

REVENUE DEPARTMENT ANNOUNCES TAXABLE PROPERTY VALUES

The Montana Department of Revenue announced today that total taxable valuation of assessed Montana properties has exceeded \$2 billion for the first time and the amount of newly taxable property has set a record of \$120 million.

Business investment led the record growth in newly taxable property with a 32% increase above 2006 levels.

“Montana’s economy continues to show strong growth,” said revenue director Dan Bucks.

Statewide taxable values grew from \$1.95 billion in 2006 to \$2.06 billion in 2007. The 5.64% growth rate exceeds the revenue forecast adopted by the legislature in HJR 2 of 3.8%. Newly taxable property grew from \$118.5 million in 2006 to \$120.6 million in 2007. Newly taxable property is the measure of how much property was added to the tax rolls due to new construction and business expansion.

Bucks noted that business investment comprised 57% of the growth in property values. In prior years, residential property grew faster than business investment. “Residential growth is still strong, but the extraordinary growth in business property investment is a positive sign for the future of the Montana economy,” he said. “Montana has moved to a stronger, more sustainable mix of new investment in business and residential property.”

Business investment grew by \$68.1 million as compared to \$51.6 million in 2006. Strong growth in business equipment, electrical generation and industrial property more than offset the moderation in the growth of residential property. Residential property grew by \$52.5 million as compared to \$66.9 million in 2006. “Residential construction is strong, although slightly less than the blistering pace of previous years—and Montana’s residential construction remains more robust than in many other states,” said Bucks.

The department certifies taxable values to local governments the first week of August each year so local officials can set budgets and calculate mill levies for the coming year.

Property valuation growth was strongest in Montana’s largest counties and resort communities, but every county in Montana added new property.

“The additional value of property provides local governments and schools with a broader tax base and the ability to hold the line on mill levy increases,” Bucks said.

Seventeen counties had more than \$1 million in newly taxable property this year. The strongest growth in newly taxable property occurred in Flathead, Gallatin and Yellowstone counties, each having more than \$12 million in newly taxable property. No county had less than \$42,000 in newly taxable property and only five counties had less than \$100,000 in newly taxable property.

“I’m encouraged to see that even small counties like Petroleum are seeing substantial growth,” said Bucks.

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