

I rise today to put the commission on notice regarding their breach of statutory duties regarding the city's recent purchase of real estate at 5200 2nd Ave N.

You are elected by Great Falls voters and your duty is to the people of Great Falls, not to the city manager and city staff. This commission seems to ignore that at will. You have failed to protect the interests of the people by not demanding transparency and accountability from the city manager and city staff in previous matters and have failed again in this instance. This just happens to be one of the more egregious instances and the most recent.

You again have not held the city manager accountable for overstepping the authority afforded him in the Montana Code Annotated and the Official Code of the City of Great Falls .

Some of Doyon's numerous questionable actions involving this land purchase include:

1. Doyon signed a contract to hire a buyer's agent on March 7 without a commission vote.
2. Doyon has failed to disclose the amount paid to the buyer's agent, which is public information.
3. Doyon failed to secure a commission vote to pay that buyer's agent fee, whatever it may be.
4. The buyer's agent signed the the Buy-Sell on March 3. Doyon allowed the buyer's agent to act for the city prior t a buyer's agent agreement in place.
5. Doyon s signed the Seller's *Inspection Notice (Seller's Response)* on April 25, which satisfied the contingencies and completed the Buy-Sell contract 12 days before the commission rubber-stamped this property purchase. That directly conflicts with the MCA and city code. The city's purchase of a property in 2016 for a water tower proves the commission must vote to approve the purchase before the Buy-Sell is even entered into, not after it is finalized.

6. Doyon signed paperwork to pay more than the appraised value of the property which conflicts with Montana common law practice that municipalities follow the MCA statute for counties which states the purchase of property cannot exceed the appraised value.

Before anyone claims it had to be done the way it was done, I protest. The property had been on the market for 140 or more days according to the appraisal, so the transaction lacked urgency. Urgency also would also not be an excuse to commit potentially unlawful acts.

This commission must take action immediately on this matter as representative of the people.

Proverbs 29:27

An unjust person is an abomination to the righteous, And one who is upright in the way is an abomination to the wicked.

Benefis is asking for PUD that will include an underlying Zoning District of PLI, Public Lands and Institutional.. In the city code, Exhibit 20-1. Principal Uses by District, all residential uses are excluded under PLI zoning. So not even through the conditional use process is residential allowed in a PLI district yet you seek to approve a PUD with underlying PLI for their residential development. How does the city justify going against their own zoning district code.

Moreover, the important question here is why Benefis and the city would seek to do that?

This property is currently all one lot but this ordinance also seeks to create a minor subdivision to split it into four lots. Benefis realizes a partial tax exemption on the lot, likely due to its PLI zoning designation on the part of the lot that holds the Grandview senior assisted living and long-term care facility. That facility is arguably health-care related, so I understand the PLI zoning designation.

But Benefit wants Lots 2 & 3 of the proposed minor subdivision to have an underlying PLI designation, despite the fact that the development they propose is not health-related but residential and despite the fact that city code doesn't support residential use in PLI districts.

It appears to me that this is a ploy for the city to assist Benefis to create yet more tax exempt property by creating residential development with an underlying PLI designation, thus also making it much easier to make the case to the DOR Property Tax Assessment Division to declare proposed Lots 2 & 3 as also tax exempt.

According to my research, Benefis currently owns 31 tax exempt properties worth \$327,991,278. That is tax revenue lost for the city general fund on nearly \$328 million dollars on Benefit property alone and there are numerous tax exempt properties throughout the city that force city taxpayers to shoulder more of the cost for public safety and infrastructure.

Please take a look at what is proposed here and asking yourselves why Benefis is seeking a PLI underlying designation for this property.

Row Paulick
060325-18

Re: City Commission meeting 6/3/2025. Agenda item #18, Ordinance 3275:
Benefis PUD for Sanavita Estates Development at 3015 18th Ave South, Great Falls.

Major, Commissioners, City Staff,

<> I support this development. However, there is an issue indirectly related to the Ordinance that concerns me.

<> Benefis Health Systems is the non-profit owner of this development. Subsequently, by law, no property tax can be collected. In fact all Federally designated non-profits in the Sated and Great Falls pay no property tax. Thus the burden of this lost revenue fall upon other property owners. Essential services are needed for any growth in Great Falls.

<> I submit this partial report from the Montana Legislature Office of Research & Policy Analysis, titled FISCAL IMPACTS OF PROPERTY TAX EXEMPTIONS AND ABATEMENTS, dated November 2023.

To summarize: There are 163,000+ exempt parcels in Montana with a market value of \$30,804,985,958. Twenty eight (28) exemption types are listed.

<> By Law no property tax can be collect for the properties owned by non-profits. The Federal Government via Dept. of Interior via Public Law 97-258 appropriates "In Lieu of Tax" payments to towns/cities to support essential services like police, fire, schools, and other community needs. It's their effort to be part of the community and good neighbors.

<> Lastly, I strongly urge Commissioners to consider some sort of "In Lieu of Tax" fees for non-profit property owners. Maybe a new license fee, community support fund fee, etc. Surely, the public may thank you for your efforts to find other forms of revenues other than their available funds.

Year

BENEFIS TAX EXEMPT PROPERTIES

	GEOCODE	DOR VALUATION
1	02-3016-17-2-04-06-0000	\$144,776,170
2	02-3016-17-2-04-02-C000	\$928,650
3	02-3016-17-2-04-01-0000	\$5,270,766
4	02-3016-17-2-04-01-G002	\$128,489
5	02-3016-17-2-04-01-G001	\$156,750
6	02-3016-17-2-02-31-0000	\$6,305,329
7	02-3015-13-1-02-07-0000	\$11,926,300
8	02-3015-02-1-02-07-0000	\$2,245,814
9	02-3016-17-2-06-04-0000	\$1,709,809
10	02-3016-18-4-01-04-0000	\$662,516
11	02-3016-18-1-10-12-0000	\$501,326
12	02-3016-18-1-07-26-0000	\$28,818,747
13	02-3016-17-2-10-11-0000	\$1,411,794
14	02-3016-17-2-10-04-0000	\$10,948,154
15	02-3016-17-3-01-01-0000	\$26,633,713
16	02-3016-17-2-06-18-0000	\$21,139,767
17	02-3015-13-3-11-05-0000	\$2,067,989
18	02-3015-13-2-03-01-0000	\$35,719,363
19	02-3015-13-2-03-18-0000	\$138,062
20	02-3015-13-2-03-19-0000	\$6,372,761
21	02-3015-13-3-11-02-0000	\$158,159
22	02-3015-13-2-03-02-0000	\$2,364,581
23	02-3016-17-2-04-05-0000	\$5,051,587
24	02-3016-17-2-10-07-0000	\$539,625
25	02-3015-13-3-11-01-0000	\$232,344
26	02-3016-17-2-06-03-0000	\$7,728,868
27	02-3016-18-1-16-15-0000	\$1,378

	GEOCODE	DOR VALUATION
28	02-3016-17-2-04-02-C001	\$460,930
29	02-3016-17-2-04-02-C004	\$783,490
30	02-3016-17-2-04-02-C010	\$514,465
31	02-3015-13-3-11-09-0000	\$2,293,582
Total		\$327,991,278

FISCAL IMPACTS OF PROPERTY TAX EXEMPTIONS AND ABATEMENTS

REVENUE INTERIM COMMITTEE
MEGAN MOORE - NOVEMBER 2023

PROPERTY EXEMPTION HISTORY

Property tax exemptions for charitable, religious, and educational organizations have existed since the 19th century, before the adoption of the federal Internal Revenue Code (IRC). In fact, concepts related to property tax exemption in the IRC are derived from state policies.

1972 CONSTITUTION GRANTED LEGISLATURE MORE AUTHORITY TO EXEMPT

The 1972 Montana Constitution establishes the right of the Legislature to exempt certain property from property taxation in Article VIII, Section 5.

Section 5. Property tax exemptions. (1) The legislature may exempt from taxation:

(a) Property of the United States, the state, counties, cities, towns, school districts, municipal corporations, and public libraries, but any private interest in such property may be taxed separately.

(b) Institutions of purely public charity, hospitals and places of burial not used or held for private or corporate profit, places for actual religious worship, and property used exclusively for educational purposes.

(c) Any other classes of property.

(2) The legislature may authorize creation of special improvement districts for capital improvements and the maintenance thereof. It may authorize the assessment of charges for such improvements and maintenance against tax exempt property directly benefited thereby.

The 1889 Montana Constitution gave the Legislature less discretion to exempt property from taxation than does the current 1972 Montana Constitution. The 1972 Montana Constitution lets the Legislature decide whether to exempt property listed in Section 5(1)(a), the 1889 Montana Constitution mandated those exemptions.

The 1889 Montana Constitution also gave the Legislature the option to exempt property listed in the current constitution in Section 5(1)(b). The 1889 Montana Constitution did not give the Legislature the authority to exempt other classes of property as the 1972 Montana Constitution does in Section 5(1)(c).

EXEMPTIONS AND ABATEMENTS IN STATE LAW

State law includes many more property tax exemptions than those listed in the Montana Constitution. Some exemptions require an application process through the Department of Revenue in which the owner demonstrates ownership of the property and use for the exempt purpose. This type of exemptions is the focus of this report.

There are also categories of generally exempt property contained in Title 15, chapter 6, part 2 that do not require an application. An example is personal property such as household goods and furniture.

ABATEMENTS ARE USUALLY GRANTED LOCALLY

The Legislature also allows abatements for certain types of property. These abatements are usually granted by a city or county government and generally only apply to local mill levies. Abatements also differ from exemptions because they reduce only a portion of the property's value and tend to be limited to a certain number of years.

Some properties are eligible for preferential tax treatment that does not fall neatly into the exemption or abatement category. The exemption section of this report includes a few abatements that require a state-level application process.

PROPERTY TAX EXEMPTIONS SHIFT TAXES, REDUCE STATE REVENUE

In tax year 2023, 10% of market value in the state is exempt from property taxes. The total market value of taxable property is \$269.9 billion, while the market value of exempt property is \$30.8 billion.

Property tax exemptions reduce revenue collected from statewide mill levies and cause local tax shifts.

The 95 mills for state education equalization and the 6-mill university levy are collected on all taxable property in the state. The application of state mills to exempt property in 2023 would have resulted in collections of \$53 million for state equalization and \$3.4 million for the university system.

For all other levies, the effect of exemptions is to shift taxes from exempt property to non-exempt property. When property is exempt, taxes are collected from a smaller taxable value resulting in higher mill levies. In 2023, property exemptions led to \$263 million in local tax shifts.

GOVERNMENTAL PROPERTY IS LARGEST CATEGORY OF EXEMPT PROPERTY

Governmental property accounts for nearly half of the exempt market value in the state. This category of property includes property of federal, state, local, and tribal governments, and school district property. Thirty-six percent of the total tax shifts, or \$93.5 million, and 35% of total lost state revenue, \$20.1 million, result from governmental property exemptions.

The exemption of intangible personal property leads to the next highest local tax shifting and state revenue loss: \$66 million, or 25% of the total, and \$15 million, or 27% of the total, respectively. Intangible personal property is business property that has no intrinsic value but is representative of value, such as licenses, copyrights, patents, trademarks, contracts, software, franchises, and goodwill.

Though the market value of intangible personal property is close to the market value of nonprofit healthcare property, the taxable value of intangible personal property is more than three times higher because intangible personal property would be subject to a higher tax rate if it was taxed.

Exempt nonprofit health care property leads to \$23 million in tax shifts and \$4.5 million in state revenue loss, or 9% and 8% of the respective total tax shifts and state revenue loss.

Religious exemptions and exempt residential value for participants in the Property Tax Assistance Program (PTAP) round out the five largest exempt categories. Religious exemptions lead to almost \$19 million in tax shifts and \$3.9 million in state revenue loss. PTAP shifts \$14.4 million locally and reduces state revenue by \$3.2 million.

FISCAL IMPACTS OF PROPERTY TAX EXEMPTIONS AND ABATEMENTS

FY 2023 FISCAL IMPACT OF EXEMPT PROPERTY BY CATEGORY

Exemption Type	Parcels	Market Value	Local Tax Shift	Loss in State Revenue	Total Benefit
Governmental	119,432	\$15,082,734,085	\$93,504,158	\$20,130,095	\$113,634,253
Intangible Personal Property	-	\$2,387,021,090	\$66,036,172	\$15,216,272	\$81,252,445
Non-Profit Health Care	506	\$2,342,540,505	\$23,423,668	\$4,500,662	\$27,924,330
Religious	3,013	\$2,095,625,521	\$18,950,464	\$3,935,950	\$22,886,414
Property Tax Assistance Program	21,652	\$3,433,051,583	\$14,432,651	\$3,180,757	\$17,613,408
Educational	459	\$999,182,589	\$9,290,212	\$1,905,678	\$11,195,890
Purely Public Charity	1,362	\$997,181,143	\$8,992,487	\$1,859,000	\$10,851,487
Affordable Housing	233	\$752,324,644	\$7,547,699	\$1,422,392	\$8,970,091
Disabled Veteran Program	3,073	\$1,019,296,475	\$5,798,446	\$1,357,409	\$7,155,855
Pollution Control & Carbon Capture	25	\$422,818,794	\$5,187,953	\$1,294,509	\$6,482,465
Care of People with Developmental Disability or Mental Impairment	357	\$185,110,948	\$1,774,365	\$330,992	\$2,105,357
Care of Retired, Aged, Chronically Ill	54	\$165,563,156	\$1,723,118	\$317,184	\$2,040,302
Community Service Building/Fraternal	328	\$147,091,478	\$1,382,889	\$280,251	\$1,663,140
Energy Production & Development Abatement	259	\$236,928,247	\$899,568	\$327,020	\$1,226,588
Art Galleries, Observatories, Zoos, Museums	112	\$103,463,542	\$817,716	\$198,448	\$1,016,164
Agricultural Processing Facility	19	\$82,084,904	\$748,171	\$140,711	\$888,882
Missing Category ¹	732	\$70,261,216	\$584,907	\$125,174	\$710,081
Intangible Land Value Program	174	\$99,594,552	\$407,022	\$135,883	\$542,905
Low Value Mobile Home	10,713	\$68,058,458	\$411,716	\$93,207	\$504,923
Fiber Optic and Coaxial Cable	91	\$30,291,246	\$407,004	\$91,883	\$498,887
Veteran's Clubhouse	97	\$35,437,233	\$312,021	\$64,848	\$376,869
Cemetery, Mausoleums, Crematories	179	\$26,458,662	\$252,401	\$49,445	\$301,847
Non-Profit Water Association	77	\$11,220,535	\$83,512	\$20,180	\$103,692
Agricultural & Horticulture Societies	4	\$5,089,722	\$38,031	\$9,540	\$47,570
Temporary Tribal	67	\$3,784,463	\$31,828	\$6,820	\$38,648
Natural Disaster	18	\$2,112,896	\$14,244	\$3,300	\$17,544
Non-Profit International Athletic Facility	1	\$379,254	\$3,750	\$724	\$4,474
Gray Water Abatement	1	\$279,017	\$847	\$380	\$1,227
Total	163,038	\$30,804,985,958	\$263,057,020	\$56,998,715	\$320,055,735

¹ Exemption type is not identified in Department of Revenue system. Most are likely government exemptions.

10-YEAR CHANGE FOR TOP EXEMPTION CATEGORIES

The following table shows the change in exempt parcels, their market value, and the fiscal impact of the exemptions between 2013 and 2023 for the largest ten categories of exemptions.

The total benefit to exempt properties, which is a sum of the local tax shift and state revenue loss, more than tripled between 2013 and 2023 for seven of the 10 largest categories of exemptions.

CHANGE IN LARGEST EXEMPTION CATEGORIES, 2013 TO 2023

Exemption Type	Change in Parcels	Change in Market Value	Change in Local Tax Shift	Change in State Revenue Loss	Ratio of 2023 Benefit to 2013 Benefit
Governmental ²	36,823	\$8,094,139,682	\$62,766,055	\$13,262,907	3.0
Intangible Personal Property	-	\$503,987,002	\$12,555,428	\$3,282,157	1.2
Non-Profit Health Care	111	\$1,920,544,371	\$18,901,376	\$3,687,464	5.2
Religious	644	\$1,677,596,069	\$14,939,715	\$3,164,667	4.8
Property Tax Assistance Program	4,036	\$2,404,314,484	\$6,020,722	\$1,490,126	1.7
Educational	-108	\$809,747,848	\$7,448,570	\$1,553,753	5.1
Purely Public Charity	813	\$772,457,833	\$6,677,321	\$1,432,726	4.0
Affordable Housing	108	\$680,780,330	\$6,745,899	\$1,288,116	9.6
Disabled Veteran Program	1,000	\$845,870,842	\$3,687,984	\$917,757	2.8
Pollution Control & Carbon Capture ³	24	\$421,940,203	\$5,174,068	\$1,291,847	391.8

COUNTY EXEMPT TAXABLE VALUE RANGES FROM 2% TO 30%

When considering all categories of exemptions as well as locally granted abatements for which Department of Revenue has data, the estimated taxable value of exempt property as a share of taxable value for all taxable and nontaxable property varies ranges from 2% in Madison County to 30% in Garfield County. The average for all counties is 14.5%.

² Prior to 2016, exempt agricultural property is overvalued in Department of Revenue data. The parcels were removed to prevent overestimating the tax shift and state revenue loss. This results in an undercount of the exempt parcels in tax years 2013 through 2015 that mostly affects the government property category.

³ Change is for 2015 to 2023 because exemption is for equipment placed into service after January 1, 2014.

FISCAL IMPACTS OF PROPERTY TAX EXEMPTIONS AND ABATEMENTS

The percentage of exempt taxable value increased between 2013 and 2023 in 44 counties. For eight counties, the change in the share of exempt taxable value increased by ten percentage points or more: Garfield, Petroleum, Big Horn, Daniels, Prairie, Blaine, Fergus, and Sheridan.

Three counties saw declines in the share of exempt taxable value between 2013 and 2023 of more than five percentage points: Powell, Musselshell, and Toole.

PERCENTAGE TAXABLE VALUE EXEMPT BY COUNTY, 2013 AND 2023

County	2013 % Exempt	2023 % Exempt	County	2013 % Exempt	2023 % Exempt
Garfield	9%	30%	Carbon	9%	14%
Petroleum	2%	27%	Deer Lodge	13%	14%
Big Horn	15%	26%	Missoula	9%	14%
Cascade	16%	23%	Musselshell	22%	14%
Mineral	22%	21%	Toole	29%	13%
Powder River	17%	21%	Dawson	6%	13%
Yellowstone	16%	21%	Roosevelt	8%	12%
Phillips	16%	20%	Chouteau	7%	12%
Daniels	3%	20%	McCone	2%	12%
Prairie	9%	20%	Teton	11%	12%
Rosebud	10%	19%	Liberty	6%	11%
Blaine	7%	18%	Granite	15%	10%
Glacier	20%	18%	Wheatland	15%	10%
Lincoln	8%	18%	Ravalli	10%	10%
Fergus	7%	18%	Stillwater	5%	10%
Lake	12%	17%	Richland	6%	10%
Custer	9%	17%	Flathead	6%	10%
Meagher	15%	16%	Golden Valley	7%	10%
Sanders	13%	16%	Gallatin	7%	9%
Powell	24%	15%	Sweet Grass	6%	9%
Lewis & Clark	14%	15%	Jefferson	9%	9%
Judith Basin	12%	15%	Park	9%	8%
Beaverhead	17%	15%	Treasure	7%	8%
Sheridan	3%	15%	Broadwater	9%	8%
Silver Bow	9%	15%	Fallon	6%	8%
Pondera	11%	15%	Carter	6%	7%
Valley	5%	14%	Wibaux	4%	6%
Hill	9%	14%	Madison	3%	2%

EXEMPT BUSINESS PERSONAL PROPERTY GENERALLY REIMBURSED

In tax year 2023, the first \$300,000 of class eight business personal property provided for in [HB 1022](#) is exempt from taxation. The exemption will increase to \$1 million in tax year 2024.

The exemption for class eight business personal property differs from other exemptions in two ways:

- the exemption applies to a set dollar amount of property for all business personal property owners; and
- local governments receive reimbursements for the loss in taxable value from the exemption.

CLASS EIGHT EXEMPTIONS BEGAN IN 2000

Beginning in 2000, class eight property valued at \$5,000 or less was exempt from taxation. In 2005, the Legislature increased the exemption to class eight property valued at \$20,000 or less.

By 2014, the Legislature took a different approach and exempted the first \$100,000 of business personal property for all taxpayers. In 2022, the exemption increased to the first \$300,000 for all class eight property owners and in 2024, the exemption will increase to the first \$1 million.

CLASS EIGHT RATE REDUCTIONS DATE BACK TO 1989

Before enacting exemptions for a portion of class eight property value, the Legislature repeatedly reduced the tax rate for class eight property. The reductions were as follows: from 10% to 9% in 1989, to 8% in 1996, to 7% in 1997, to 6% in 1998, to 3% in 2000, to 2% for the first \$2 million in 2011, and to 1.5% for the first \$6 million in 2013.

REIMBURSEMENTS FOR BUSINESS PERSONAL PROPERTY VARY BY YEAR

Bills that enacted tax rate reductions and exemptions for business personal property generally included a provision to reimburse cities, counties, and school districts for the lost tax base.

Cities, counties, and consolidated city-county governments receive reimbursement with their entitlement share payments. Reimbursements totaled \$19 million in fiscal year 2015, the first fiscal year that reflects the \$100,000 exemption amount and they are expected to total \$24.3 million in fiscal year 2024.



NeighborWorks Week

June 7-14, 2025



JUNE
09

BAATZ BLOCK TOURS

400 2nd Ave S
Stop by between 3-5 pm

Come see the progress being made on the Baatz Block Apartments! This historic building will be permanent supportive housing this Summer. The ground floor will offer wrap-around services while the second and third floors will be called home by our neighbors transitioning out of homelessness. Tours will begin about every 15 minutes.

JUNE
10

DREAM STREET TOURS

2121 23rd Ave S
Stop by between 3-6 pm

The newest 10 houses in the Owner Built Homes will be completed this Summer! Come walk through the different houses and see how each homeowner makes their home uniquely theirs, hear from some of the homeowners themselves about their experience, and learn about why this program is so important.

JUNE
11

MURAL & BREW TOUR

17 7th St S
3-6 pm

NWGF and Downtown Great Falls are teaming up to celebrate NeighborWorks Week AND Craft Beer Week. Join us on Sid's Pedal Trolley to learn about the downtown murals and stop for beverages along the way. Spots are limited -RSVP!

nwgf.org/events

JUNE
12

NEIGHBORHOOD IMPACT TOURS

509 1st Ave S
11 am & 3:30 pm

Want to learn more about NWGF? These tours give a comprehensive- and fun!- tour of some of our projects in Great Falls. From rentals, to rehabs, to new construction, this tour has it all! Each tour is about an hour and 15 minutes.

Spots are limited- RSVP!

nwgf.org/events