

Governor's Property Tax Advisory Council Recommendation

Subcommittee Recommendation Approved for Consideration by the Property Tax Advisory Council

Subject: Equalization of School Property Taxes

Subcommittee Name: Education

Recommendation: Replace school district BASE levies with a countywide levy, similar to countywide retirement levies that are currently in place. (Implementation of this option will have no effect on the state levy or the state general fund.)

Rationale: Adoption of countywide BASE levies would have the effect of further equalizing property taxes within each county. Mills levied would be reduced in at least 69% of the state's school districts, which serve 83% of Montana's students.

Barriers Addressed: Relatively poor (in terms of property tax base) school districts will experience a property tax reduction with the burden being shifted to relatively wealthy districts. This tax shift is consistent with current constitutionally mandated equalization policy.

Key Strategies:

1. Amend school funding laws to accommodate this change.
2. Amend tuition laws as they pertain to out-of-district attendance.

Dissenting Opinions: None. (However, two subcommittee members were not present when the option was endorsed.)

Supporting Graphics, weblinks or other documentation:

1. [Recording of May 23 PTAC Education Subcommittee Meeting](#)
2. [Presentation on Replacement of District BASE Levies with a Countywide Levy](#)

Record of Vote

The Education Subcommittee considered this recommendation during its meeting held on May 23, 2024, at which five of seven subcommittee members were present. Those present unanimously endorsed bringing this option to the full Property Tax Advisory Council.

dfb 5/23/24