Property Tax and School Funding Lunch and Learns

- **Oct. 23**: 2025-2026 Property Tax Changes
- **Oct. 30:** Calculating Non-School Mill Levies
- **Nov. 17:** School Funding 101
- **Dec. 1:** Advanced School Funding
- **Dec. 2:** Property Tax Assistance

MONTANA LEGISLATURE

LEGISLATIVE SERVICES DIVISION

Property Tax 101

October 16, 2026

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MONTANA LEGISLATURE

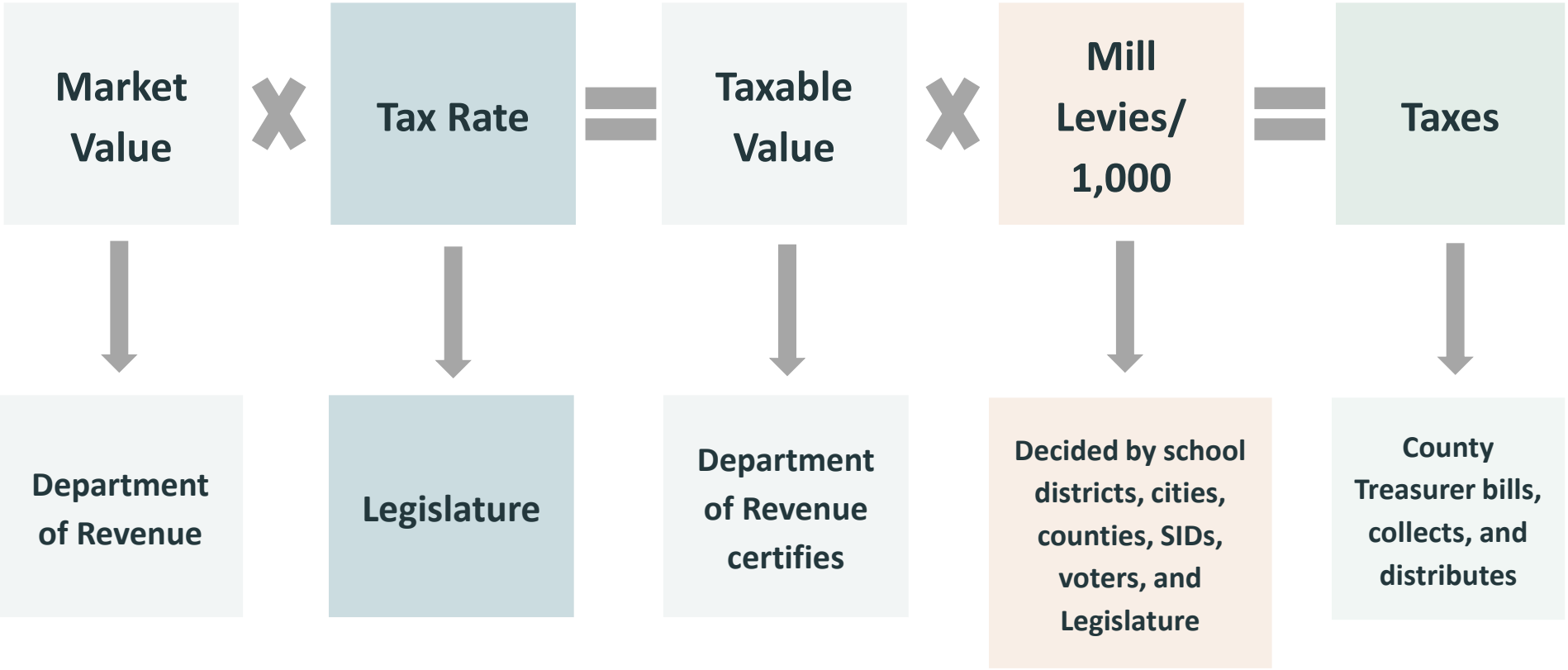
LEGISLATIVE SERVICES DIVISION

How much property tax revenue was collected in 2025?

a. $815 million
b. $1.9 billion
c. $2.5 billion
d. $3.1 billion

Property taxes fund K-12 schools, counties, cities, the Montana University system, and special districts.

How are property taxes calculated?



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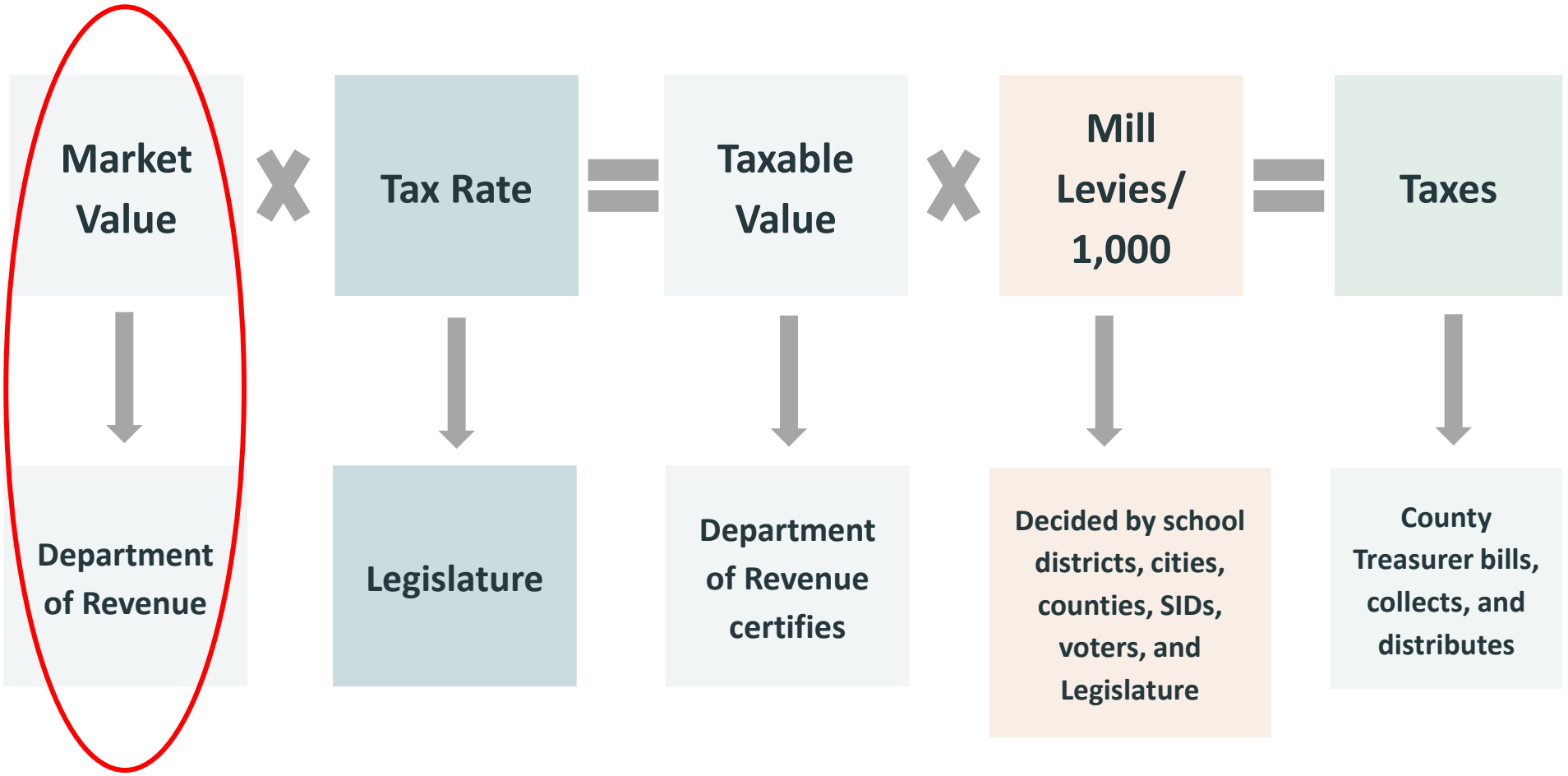


Montana Constitution: State Values Property

Article VIII, Section 3

The **state shall appraise, assess, and equalize the valuation of all property** which is to be taxed in the manner provided by law.

State Law: Value Basis

Market value for most

Productivity capacity for agricultural and forest

State Law: Approaches to Value

	Sales Comparison	Cost	Income
Property	Residential, Commercial	Commercial, Industrial, Residential	Commercial, Industrial, Ag and Forest (modified)
Method	Arm's length sales of like property, adjustments for property characteristics	Original cost of property less depreciation	Income generated from property divided by rate of return expected from investment property
Source	Realty transfer certificate	Business records	Income statements and financial markets

State Law: Valuation Cycles

Most property

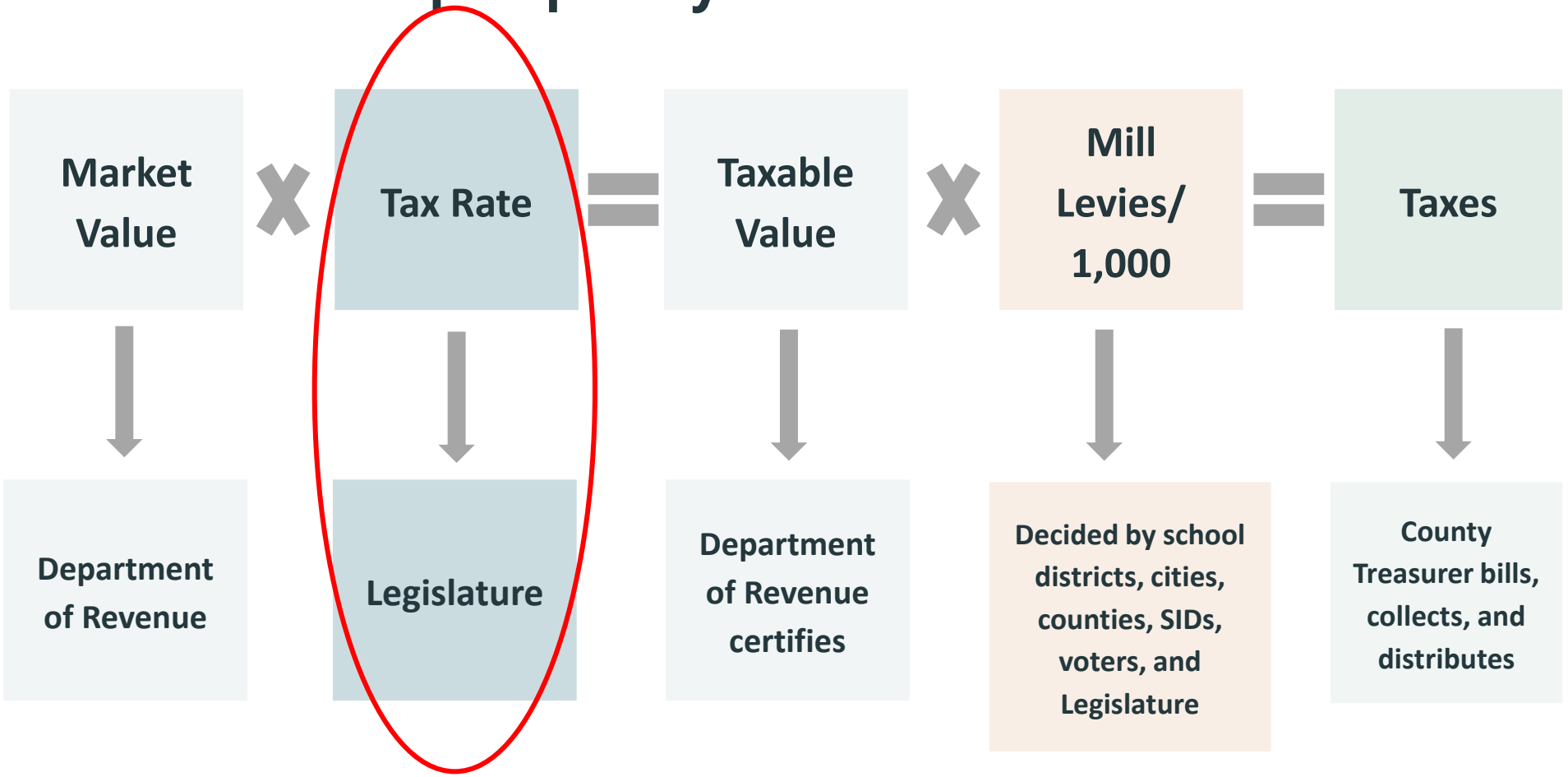
- 2 years

Exceptions – 1 year

- Business equipment
- Railroads
- Mines

2025-2026 general assessment day

How are property taxes calculated?



Montana has a classified system

- Property grouped by type
- 16 classes
- Class determines rate
  - Multiple rates in some classes

Residential Tax Rates

Property Type/Value	Tax Rate
Default rate	1.90%
Principal residence or long-term rental:	
≤ to median *(≤ $378,000)*	0.76%
> median to < 2x median *($378,001 to $756,000)*	0.90%
2x median to < 4x median *($756,001 to $1,511,999)*	1.10%
4x median or greater *($1,512,000+)*	1.90%
Rental multifamily dwelling unit with qualified long-term rentals	1.10%
Residence on qualified agricultural property	1.35%

Principal Residence

Single-family or multiple-unit dwelling, trailer, mobile home

Owned and lived in 7 months of year

Only one principal residence per owner

Long-term Rental

Single-family or multiple-unit dwelling, trailer, mobile home

Rented for periods of 28 days or more for at least 7 months of year; vacant for not more than 5 months

Occupied by tenants who use the dwelling as a residence

Both: Apply by **March 1** for initial enrollment

2026 Principal Residence or Long-Term Rental

Market value = $400,000

($378,000 x 0.76%) + ($22,000 x 0.90%) =

$3,071 Taxable Value

Commercial Tax Rates

Property Value	Tax Rate
Less than 6 times median *(<$2,274,000)*	1.50%
6 times median or greater *($2,274,000+)*	1.90%

2026 Tax Rates for Other Classes

Class	Description	Tax Rate
1	Net proceeds of mines	100%
2	Gross proceeds of metal mines	3%
3	Agricultural land	2.05%
	Nonqualified agricultural land	14.35%
5	Rural electric cooperatives not in class seven, rural telephone cooperatives, pollution control/carbon capture equipment[1], new and expanding industry	3%
7	Rural electric cooperatives not included in class nine, non-centrally assessed utilities	8%
8	Business personal property	First $1M: exempt Next $6M: 1.5% Above $6M: 3%
9	Non-electric generating property of electric utilities, pipelines	12%
10	Forest land	0.37%
12	Railroads and airlines	2.82%[2]
13	Electric generating property, telecommunications utilities	6%[3]
14	Renewable energy production and transmission property	3%
15	Carbon dioxide and liquid pipeline property	3%; except for carbon sequestration equipment with abatement, 1.5%
16	High voltage direct-current converter stations	2.25%
17	Certain qualified data centers; dedicated communications infrastructure and electrical generation systems of a data center for 10 years (class thirteen after)	0.9%
18	Green hydrogen facility, pipeline, or storage system property with construction beginning after 6/1/2021	1.5% for 15 years after construction or 15 years after additional investment of $25 million; 3% after

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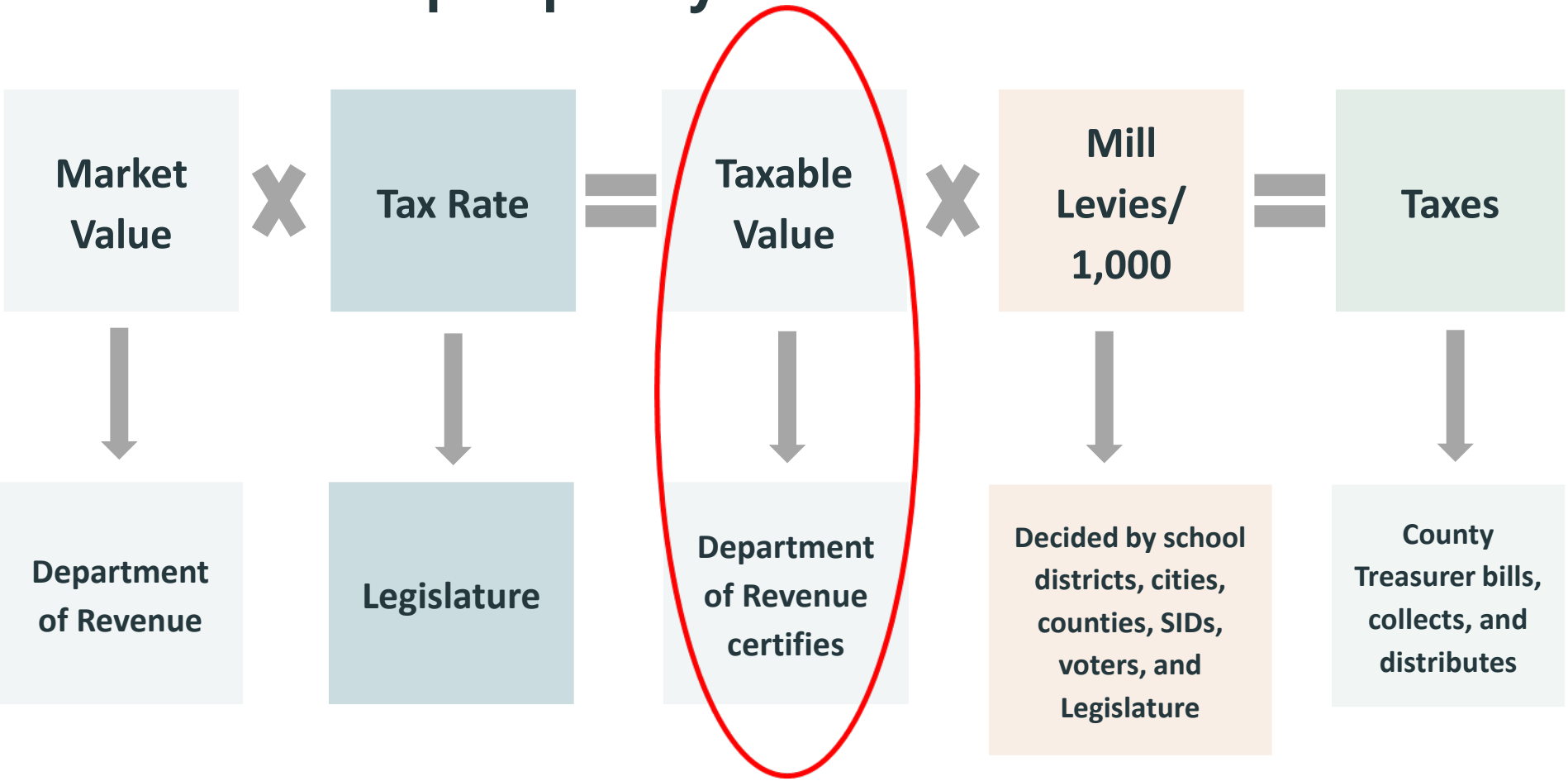
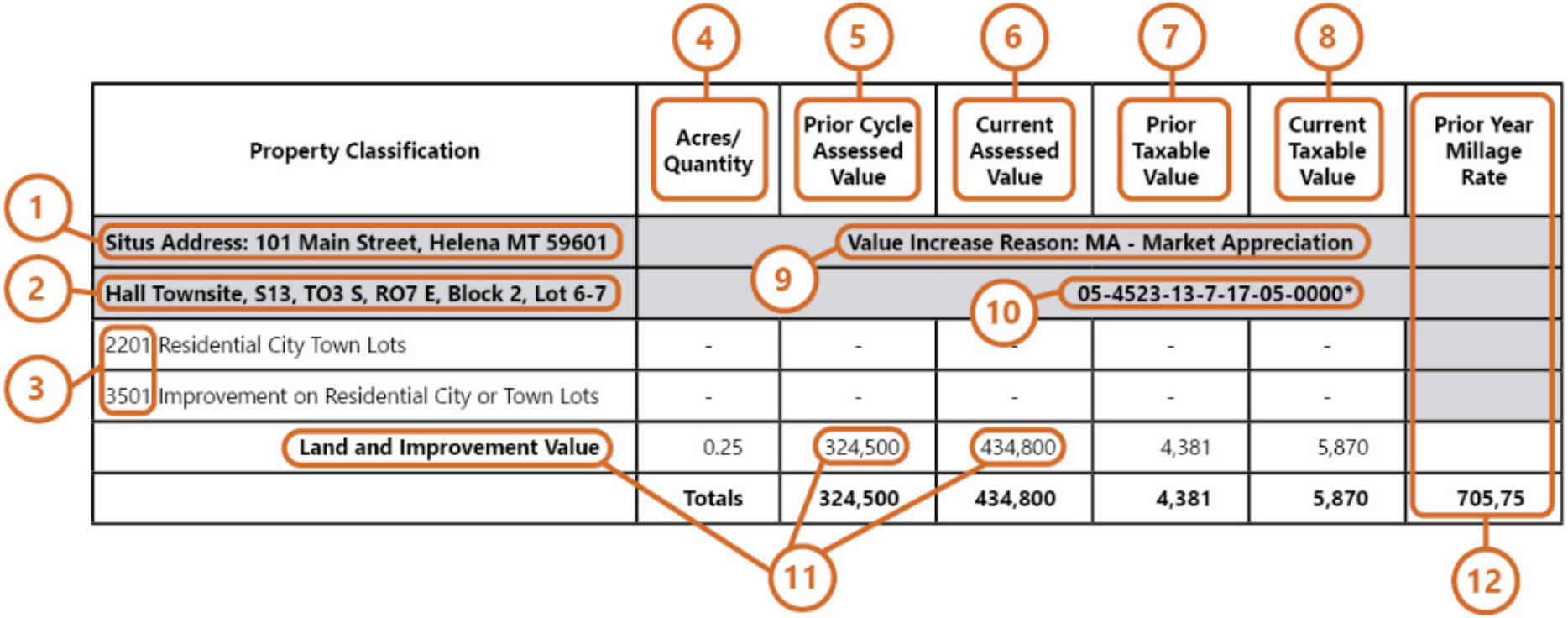


Property Appraisal Notices



Property Classification	Acres/ Quantity	Prior Cycle Assessed Value	Current Assessed Value	Prior Taxable Value	Current Taxable Value	Prior Year Millage Rate
1 Situs Address: 101 Main Street, Helena MT 59601	9 Value Increase Reason: MA - Market Appreciation					
2 Hall Townsite, S13, TO3 S, RO7 E, Block 2, Lot 6-7	10 05-4523-13-7-17-05-0000*					
3 2201 Residential City Town Lots	-	-	-	-	-	
3 3501 Improvement on Residential City or Town Lots	-	-	-	-	-	
Land and Improvement Value	0.25	324,500	434,800	4,381	5,870	
	Totals	324,500	434,800	4,381	5,870	705,75

11

12

https://revenue.mt.gov/property/understanding-your-property-appraisal-notice

Certified Taxable Values

- Due by first Monday in August
- Local governments use budget and certified taxable value to calculate mills

Lewis and Clark

2025

COUNTY WIDE LEVIES

Download CSV

COUNTY WIDE LEVIES		
Property Type	**Market Value**	**Taxable Value**
Special Mobile	$0	$0
Manufactured Homes	$148,122,870	$1,038,663
Personal Property	$145,869,732	$3,580,537
Real Property	$16,054,260,793	$159,632,379
Centrally Assessed	$423,953,992	$31,670,610
Net & Gross Proceeds	NA	$0
Total*	**$16,772,207,387**	**$195,922,189**

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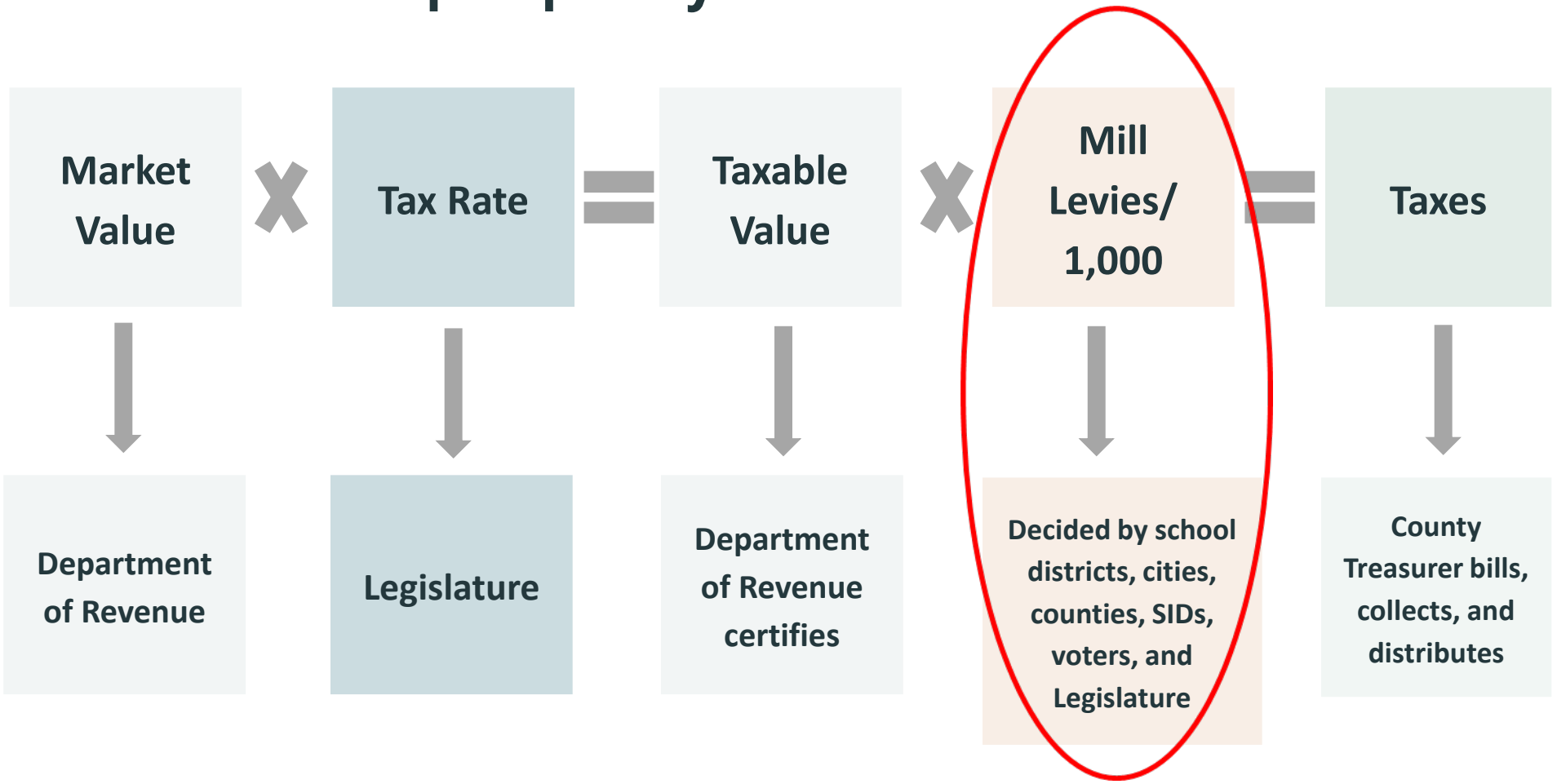


What is a mill?

- Unit of measuring property taxes
- Dollars owed per $1,000 of taxable value

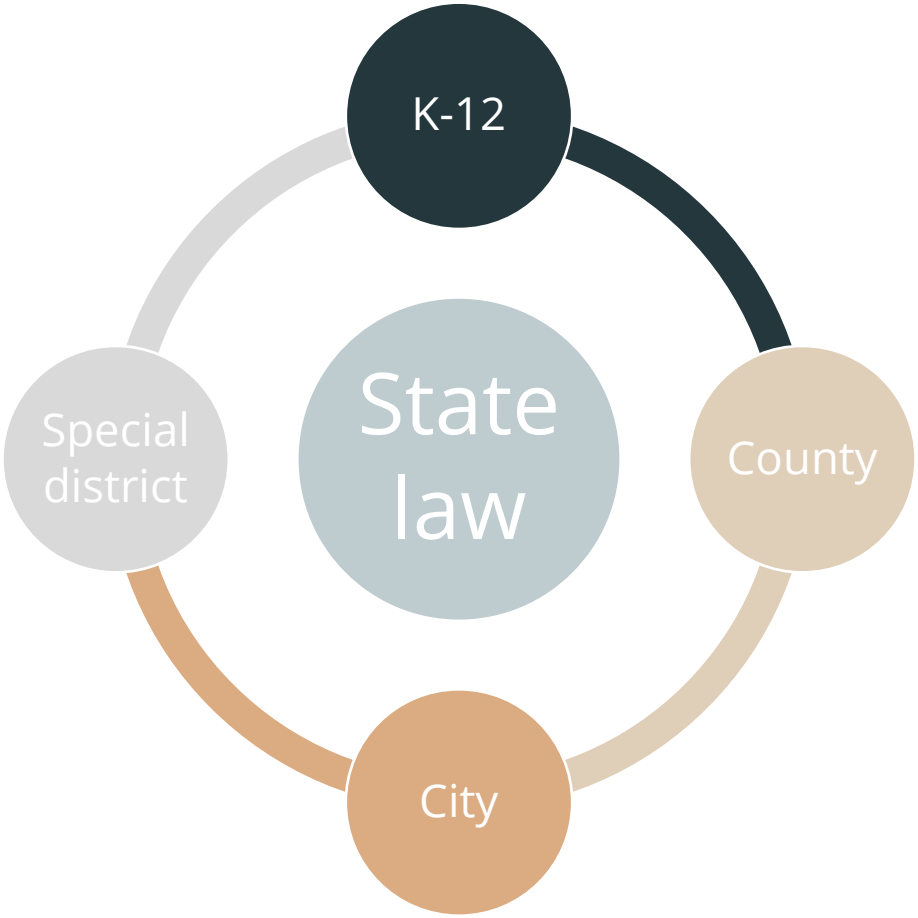
Mill Value Example:

Market value = $400,000

Taxable Value = ($378,000 x 0.76%) + ($22,000 x 0.90%) = $3,071

3071/1000 = $3.07 paid per mill

State Law Gives Authority



Legislature Enacts State Mills

- 95 mills for K-12
- 6 mills for University system
- 1.5 mills for vo-tech (some counties)

Example:

Market value = $400,000

Taxable Value = ($378,000 x 0.76%) + ($22,000 x 0.90%) = $3,071

3071/1000 = $3.07 paid per mill

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95 mills (K-12) + 6 mills (MUS) = 101 state mills

101 mills x $3.07 = $310

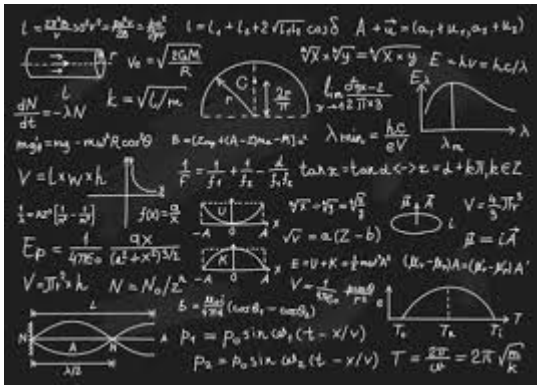
Schools, Locals Set Budgets

- State law authorizes purposes
- Cities, counties, schools, special districts set budgets

Taxable Value x Mill Levy/1,000 = Taxes

Mill Levy = Taxes/Taxable Value x 1,000

Types of Mill Levies



City and County

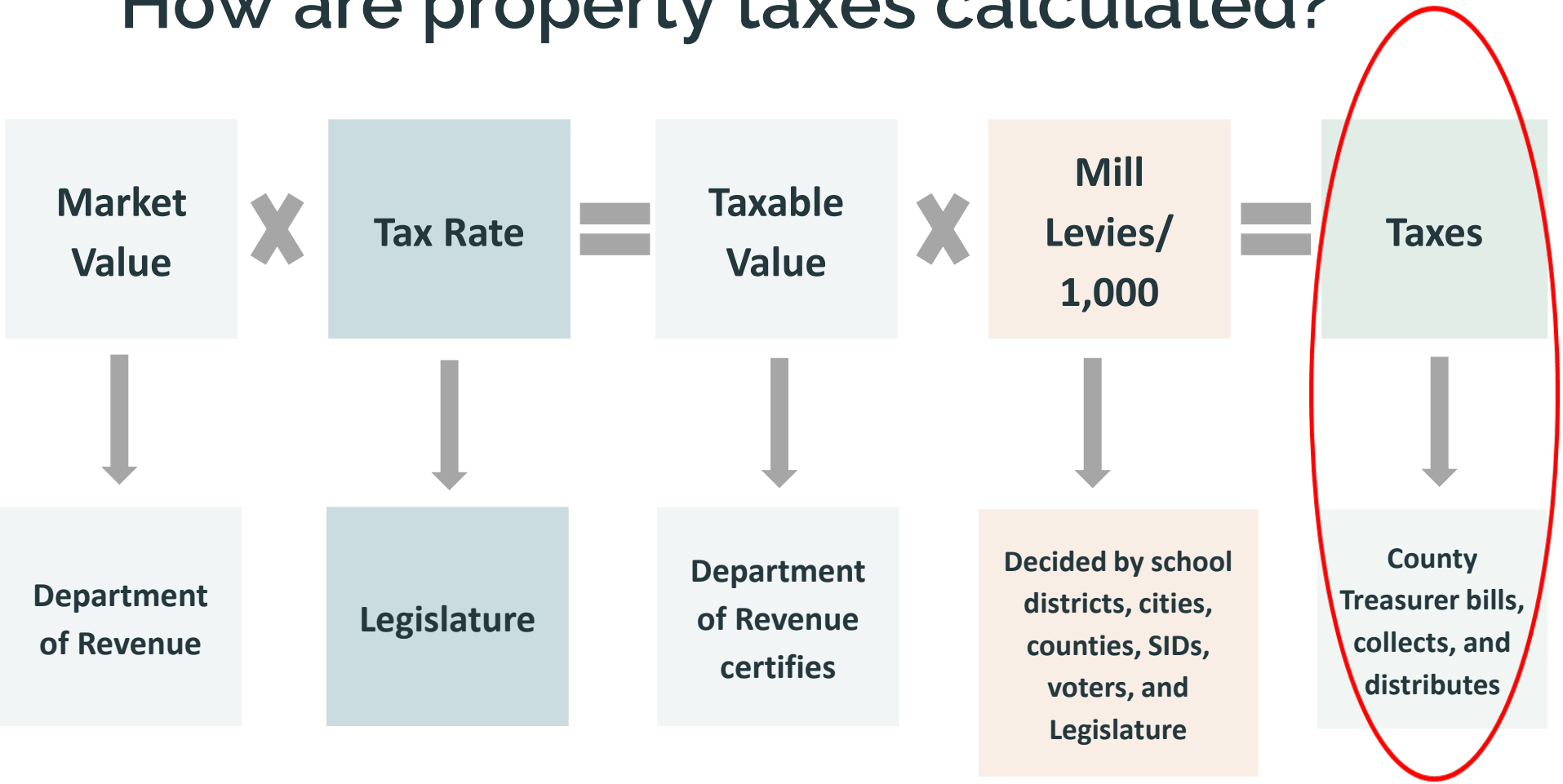
- Limited to inflation adjusted-revenue plus new growth (15-10-420)

School

- Countywide school: statutory formulas for employee retirement, transportation, and BASE mills (new in 2027)
- Local school: required or formulaic levies to meet state requirements

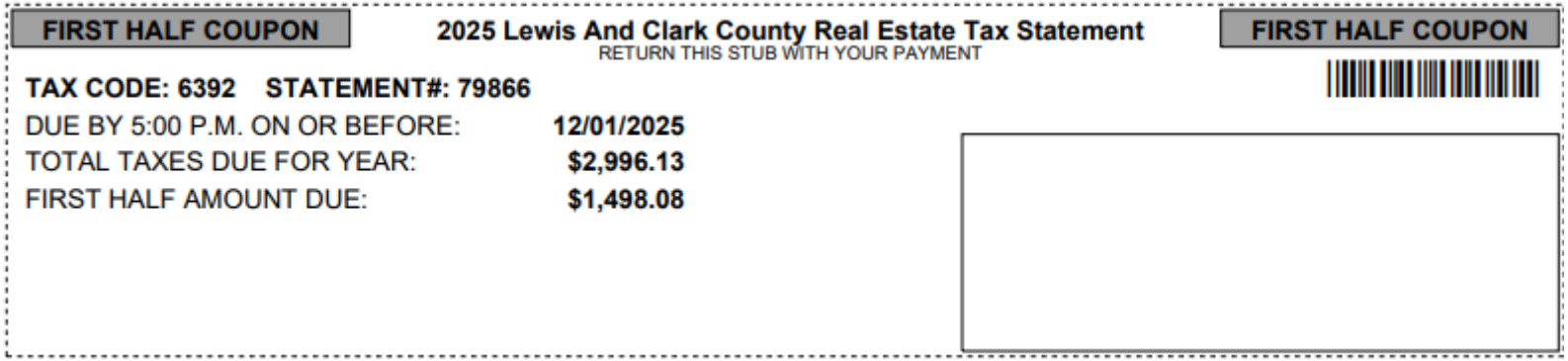
Both: Voted levies, bonds

How are property taxes calculated?



Taxes Due in Nov. and May

- County treasurer bills, collects, distributes
- Half due Nov. 30 and May 31
  - Personal property has different deadlines
- Optional alternative payment schedule for primary residences (2024)



FIRST HALF COUPON

2025 Lewis And Clark County Real Estate Tax Statement

RETURN THIS STUB WITH YOUR PAYMENT

FIRST HALF COUPON

TAX CODE: 6392 STATEMENT#: 79866

DUE BY 5:00 P.M. ON OR BEFORE:	**12/01/2025**
TOTAL TAXES DUE FOR YEAR:	**$2,996.13**
FIRST HALF AMOUNT DUE:	**$1,498.08**

Property Appeal Process

File AB-26 with DOR

(within 30 days of assessment notice)

DOR reviews appeal

Can appeal to county tax appeal board

Property Tax Tools

- Property Tax Library: https://www.legmt.gov/lfd/publications/property-tax-library/

- Property Tax Data Tool: click under graphic on above link