

PROPOSED LETTER TO THE EDITOR

To be sent to all major Montana news outlets and State Legislators

Governor Gianforte Urged to Call Special Session to correct Unintended Consequences of 2nd home Property Tax

We are 2nd homeowners on a small dirt road near Lakeside. All of the 10 homes on our road were built between 1971 and 1996. Eight of the 10 are Montana residents. Six of the 10 are 2nd homes. Of the six, three are owned by retirees on fixed incomes. The other three are “family legacy” homes. Of the 10 households, all are or were small business owners, entrepreneurs or hard working middle class employees who saved their money for their family to enjoy a second home. In this part of the world with so much natural beauty, forests, lakes and rivers, this is part of the American Dream.

Sometimes solutions to perceived problems cause unintended consequences and harm those who were not meant to be harmed.

Unintended consequences of the 2nd home tax just on our little road:

1. For retirees on fixed incomes, this tax will force them to sell their homes. With the new super high appraisals for 2025-26, who will buy? More millionaires and billionaires will be drawn into Montana to further jack up real estate prices and continue to make Montana unaffordable for ordinary working citizens. **Do Montana’s elected leaders really want this?**
2. For “legacy property” owners, this tax will force them to sell as succeeding generations who are raising their own families will not be able to afford the taxes, and their dreams of continuing to enjoy their family’s vacation property on beautiful lakes, rivers and woods in Montana will be dashed. **Do Montana’s elected leaders really want this?**
3. For hardworking middle class families or small business men and women who have saved enough to buy a 2nd home for their families, the 2nd home tax will force them to sell as well and penalize success, savings and creating important family memories. **Do Montana’s elected leaders really want this?**
4. Two Letters to the Editor published in the Daily Interlake on August 10 and 24 detail how this tax will also harm ranchers and farmers. **Do Montana’s elected leaders really want this?**

5. From conversations with friends, neighbors and acquaintances, we know of no one who thinks this is a good idea, not only for personal reasons, but because it is unfair in its application. Such a gross disparity in tax rates will invite tax cheating, and all sorts of unconventional arrangements to avoid the tax. **Do Montana's elected leaders really want this?**

Instead of a very targeted 2nd home tax, it was written quite broadly and harms hardworking Montanans causing a worse housing problem than before and inviting more super rich to buy up highly appraised modest vacation homes.

What to do?

We call on Governor Gianforte to call a Special Session of the State Legislature to remedy the unintended consequences. This is an urgent matter as the new higher tax rate will be applied for November, 2026 property tax bills. The Legislature is not scheduled to meet again until January, 2027. The damage will already have been done by then.

Suggested changes to 2nd Home Tax to be considered by Special Session:

- Hold hearings to hear from citizens like us and delay implementation until the 2027 Legislature meets in order to rethink this law and make appropriate amendments to protect ordinary Montanans.
- Grandfather 2nd home purchased before a date that tracks when the buying frenzy by out of staters began around 2020 that has caused the stratospheric rise in market values for everyone.
- Grandfather 2nd homes purchased for under a certain dollar amount to protect middle class 2nd home owners, such as under \$1 million.
- Protect all Montanans from being taxed on “unrealized gains” caused by the buying frenzy since 2020 by limiting increases in appraised value to some statutory amount per year, like 2-5%. This way homeowners who do not wish to sell or be forced out of their homes by large market place fluctuations would be protected.

Governor Gianforte, please give our proposal your serious consideration!

The _____Family,

Lakeside