



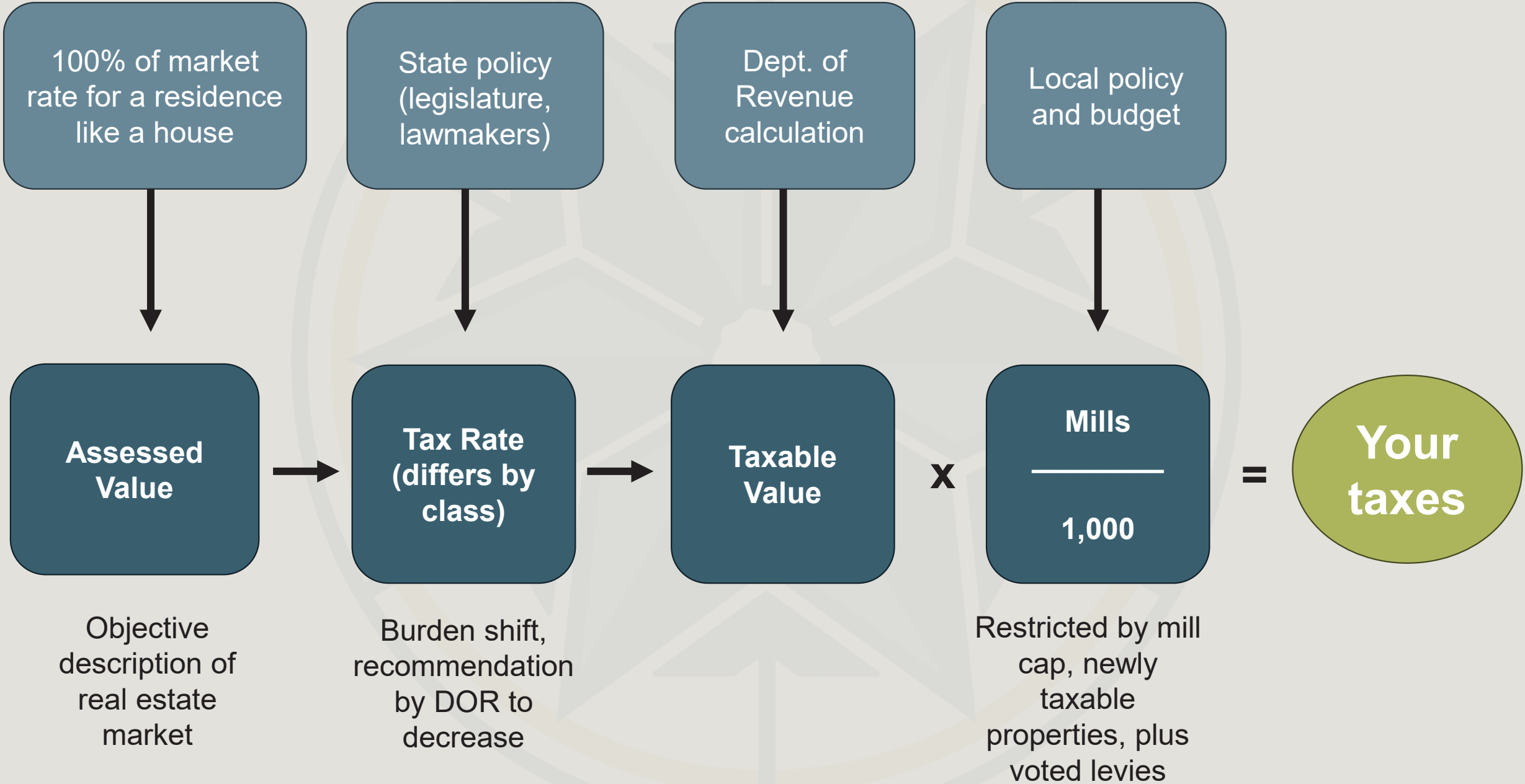
Missoula
C O U N T Y

Property Taxes in Missoula County

May 2024

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Missoula County Commissioner



Impact of Tax Rate on Residential Property

The state Legislature sets the tax rate for each class of property.

DOR is required by law to notify the Legislature what the new tax rate would need to be keep property taxes for residential properties flat. In 2022, lawmakers declined to reduce the rate from 1.35% to 0.94%.

	At 1.35% tax rate, County taxes owed	At 0.94% tax rate, County taxes owed
Home value	\$500,000	\$500,000
County-wide property taxes	\$1,151	\$801 (-\$349)

In contrast, four industrial property classes (pipelines, airlines, electric utilities, etc.) saw a combined **decrease of \$50 million in taxable value from 2023 to 2024.**

Expenditures vs. Tax Revenue

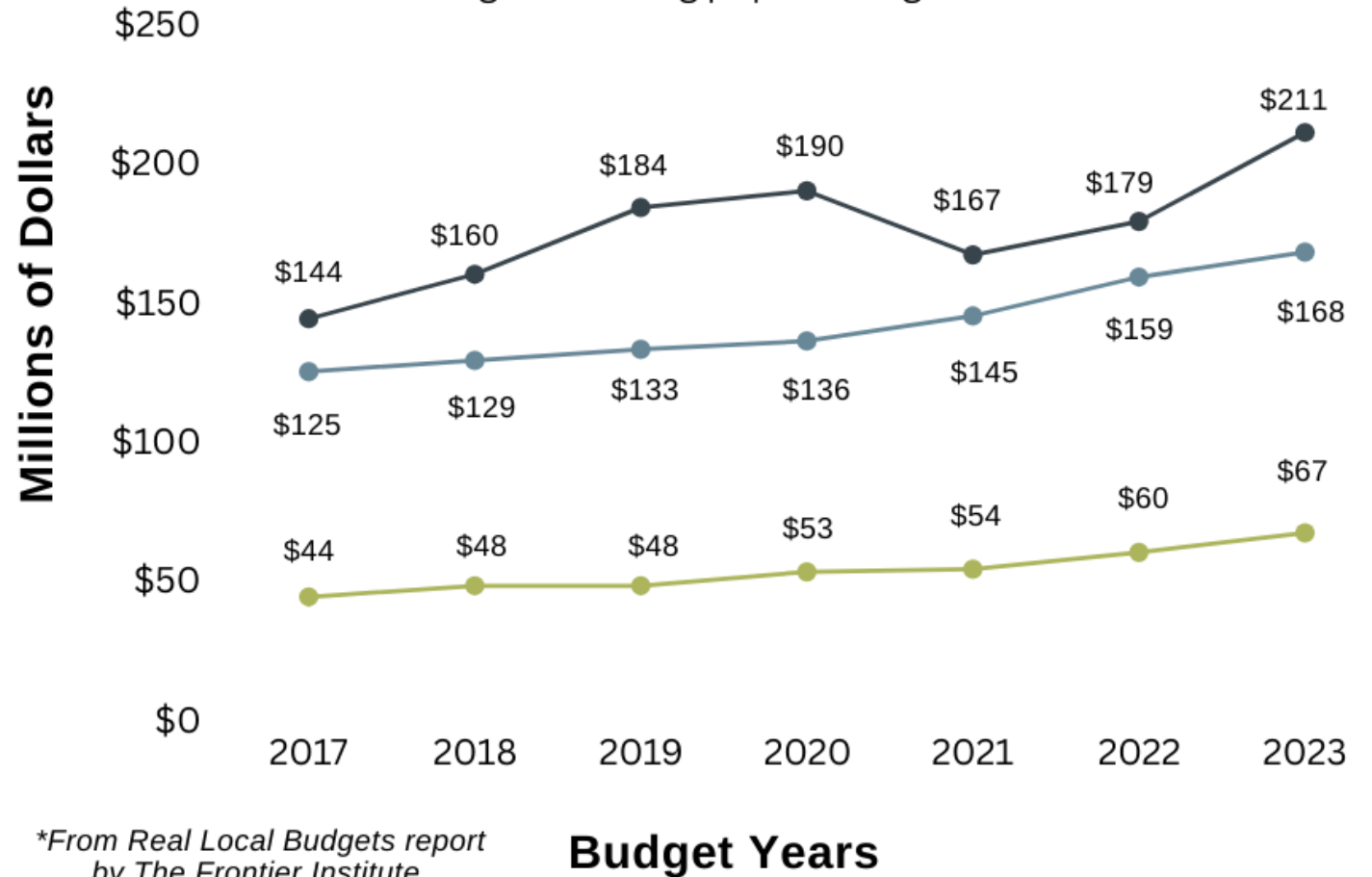
An increase in expenditures is not equal to the same increase in revenue from taxes.

Two-thirds of Missoula County spending is funded through non-property tax revenue.



Missoula County Budget Growth vs. Revenue from Property Taxes

- Total budget expenditures
- Revenue from taxes
- Budget following population growth + inflation*

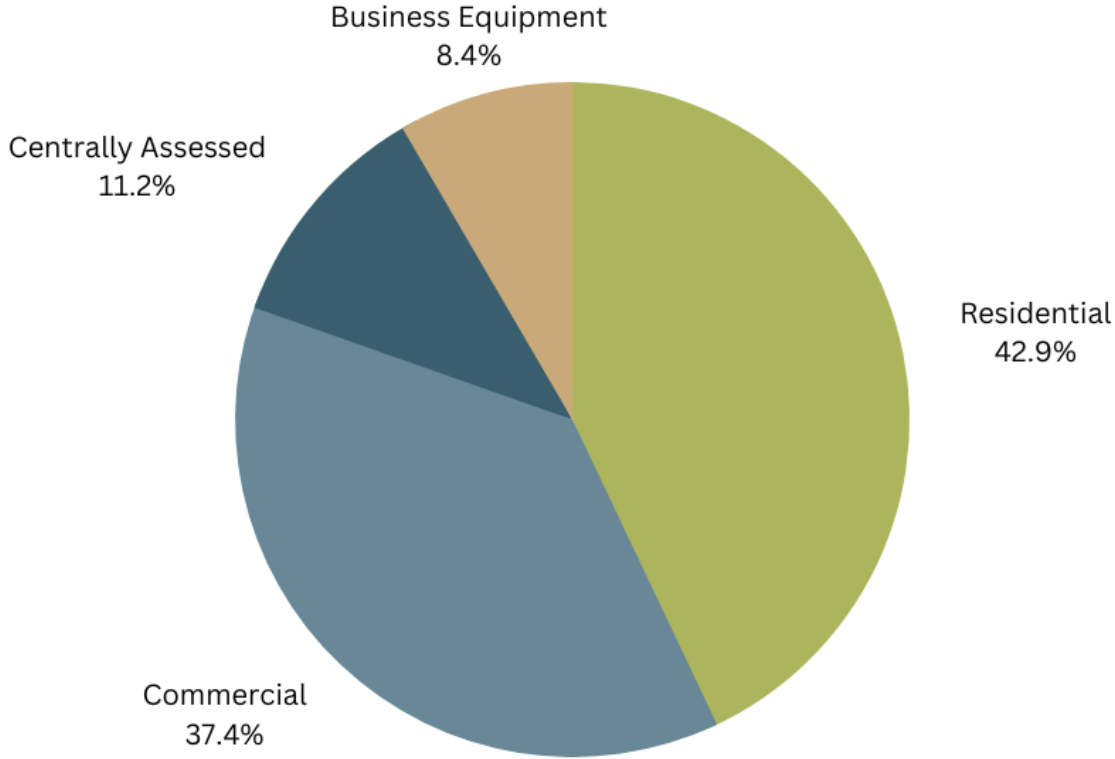


*From Real Local Budgets report by The Frontier Institute.

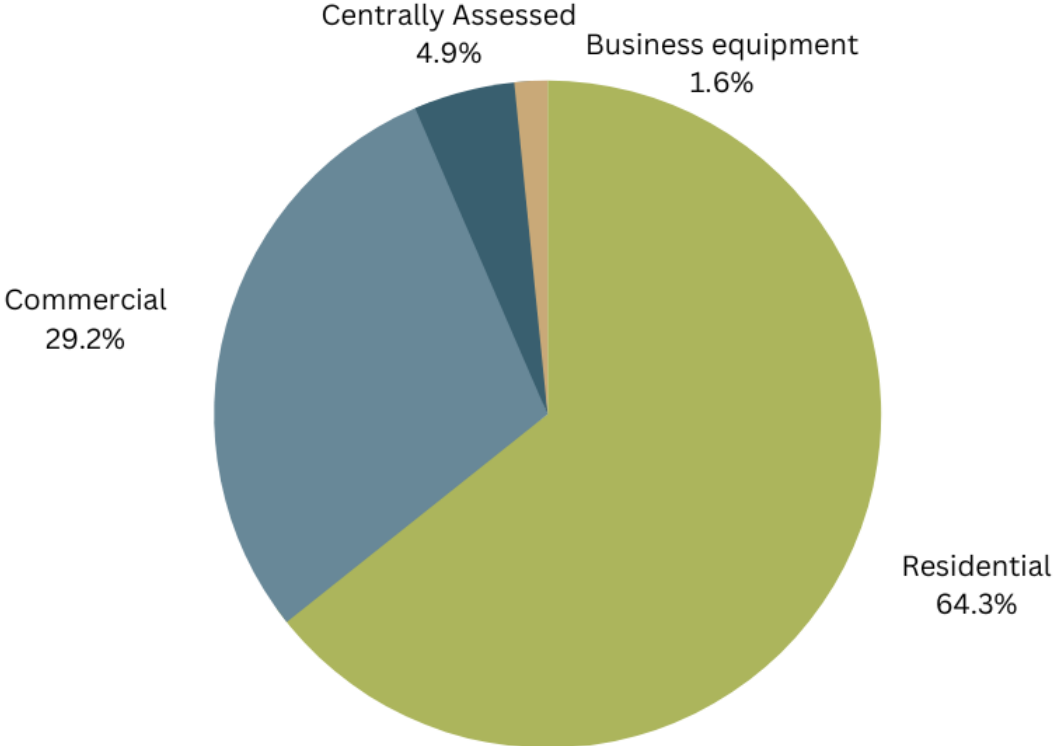
Burden Shift Since 1999

(Top four property categories)

Percentage of Tax Base in Missoula County
1999



Percentage of Tax Base in Missoula County
2023



So, what can be done?

- Updating the tax system in 2025 legislative session, like:
 - Option 1: Local option tourist tax (voted)
 - Option 2: Automatic adjustment of residential tax rate
 - Option 3: Primary homestead exemption for set amount of property value