

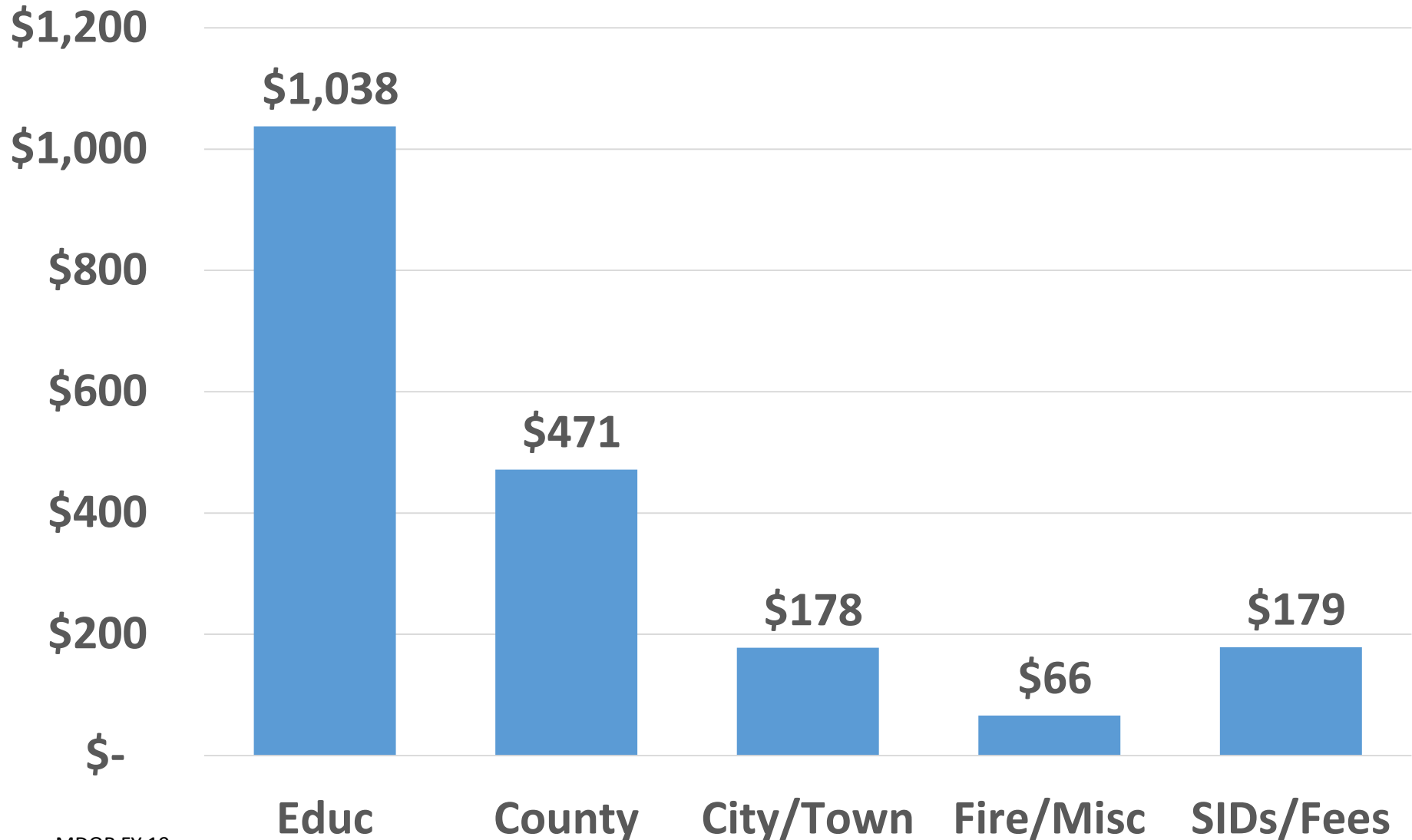
Rising Property Taxes: What You Should Know

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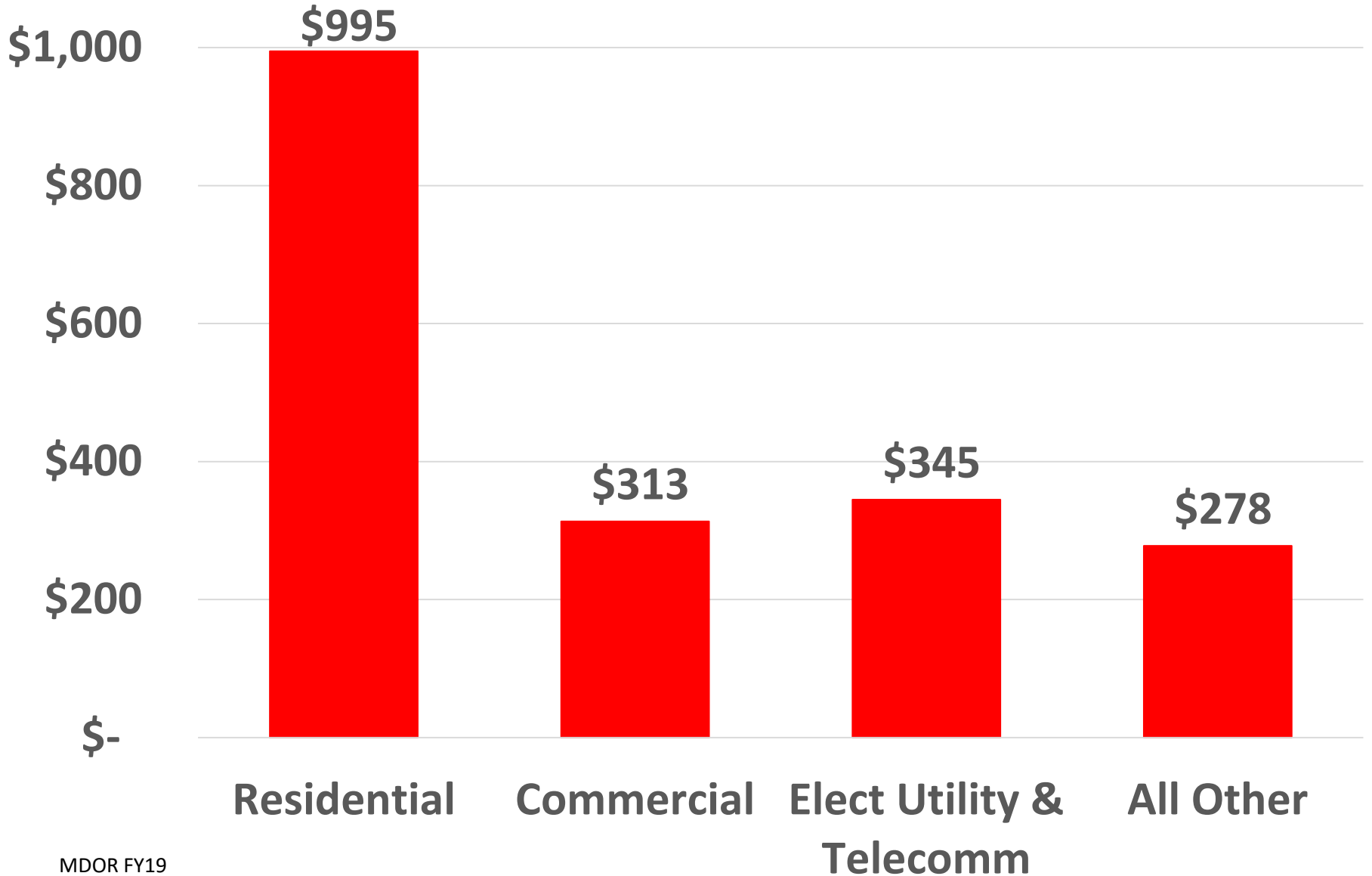
Where Property Taxes Go

Millions of Dollars



Where Property Taxes Come From

Millions of Dollars



How Property Taxes are Calculated – Three Steps

Step

**1. Taxable Value =
Market Value
x Tax Rate**

Example

**1. Taxable Value =
\$200,000
x 1.35% = \$2,700**

How Property Taxes are Calculated – Three Steps

Step

1. Taxable Value =
Market Value

x Tax Rate

**2. Tax = Taxable
Value**

x Mill Rate/1,000

Example

1. Taxable Value =
\$200,000

x 1.35% = \$2,700

2. Tax = \$2,700

x 603/1,000

= \$1,628.10

Mill Rate Example: Helena FY 2019

<u>Function</u>	<u>Mills</u>
Education	468
City	170
County	185
<u>Special Districts</u>	<u>0</u>
TOTAL	822

How Property Taxes are Calculated

– Three Steps

Step

1. Taxable Value =
Market Value

x Tax Rate

2. Tax = Taxable Value
x Mill Rate/1000

3. Add SIDs & Fees (if
any)

Example

1. Taxable Value =
\$200,000

x 1.3% = \$2,600

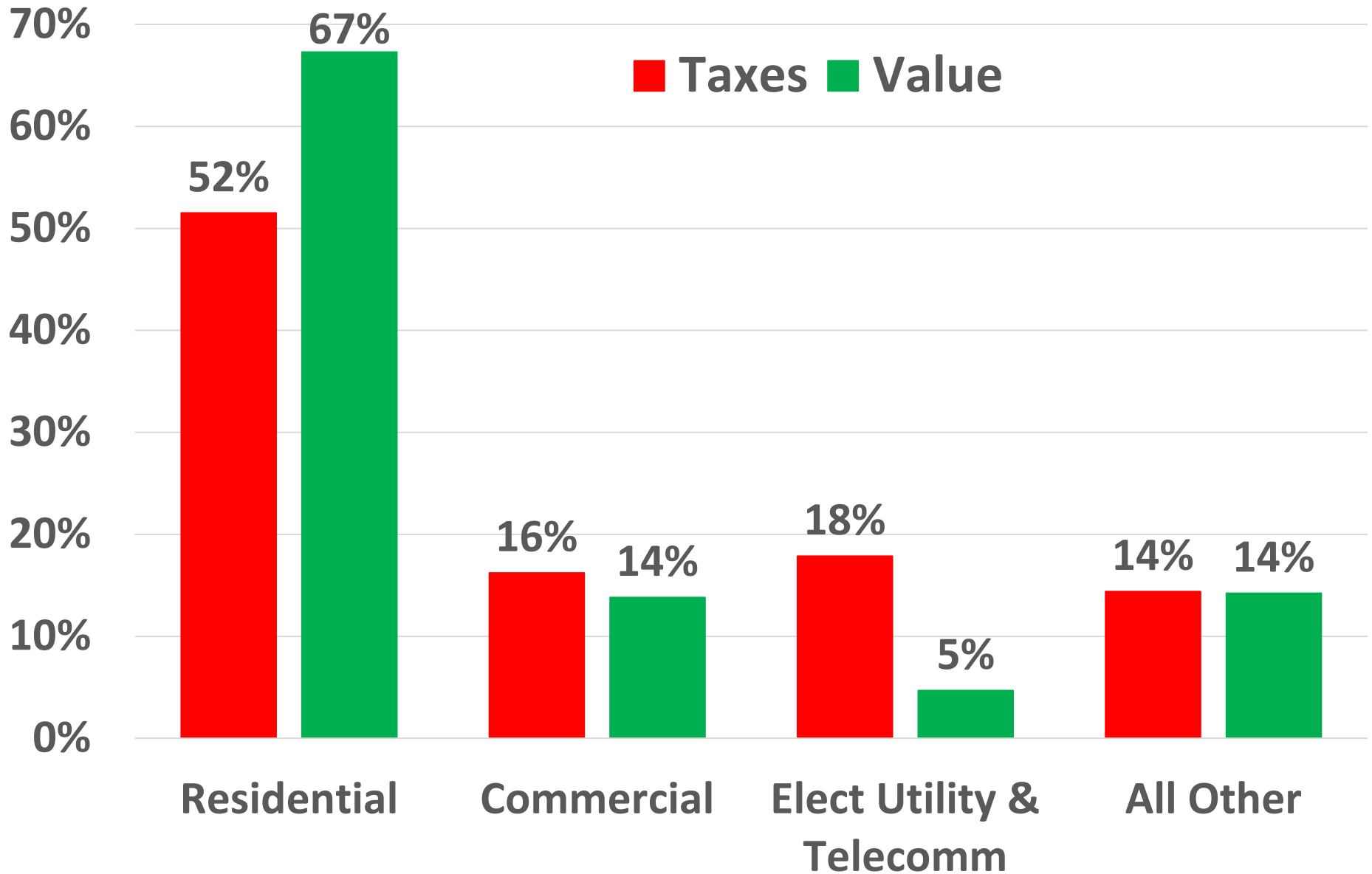
2. Tax = \$2,600
x 606/1,000
= \$1,575.60

3. Add \$0 - \$1,000+

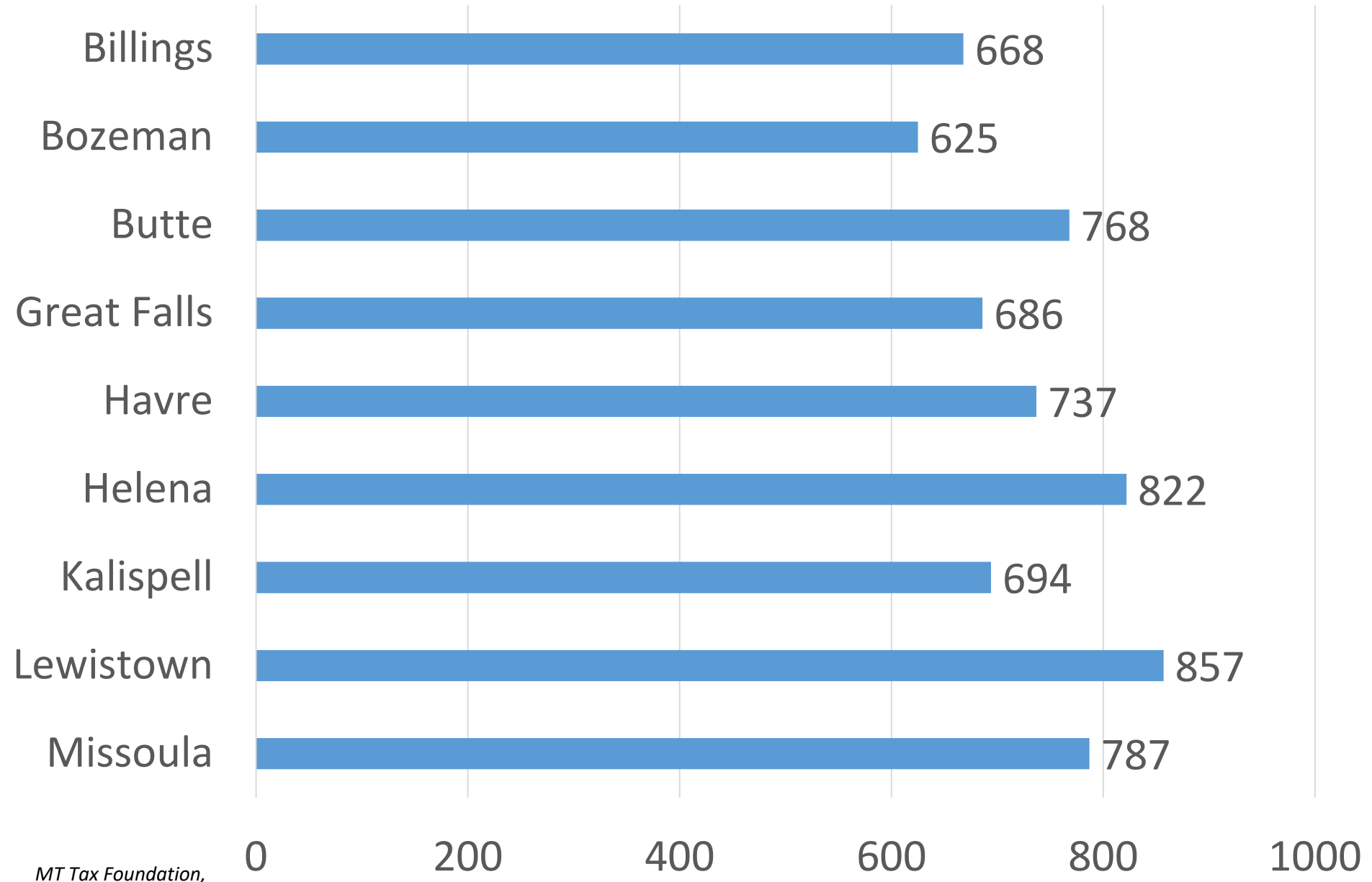
Classification System

- **14 Classes of Property**
- **12 Different Tax Rates**
 - **from 0.37% on Forest Land**
 - **to 12.0% on Non-Electrical Generating Property of Electric Utilities**
 - **to 100% of Net Proceeds of (Some) Mines**
- **Average: 1.92%**

Shares of Taxes and Market Value



Mills Levied FY 2019

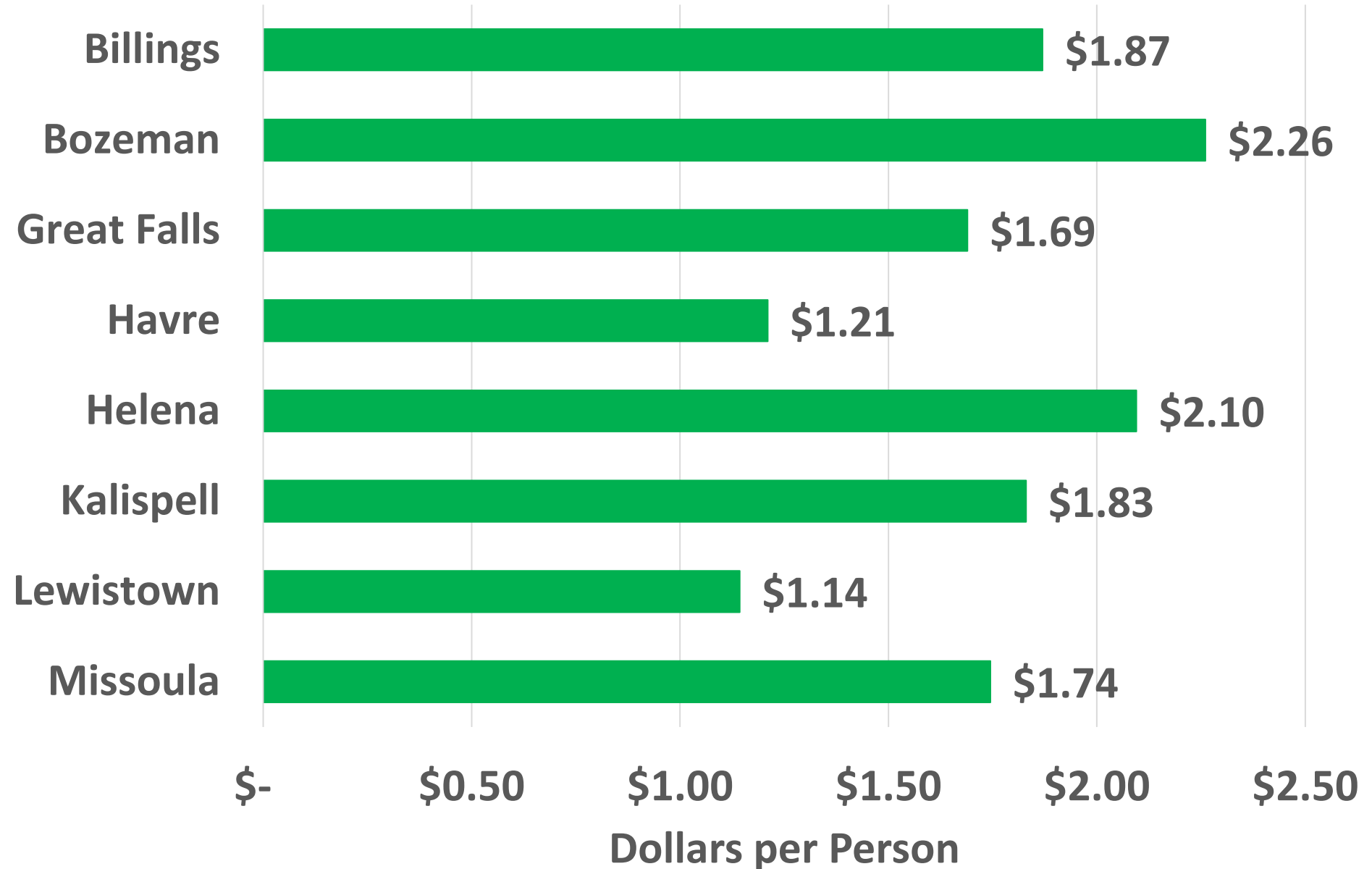


Why Do Mill Levies Vary?

Three Reasons why Mill Levies Vary are:

- 1. Tax Base (aka Mill Value: How many dollars are generated when one mill is levied?)**

City Mill Value FY 2019

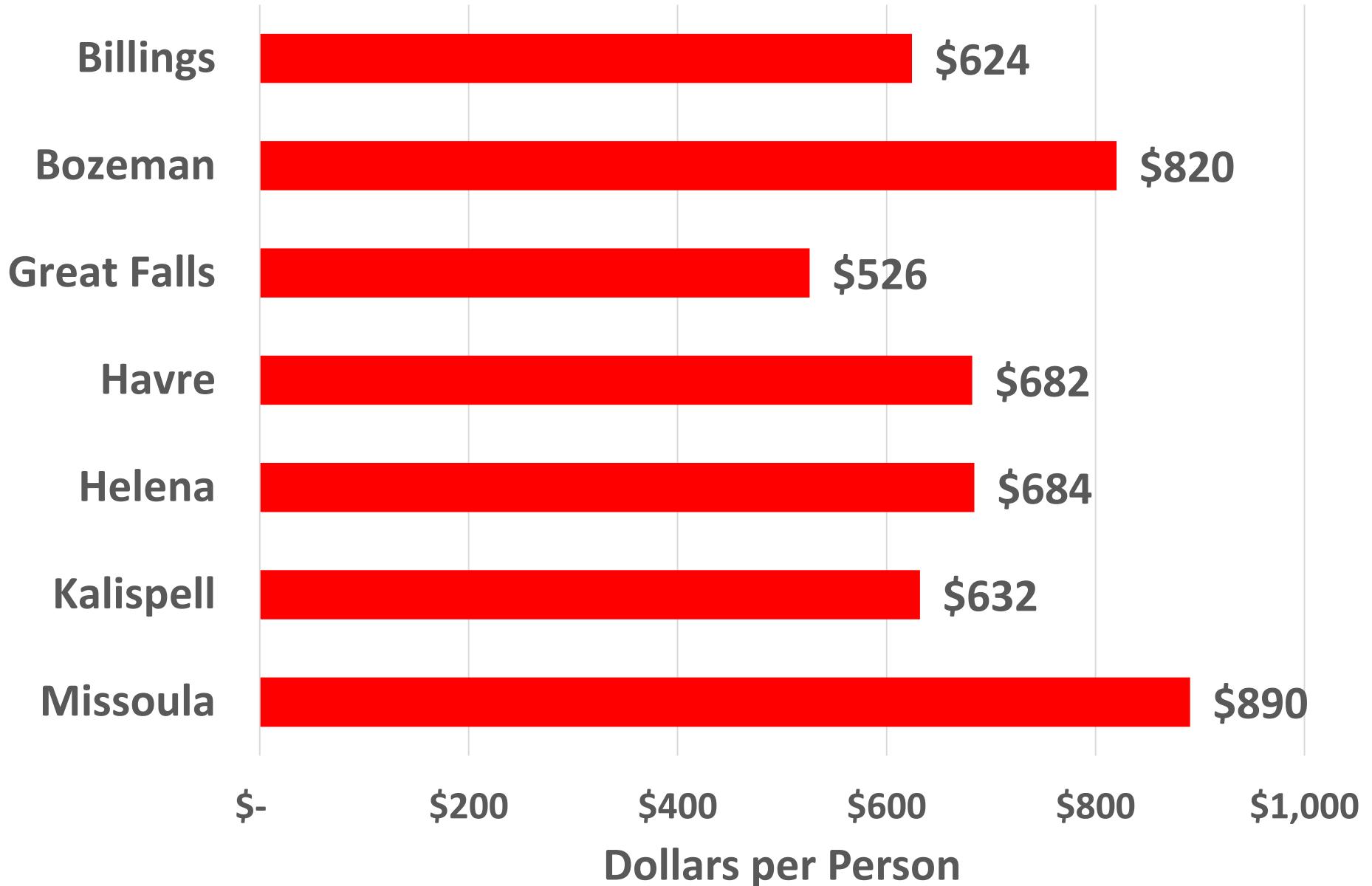


Why Do Mill Levies Vary?

Three Reasons why Mill Levies Vary are:

- 1. Tax Base**
- 2. Government Spending**

City Spending FY 2018

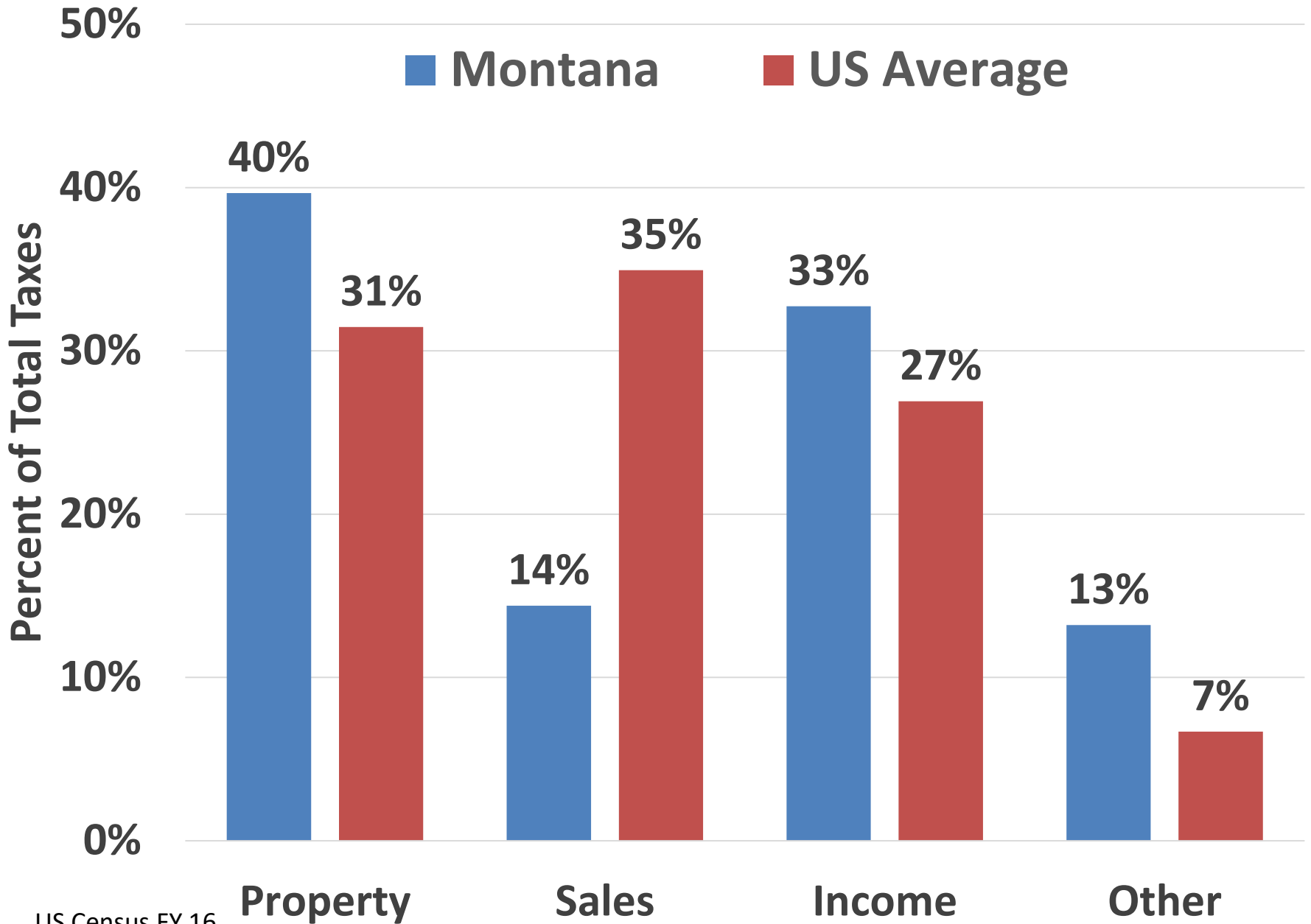


Why Do Mill Levies Vary?

Three Reasons why Mill Levies Vary are:

- 1. Tax Base**
- 2. Government Spending**
- 3. Other Revenue Sources**

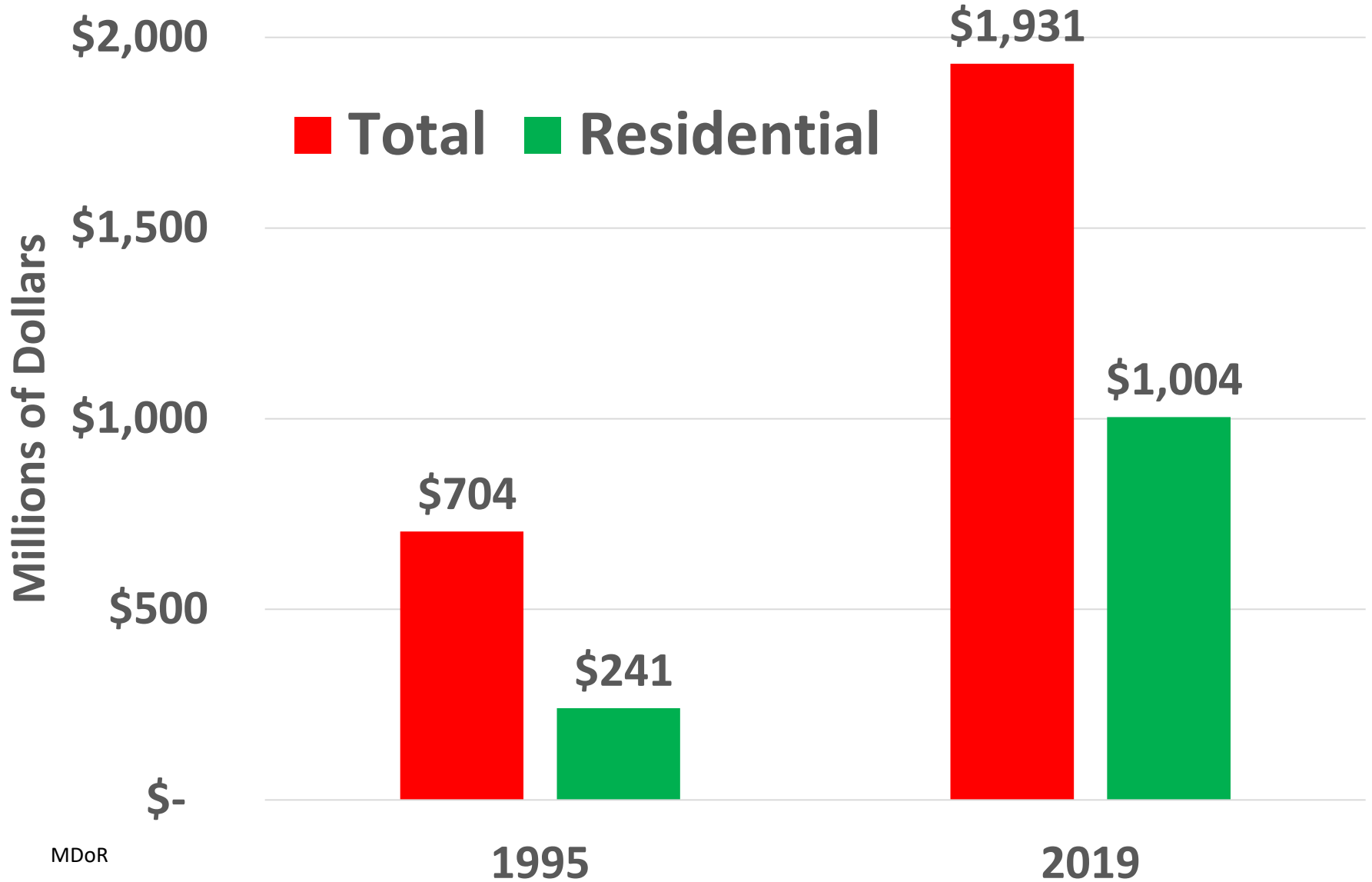
Too Much Property Tax?



Residential Property Taxes

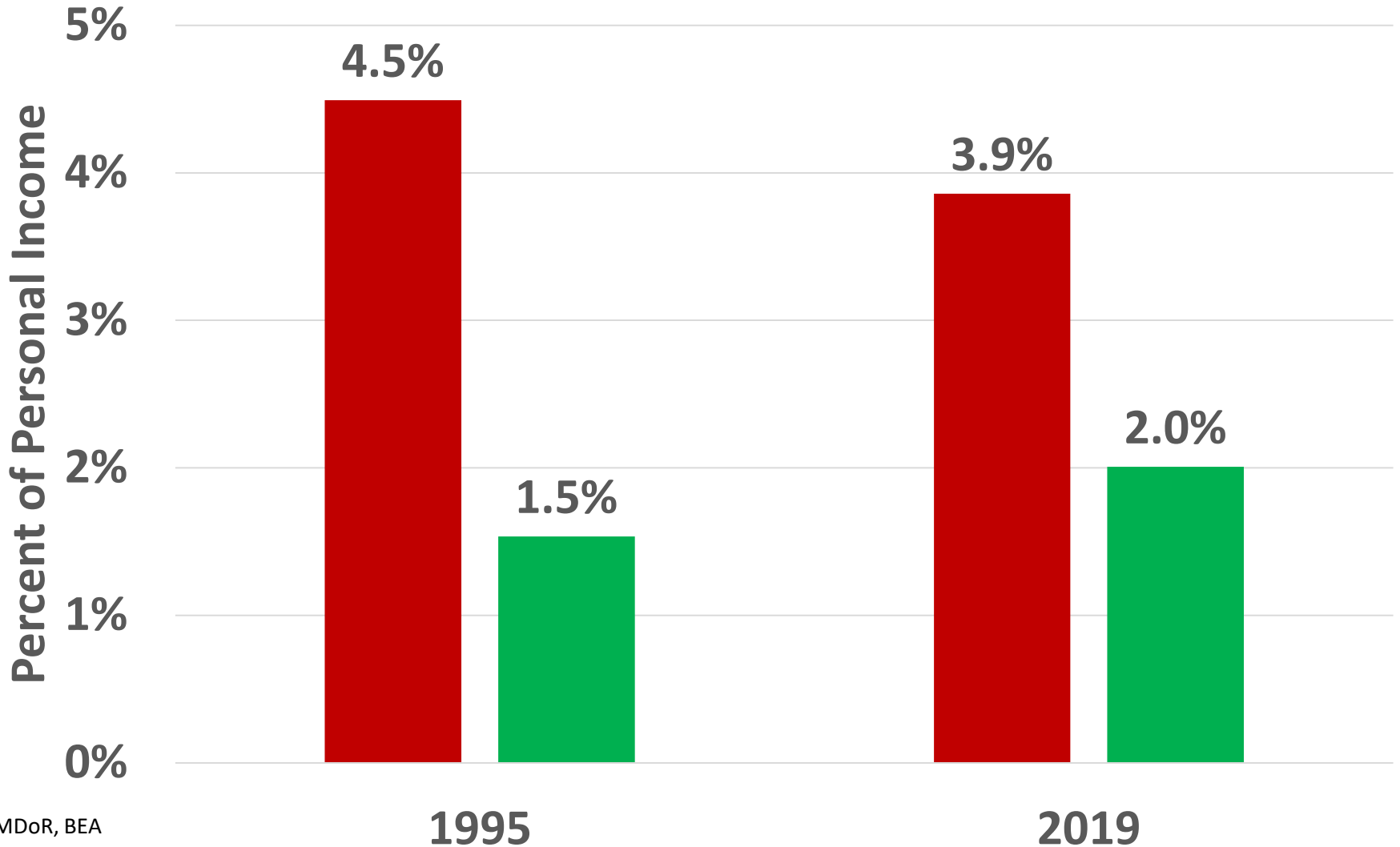
	Tax Foundation		Minnesota Center for Fiscal Excellence		
	Rate	Rank	City	Rate	Rank
Montana	0.73%	33	Billings	0.94%	40
Idaho	0.72%	34	Boise	0.85%	43
N Dakota	0.90%	24	Fargo	1.07%	36
S Dakota	1.18%	17	Sioux Falls	1.53%	19
Wyoming	0.58%	44	Cheyenne	0.64%	49
US Average	1.05%			1.45%	

Property Taxes over 24 Years

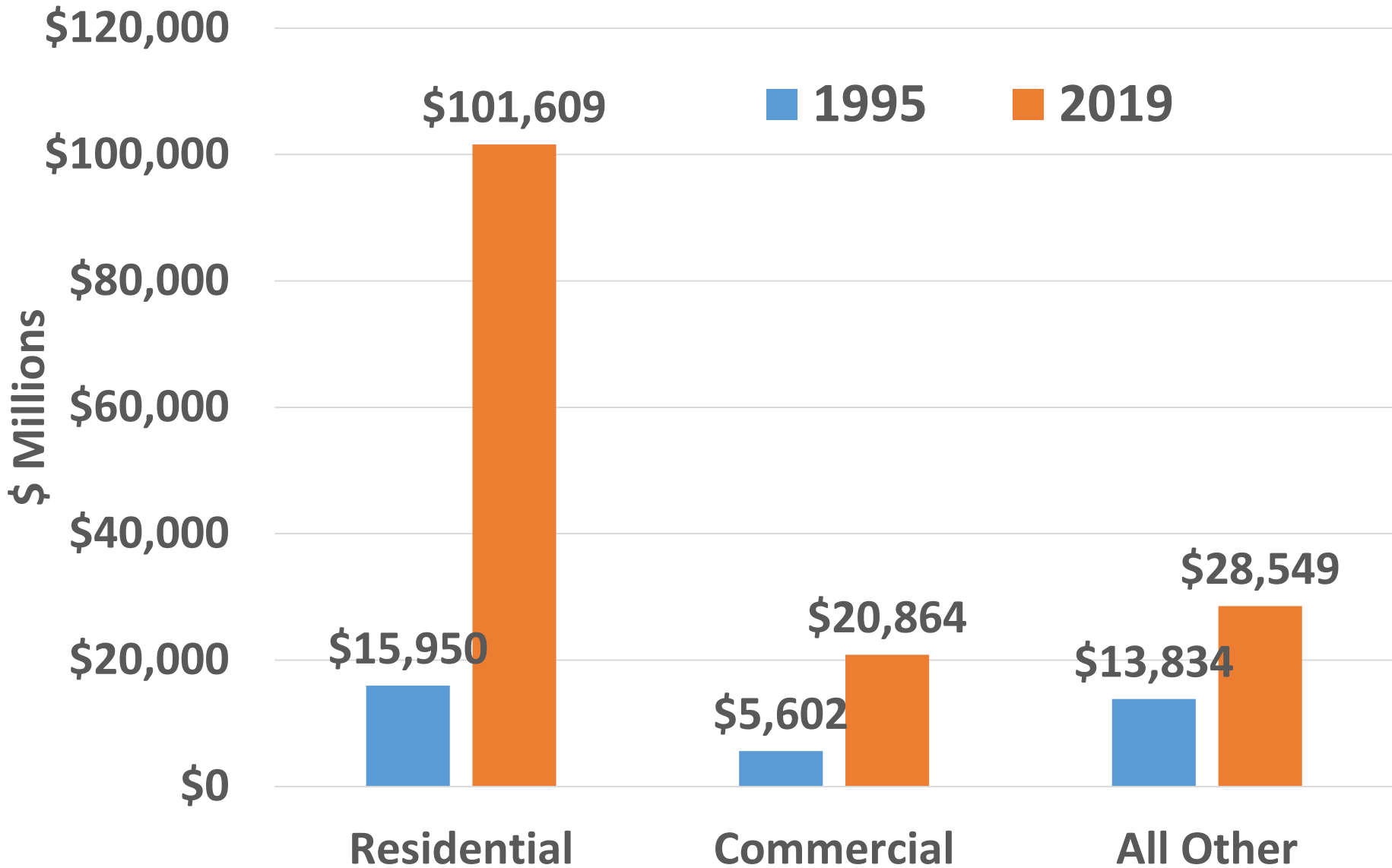


Property Taxes and Income

■ Total ■ Residential



Market Value of Property



Questions?

**This presentation is available at the
HB35 website.**