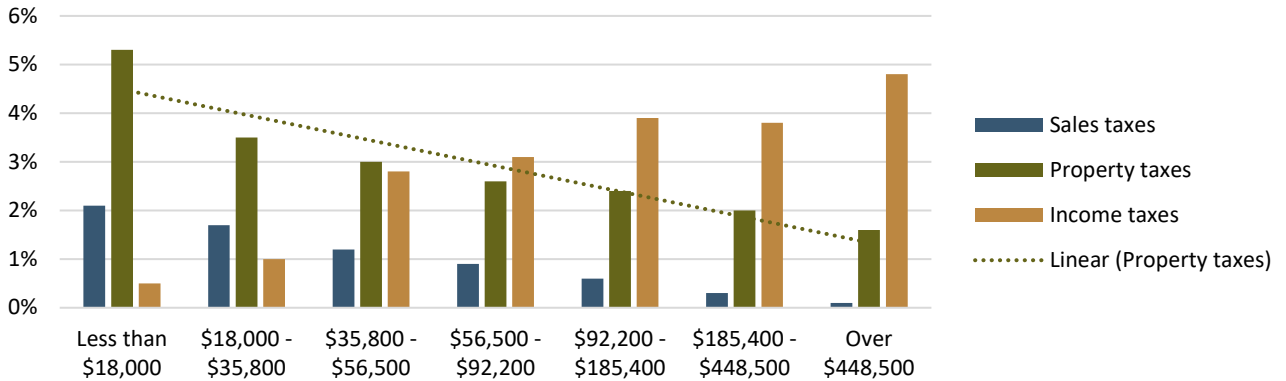
The current property tax system was created for a time and economy that no longer exist. Local governments need a more diverse revenue stream that more closely reflects today's economy.

The property tax base has shifted to residential property over the past 20 years:



The property tax system is more regressive than other forms of taxes:

Montana Taxes as Percentage of Income

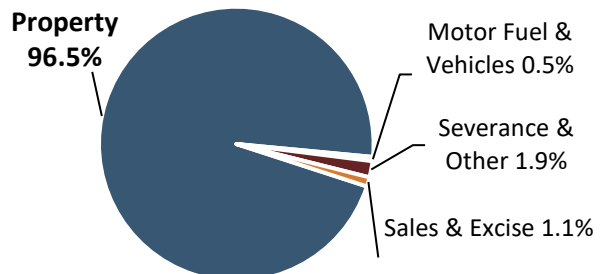
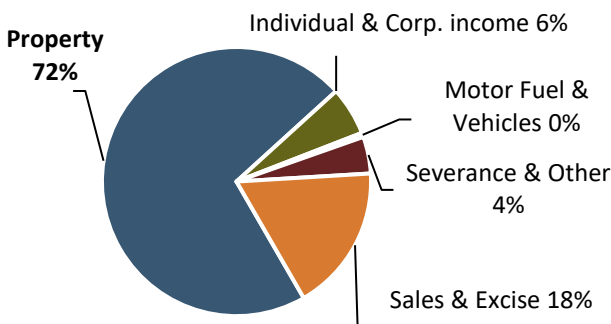


*Montana Budget & Policy Center

Montana is an outlier among peer states for local government revenue sources:

All U.S. Local Governments

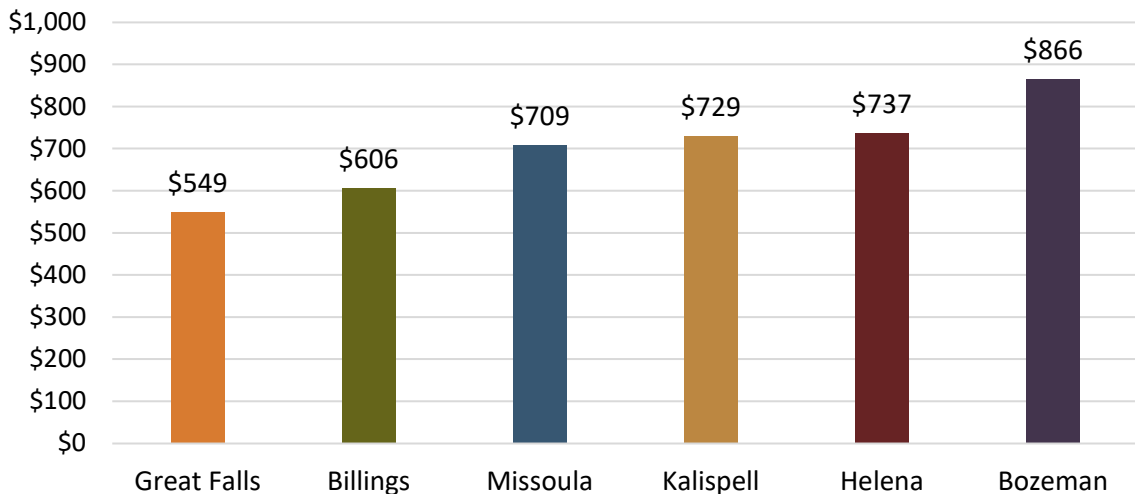
Montana Local Governments



*Montana 2021 HJ 36 Study Resolution

Heavy reliance on property taxes and property-based assessments is a statewide problem. The level of property taxes and assessments are similar across Montana cities:

Fiscal Year 23 Revenue Per Capita



Missoula supports efforts to allow local governments the ability to ask their voters for alternative revenue solutions such as a local option tourist tax.

- Montana “resort” communities such as Whitefish, St. Regis, West Yellowstone, and Big Sky use local option sales taxes to great benefit to local budgets and property tax rebates to their constituents.
- Any local option tax should provide for meaningful property tax relief.
- The following chart shows the spending patterns and revenue potential in Missoula County from out-of-state visitors only:

Expenditures	Out-of-State Visitor Spending	3% Local Option Tax
Hotel, Motel, B&B	\$48,576,000	\$1,457,280
Outfitter, Guide	\$15,610,000	\$468,300
Rental Cabin	\$3,355,000	\$100,650
Restaurant, Bar	\$59,563,000	\$1,786,890
Campground	\$2,688,000	\$80,640
Total	\$129,792,000	\$3,893,760

**2021 data from Institute for Tourism & Recreation Research*

