



Revenue Interim Committee

67th Montana Legislature

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January 24, 2022

Dear Members of the Economic Affairs Interim Committee:

As part of the House Joint Resolution 36 property tax study, the Revenue Interim Committee (RIC) recently heard an overview and received public comment on [Constitutional Initiative 121](#) (CI-121). CI-121 would amend the constitution to limit annual increases and decreases in valuations of residential property to the lower of 2% or the inflation rate if the property is not newly constructed, significantly improved, or had a change of ownership since January 1, 2019, and limit total ad valorem property taxes on residential property to 1% or less of the assessed valuation.

The committee has significant concerns about CI-121's effect on schools and local governments and voted unanimously to request that the Economic Affairs Interim Committee discuss and request public comment on how CI-121 would affect your committee's policy areas. The Revenue Interim Committee meets next on April 18-19 and we hope that your committee can provide feedback to RIC on CI-121 discussions at that meeting.

Please note that CI-121 is currently under litigation and signature gathering has been suspended. One topic of the litigation is whether the Secretary of State should have sent CI-121 to the legislature for review pursuant to [13-27-202](#). If the court determines CI-121 should be sent to the Legislature, RIC may be required to take a position on CI-121 before April. If this occurs, RIC is still interested in feedback from your committee.

If you have questions, please contact our committee staff, Megan Moore, at memoore@mt.gov.

Sincerely,

Handwritten signature of Jill Cohenour in black ink.

Sen. Jill Cohenour, Chair

Handwritten signature of Becky Beard in blue ink.

Rep. Becky Beard, Vice Chair