



COLUMBIA FALLS RESORT TAX PROPOSAL

City of Columbia Falls' residents will vote on the resort tax proposal on June 2, 2020. City Council spent the last two years investigating public safety service demands, needs and funding options. The Council studied both the voted levy and the resort tax options available to our City.

After months of diving into the statutory requirements set by the Montana legislature and reviewing the details of the existing 10 MT communities' resort tax programs, City Council approved a draft ordinance with the following recommendations:

- Rate of tax – 3%
- Funding purposes:
 - 55% - Public Safety operations and capital
 - 14% - Public infrastructure funding, such as streets, parks, sidewalks/paths, water, and sewer
 - 1% - Direct city costs such as software and audit
 - 25% - Property tax relief to city property taxpayers
 - 5% - Administration cost offset for business owners
- Defined those items that were to be taxed and those that would not be taxed, in compliance with statutory requirements. Additionally, the Council exempted items that they believed would be purchased predominately by community members and not the traveling public.

The City has experienced a 28% population increase since 2000 making it one of the fastest growing cities in Montana. The police department has had a 74% increase in calls for service between 2010 (6,133 calls for service) and 2019 (10,670 calls for service). We expect those numbers to continue to increase with continued growth in both population and tourism. The department consists of 9 police officers and the Police Chief providing 24/7 police coverage.

The fire department has also experienced exponential call volume growth, 43% between 2000 (178 calls for service) and 2019 (315 calls for service). The City relies on 26 volunteer firemen and a full-time Chief to respond to calls. As the population increases, the City moves closer to needing full-time firemen. Most critical is the availability of volunteers to answer calls during daytime hours. Currently, daytime response is primarily covered by the Fire Chief and three volunteer firemen who are retired from their regular jobs.

The resort tax option requires visitors to help pay for services and facilities they use, provides funding without increasing residents' property taxes and provides property tax relief to city taxpayers. Based on an estimated \$450,000 in resort tax collections, a property tax reduction of \$51 would be applied to the property taxes on a \$250,000 home. The \$51 property tax reduction is the equivalent of spending \$1,700 on items subject to the resort tax.

Alternatively, if the public safety needs are funded by a \$450,000 voted levy, a property tax increase of \$203 would be applied to the property taxes on a \$250,000 home.

For specific information on items subject to or exempt from the tax or any other questions, contact the Mayor, Council members or the City Manager, City Hall, 130 6th Street West, 892-4391 or visit the City website: www.cityofcolumbiafalls.org.