

Chair and members of the committee, thank you for the opportunity to speak today.

My name is Mitch Price, and I am here today on behalf of my neighbors and the personal property taxpayers of Montana.

Firstly, we seek reforms to improve the transparency of property tax statements statewide.

Property tax statements should clearly separate land value from improvement value and plainly show how each is taxed, including taxable value percentages and mill levies. Currently, the only way to determine the property tax amount for the land value assessment is to contact the Department of Revenue. In speaking with DOR, the representative disclosed to me that this information exists only in the DOR database and is not otherwise available to the property taxpayer. The precise formula and data utilized should be included in the statement to clearly illustrate how the land value and improvement value combined equal the total property tax obligation and how it was calculated.

Including the previous assessment calculations would also provide the taxpayer with a crystal-clear understanding of any changes from the previous assessment.

Secondly, I would like to address taxpayer protections.

One of the frustrations of property taxes in general is the arbitrary assessment process that results in taxes on an unappreciated asset.

Montana currently provides limited protection against sharp year-over-year valuation increases on our unappreciated assets driven by assessment models. As a result, homeowners can face dramatic tax shifts with little ability to understand how those values were derived.

The 84-year-old mother of a friend of mine, on a fixed income and who has lived on her property her entire life, was subjected to a 100% increase. How can someone on a fixed income afford and plan for such an increase? Especially when the first half is due within weeks of receipt of the statement.

My own land valuation increased 281%. Meanwhile, neighboring parcels located only a short distance away remain valued at a fraction of those amounts despite sharing similar geography, access, zoning, and residential use.

When we vote on bond issues, we are voting for a tangible benefit. For example, road or school improvements. From a reciprocity perspective, what additional services or benefits do we receive for our 100% and 281% property tax increases? There has been no increase in sheriff patrols; we are still on septic; we still pay to plow and maintain our community roads.

As your constituent, I do not believe that when the property tax statute was revised, any elected member here today intended to impose a 100% increase on an 84-year-old on a fixed income, or in my case, a 281% increase, but that is indeed what has occurred. Reform is needed.

Other states have adopted safeguards to prevent sudden and disproportionate tax burdens through structural protections and targeted relief.

South Carolina and Virginia provide tax freezes or deferrals, age-based exemptions, and targeted relief. For example, where my brother lives in Virginia, regardless of the amount of an increase in assessed value, the government limits his out-of-pocket property tax increase to 1% a year.

California and Florida limit annual assessment growth.

Texas combines exemptions, assessment caps, and senior tax freezes.

New York and Massachusetts limit annual levy increases.

Even states that rely on local control often provide mechanisms to stabilize tax burdens.

Please consider incorporating similar protections in Montana.

Lastly, 2.8 million passengers travel to and from the Bozeman Airport every year. It is reasonable to assume that 90% of them are not Montana residents. These 2.5 million non-residents use our roads, water, and sewage systems, as well as our emergency services. I recognize that many in Montana have no appetite for a state sales tax. The best I can tell, usage

taxes on things like hotels and rental cars are directed to state tourism. I have no issue with supporting tourism, but I have two questions: Are we leaving 2.5 million sources of potential infrastructure funding on the table, and second, why are Montana taxpayers alone subsidizing services for these 2.5 million visitors?

Public confidence in the property tax system depends on fairness, consistency, and transparency. We ask this committee to review these practices carefully and consider reforms that provide Montana personal property owners with robust protection against disproportionate increases, greater transparency in property tax statements, and the consideration of non-resident travelers as an additional revenue source.

I also have hard copies to share with you that provide more detailed summaries of how other states reduce property tax burdens and my statement today.

Thank you for your time and consideration.

Mitch Price