

BALLOT LANGUAGE FOR CONSTITUTIONAL INITIATIVE NO. 134 (CI-134)

CONSTITUTIONAL INITIATIVE NO. 134

A CONSTITUTIONAL AMENDMENT PROPOSED BY INITIATIVE PETITION

CI-134 amends the Montana Constitution to limit property tax increases imposed by a local government on a parcel of real property to 2% a year, subject to a transition and limited exceptions. The cap applies to residential, commercial, agricultural, industrial, timber, and all other real property tax classifications. The cap does not apply to increases for new property, such as newly built homes, or improvements to real property. The cap also does not apply to public school levies and allows a majority of the qualified electorate to exceed the cap by approving an additional local government mill levy or bond levy. For residential property, the 2% limit must be calculated using the lesser amount of property taxes paid in 2024, 2025, or 2026.

YES on Constitutional Initiative CI-134

NO on Constitutional Initiative CI-134

THE COMPLETE TEXT OF CONSTITUTIONAL INITIATIVE NO. 134 (CI-134)

BE IT ENACTED BY THE PEOPLE OF THE STATE OF MONTANA:

Section 1. Article VIII, section 3, of The Constitution of the State of Montana is amended to read:

"Section 3. Property tax administration -- limitations on amount of property taxes levied by local government unit. (1) ~~The~~ Subject to subsections (2) and (3), the state shall appraise, assess, and equalize the valuation of all property ~~which that~~ is to be taxed in the manner provided by law.

(2) Except as provided in subsection (3), the property taxes levied on a parcel of real property, regardless of classification or property type, may not be increased by a local government unit by more than 2% in any tax year, unless the increase is the result of new property or improvements to real property. As applied to residential property, the initial taxable year for the purposes of this calculation must be the lesser of property taxes levied by the local government unit on the parcel in 2024, or 2025, or 2026.

(3) The 2% cap in subsection (2) does not apply to:

(a) public elementary and secondary school levies;

(b) an increase that is approved by a majority of the qualified electors after December 31, 2026; or

(c) taxes levied to pay principal and interest on bonds, including general obligation bonds and revenue bonds, approved by a majority of the qualified electors."

NEW SECTION. Section 2. Saving clause. Unless the result of a valid protest proceeding, [this act] does not:

- (1) require the state or any local government unit to refund any portion of property taxes lawfully collected before [the effective date of this act]; or
- (2) impair taxes levied to pay principal and interest on bonds approved before [the effective date of this act].

NEW SECTION. Section 3. Effective date. If approved by the electorate, [this act] is effective January 1, 2027.

NEW SECTION. Section 4. Applicability. [This act] applies to:

- (1) property tax years beginning after December 31, 2026; and
- (2) bond or levy elections held on or after [the effective date of this act].