

# AGECONMT

News and Posts  
September 18, 2024  
By [Dr. Greg Gilpin](#)

## Understanding Your Property Tax Bill, A Step-by-Step Guide

*Part 1 of a Series on Property Taxation in Montana*



Property tax statements can often be filled with unfamiliar codes, complex values, and confusing terminology. If you're like many homeowners, you might find it easier to pay the bill rather than work through the details. Understanding your property tax statement is essential as errors can occur, potentially leading to overpayment.


In this first post, we'll explain the key components of a property tax statement:

1. **Market Value:** Estimated price a property would sell in the current market.
2. **Taxable Percent:** Rate applied to your property's market value to determine the taxable portion of your property.
3. **Taxable Value:** Value of your property subject to taxation.
4. **Mill Levy:** Property tax rate.
5. **Property Tax:** Amount of taxes owed.

With these terms demystified, , you'll better understand how your property taxes are calculated and what factors influence your taxes owed.

**Gallatin County Treasurer**  
**Jennifer Blossom**  
 311 West Main, Room 103  
 Bozeman, MT 59715  
**OPEN IMMEDIATELY**

**RGG50829**  
 29077\*128\*\*G50\*\*0.978\*\*1/2\*\*\*\*\*AUTO5-DIGIT 59718  
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 BOZEMAN MT 59718-5910



### COUNTY TAX BILL 2022 REAL ESTATE

Phone: (406) 582-3033 Website: [www.gallatin.mt.gov/treasurer](http://www.gallatin.mt.gov/treasurer)

**PARCEL #** RGG50829      **GEO CODE:** 06079802340190000

**TAX DISTRICT:** 0350-08: 7C BOZEMAN(C)BZP

**PHYSICAL ADDRESS:** 3229 CATERPILLAR ST

**LEGAL DESC:** HARVEST CREEK SUB PH 10 & 11, S02, T02 S, R05 E, BLOCK 24, Lot 10, ACRES 0.172, PLAT J-392 PLUS OPEN SPACE

**MILL LEVY:** 620.970

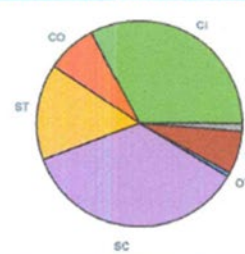
PROPERTY TYPE	MARKET VALUE	TAXABLE VALUE
REAL ESTATE	131,926	1,781.00
BUILD & IMP	326,374	4,406.00
PERSONAL PROPERTY	0	0.00
<b>TOTAL</b>	<b>458,300</b>	<b>6,187.00</b>

KEY TAXING AUTHORITY	GENERAL MILLS	TOTAL
Voted-- BZN FIRE STN #2 GO BONDS	0.970	\$6.00
** BZN FIRE CAPITAL & EQUIP RP	30.000	\$185.62
** BZN PUBLIC SAFETY BONDS	15.380	\$95.16
** BZN TRAILS/OPENSPC/PARKS	7.000	\$43.30
BZN COMMUNITY HOUSING	8.000	\$49.50
BZN GENERAL FUND	115.790	\$716.40
BZN LANDFILL POST-CLOSURE	1.910	\$11.82
BZN PERMISSIVE MEDICAL LEVY	21.210	\$131.22
BZN PLANNING	2.000	\$12.38
BZN SPECIAL TRANSPORTATION SVC	1.000	\$6.18
BZN STORMWATER IMPROVEMENT	1.240	\$7.68
** CNTY OPEN SPACE OPERATION	4.000	\$24.74
** CNTY PARKS	0.500	\$3.10
CNTY BLDG CAPITAL PROJ	7.880	\$48.76
CNTY FAIRGROUNDS	1.260	\$7.80
CNTY GENERAL FUND	15.840	\$98.00
CNTY PERMISSIVE MED LEVY	11.760	\$72.76
CNTY PERMISSIVE SRS LEVY	0.570	\$3.52
CNTY REST HOME	3.520	\$21.78
CNTY/CITY HEALTH DEPT	3.630	\$22.46
** CNTY DETENTION CNTR BOND	5.110	\$31.62
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** SD #7 BZN ELEM BUILDING RES	8.660	\$53.58
** SD #7 BZN ELEM DEBT SERVICE	20.400	\$126.22
** SD #7 BZN ELEM GENERAL FUND	60.980	\$377.28
** SD #7 BZN HIGH BUILDING RES	8.250	\$51.04
** SD #7 BZN HIGH DEBT SERVICE	39.410	\$243.82
** SD #7 BZN HIGH GENERAL FUND	32.160	\$198.98
** SD #7 BZN HIGH TECHNOLOGY	1.000	\$6.18
COUNTYWIDE ELEM RETIREMENT	20.830	\$128.88
COUNTYWIDE HS RETIREMENT	12.430	\$76.90
COUNTYWIDE TRANSPORTATION	1.320	\$8.16
SD #7 BZN ELEM TECHNOLOGY	3.000	\$18.56
SD #7 BZN ELEM TRANSPORT	7.840	\$48.50
SD #7 BZN ELEM TUITION	1.210	\$7.48
SD #7 BZN HIGH ADULT ED	1.650	\$10.20
SD #7 BZN HIGH TRANSPORT	2.610	\$16.14
SD #7 BZN HIGH TUITION	0.970	\$6.00
STATE ELEM EQUALIZATION	33.000	\$204.18
STATE EQUALIZATION AID LEVY	40.000	\$247.48
STATE HIGH SCHOOL EQUALIZATION	22.000	\$136.12
** GALLATIN COLLEGE	1.500	\$9.28
** UNIVERSITY 6 MILL LEVY	6.000	\$37.12
<b>TOTAL</b>	<b>620.970</b>	<b>\$3,841.94</b>

#### SPECIAL ASSESSMENTS

KEY	DESCRIPTION	1ST HALF	2ND HALF	TOTAL
OT	GLTN CONSV DIST MILLS	2.23	2.22	\$4.45
OT	GLTN CO WTR QUALITY (FEE)	3.30	3.30	\$6.60
OT	OPEN SPACE BOND MILLS	7.12	7.11	\$14.23
<b>TOTAL SPECIAL ASSESSMENTS</b>		<b>12.65</b>	<b>12.63</b>	<b>\$25.28</b>

#### DISTRIBUTION BREAKDOWN



CI	CITY.....	\$6.00
CI	CITY/RURAL.....	\$1,259.26
CO	COUNTY.....	\$302.92
PU	PUBLIC SAFETY.....	\$261.66
SC	SCHOOL.....	\$1,377.92
ST	STATE SCHOOL.....	\$587.78
UN	UNIVERSITY.....	\$46.40
OT	OTHER.....	\$25.28

TOTAL TAX	1ST HALF	2ND HALF	TOTAL YEAR
TOTAL GENERAL TAXES	1,059.43	1,059.43	2,118.86
TOTAL SPECIAL ASSESSMENTS	12.65	12.63	25.28
<b>TOTAL</b>	<b>\$1,933.62</b>	<b>\$1,933.60</b>	<b>3,867.22</b>

**FUTURE PROPERTY TAX ASSISTANCE MAY BE AVAILABLE!** If you are elderly, on a limited or fixed income, a 100% disabled veteran or surviving spouse, or had a large increase in your property taxes due to reappraisal, you may qualify for future tax assistance. Contact the Department of Revenue - Bozeman Office at 406-582-3400.

## 1. Market Value

**Market Value** refers to the estimated amount a property would sell for in an open market under **normal conditions**. It represents the price that a willing buyer and seller would agree upon in a transaction. Market value is the foundation of the property tax system and plays a key role in determining a property owner's share of the total tax burden.

### 1a. How Market Value Is Determined in Montana

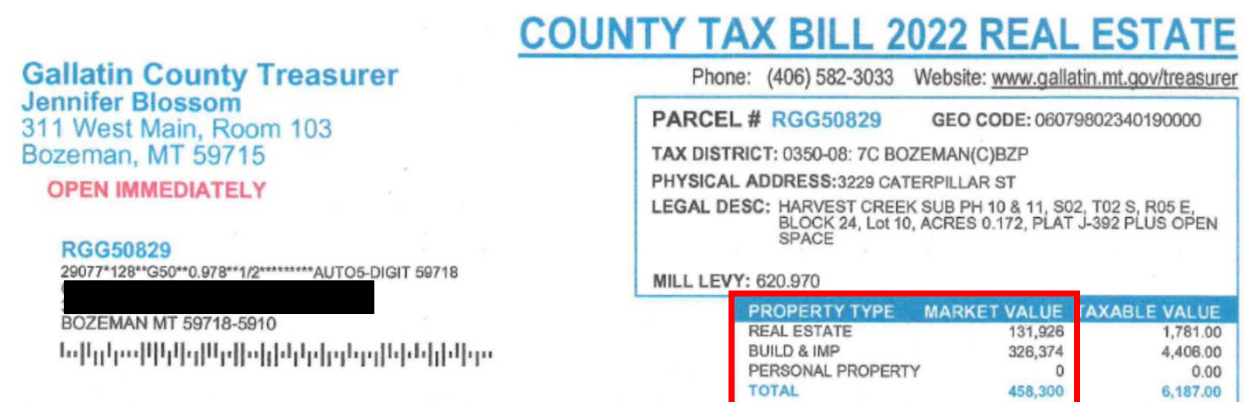
In Montana, the Department of Revenue (DOR) is responsible for appraising properties to determine their market value. Each property is categorized into one of [16 property classes](#) based on their use, ownership, and specific legal provisions. There are valuation methods specific to each class, ensuring that all properties within a class are assessed using the same methods.

Montana operates on a valuation cycle, meaning properties are periodically reassessed based on current market conditions and updated data. For instance, residential properties were reassessed in 2023 for the 2023-2024 cycle, with the next reassessment scheduled for 2025.

To provide transparency, the [Montana Cadastral database](#) offers a search tool where the public can access detailed information on property values and taxes for any Montana property.

### Example

In 2022, an [example residential property](#) located in Bozeman was appraised by the DOR with a market value of \$458,300.



The image shows a sample of a Gallatin County Tax Bill for 2022, specifically for Real Estate. The bill is from the Gallatin County Treasurer, Jennifer Blossom, located at 311 West Main, Room 103, Bozeman, MT 59715. It includes contact information: Phone: (406) 582-3033 and Website: www.gallatin.mt.gov/treasurer. The bill is for Parcel # RGG50829, with GEO CODE: 06079802340190000. The tax district is 0350-08: 7C BOZEMAN(C)BZP. The physical address is 3229 CATERPILLAR ST. The legal description is HARVEST CREEK SUB PH 10 & 11, S02, T02 S, R05 E, BLOCK 24, Lot 10, ACRES 0.172, PLAT J-392 PLUS OPEN SPACE. The mill levy is 620.970. A table at the bottom shows the property type, market value, and taxable value. The market value is \$458,300, and the taxable value is \$6,187.00.

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<b>TOTAL</b>	<b>458,300</b>	<b>6,187.00</b>

### 1b. Appealing a Property's Value

If a property owner believes their assessed market value is incorrect, they have the option to appeal the appraisal. This process typically involves submitting evidence that supports the claim, such as recent sales data from comparable properties or an independent appraisal. For detailed instructions on how to file an appeal, visit the DOR's website [here](#).

## 2. Taxable Percent

The **Taxable Percent** determines how much of a property's market value is subject to taxation. The Montana State Legislature sets the taxable percent for each class of property. In 2024, there were [1,145 distinct property class codes](#), each with its own taxable percent. However, most properties in Montana fall under one of four primary class codes:

- i. **Residential City/Town Lots** 1.35% of market value.
- ii. **Commercial City/Town Lots** 1.89% of market value.
- iii. **Tillable Land** 2.16% of production value.
- iv. **Forestland** 0.27% of production value.

### Example

For the example statement, the property class is *residential city/town lot* and has a *taxable percent* of 1.35%.

### 3. Taxable Value

In Montana, the **Taxable Value** refers to the portion of a property's market value that is subject to taxation. It is determined using the **market value**, the **taxable percent**, and any applicable exemptions:

$$\text{Taxable Value} = \text{Market Value} \times \text{Taxable Percent} - \text{Exemptions}$$

#### Example

In the example tax statement, the market value is \$458,300, the taxable percent is 1.35%, and there are no applicable exemptions. Thus, the taxable value is \$6,187.

$$\text{Taxable Value} = \$458,300 \times 0.0135 - \$0 = \$6,187$$

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#### 3a. Exemptions

In Montana, property tax exemptions are determined by property class codes. Each property class has different types of exemptions that can reduce or eliminate taxable value. Common exemptions include the Property Tax Assistance Program, Elderly Homeowner and Renter tax Credit, Disabled Veteran Program, and the Intangible Land Value Property Exemption. For further details, check the [Montana Department of Revenue](http://Montana Department of Revenue) website for the most up-to-date information on exemptions and eligibility criteria.



#### 4. Mill Levy

The **Mill Levy** is the property tax rate applied to the **Taxable Value** of the property.

1 mill equals \$1 of tax per \$1,000 of taxable value

For example, a property with a taxable value of **\$6,187** will pay **\$6.19** for each mill levied.

Each **taxing jurisdiction** (state, county, city, etc.) levies mills to properties within its boundaries to meet its budget needs. The amount property owners pay is based on the total mills levied from all applicable jurisdictions.

Property tax statements itemize the specific mills levied, including a description of the government services provided. The number of line items depends on how many initiatives were approved by the voters within the property's tax jurisdictions, as well as additional levies approved by state legislation.

In the example tax statement, there are 43 line items across six different tax jurisdictions. These line items total 620.970 mills levied.

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** CNTY UNIV. & MILLE LEVY	0.000	\$0.00
** = now voted levy		
<b>TOTAL</b>	<b>620.970</b>	<b>\$3,841.94</b>

The mills levied is prominently displayed on tax statements.

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<b>TOTAL</b>	<b>458,300</b>	<b>6,187.00</b>

**4a. All properties within the same tax jurisdiction are subject to the same mill levy**

All properties within the same tax jurisdiction are subject to the same mill levy, regardless of property class.

**Example**

In our example tax statement, all properties in the tax district are subject to 620.970 mills.

## 5. Property Taxes

To calculate Property Taxes, apply the following formula:

$$\text{Property Taxes} = \text{Taxable Value} \times \left( \frac{\text{Mill Levy}}{1000} \right)$$

### Example

For the example tax statement, the calculation is:

$$\text{Property Taxes} = \$6,187 \times \left( \frac{620.97}{1000} \right) = \$3,841.94$$

### 5a. Special Assessments (add-ons)

In addition to regular property taxes, a property tax statement may include special assessments – additional charges imposed by a tax jurisdiction to fund specific public projects and services that directly benefit the property. Projects include street paving and repairs, sewer and water system upgrades, boulevard maintenance, sidewalk installation, and streetlights or other local infrastructure improvements. These are usually flat fees and are listed as line items line under Special Assessments on your property tax bill.

### Example

In the example tax statement, there are three special assessments totaling \$25.28. The first is the *Gallatin County Conversation District Mills*, amounting to \$4.45.

SPECIAL ASSESSMENTS				
KEY	DESCRIPTION	1ST HALF	2ND HALF	TOTAL
OT	GLTN CONSV DIST MILLS	2.23	2.22	\$4.45
OT	GLTN CO WTR QUALITY (FEE)	3.30	3.30	\$6.60
OT	OPEN SPACE BOND MILLS	7.12	7.11	\$14.23
TOTAL SPECIAL ASSESSMENTS		12.65	12.63	\$25.28

### 5b. Total Property Taxes

Total Property Taxes equal the sum of the property taxes owed and any special assessments:

$$\text{Total property taxes} = \$3,841.94 + \$25.28 = \$3867.22$$

TOTAL TAX	1ST HALF	2ND HALF	TOTAL YEAR
TOTAL GENERAL TAXES	1,059.43	1,059.43	2,118.86
TOTAL SPECIAL ASSESSMENTS	12.65	12.63	25.28
TOTAL	\$1,933.62	\$1,933.60	3,867.22

In Montana, property taxes are divided into two equal payments, one in May and another in December of the subsequent tax year.

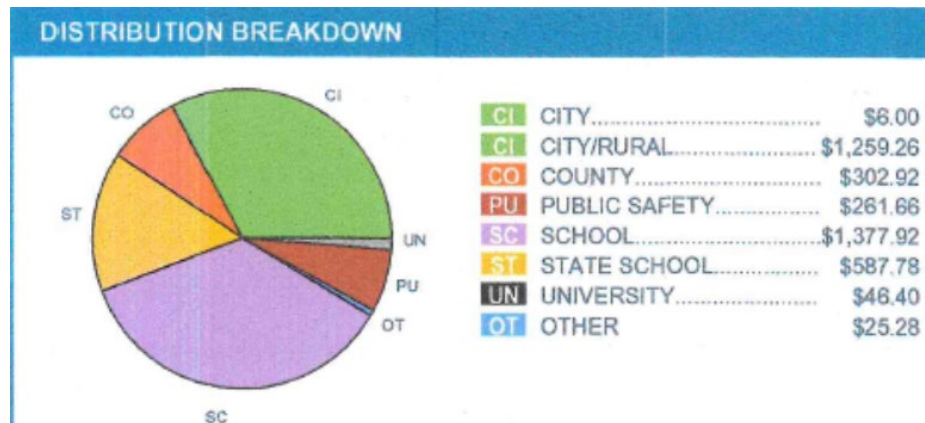


### 5c. One Tax Bill for All Tax Jurisdictions

In Montana, the county is responsible for administering property tax statements on behalf of all applicable tax jurisdictions. This means that property owners receive a single tax bill that includes taxes from various jurisdictions (such as city, county, school district, and other special districts). Once the payment is made, the county transfers the funds to the respective tax jurisdictions on the property owner's behalf.

#### Example

The statement provides a summary of how much taxes are paid to each tax jurisdiction.



*This is Part 1 of a Series on Property Taxation in Montana.*