



# 2027 Legislative Agenda



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PAID FOR BY AMERICANS FOR PROSPERITY

# Education Reform

Every child deserves the freedom to pursue the education that best fits their needs, regardless of income or zip code.

Americans for Prosperity–Montana (AFP-MT) will press for a refundable tax credit program because it will put the power back in the hands of families to decide which education best serves their children’s needs. In a refundable tax credit program, parents will receive a credit against their state income taxes, and may be eligible to receive a refund if educational expenses exceed their tax liability.



# Montana REINS Act

Last session, we secured passage of HB 592—a significant step forward in enhancing legislative and public oversight, transparency, and accountability in our rulemaking process. Too often, unelected and previously unaccountable administrators enact rules and regulations that have significant economic impacts on individuals and businesses, particularly energy development. While HB 592 bill wasn’t the full REINS Act, it established a crucial foundation for future reforms.

Now that we’ve secured a bill that provides transparency and accountability, it is time to pass the full REINS Act.

*The additional needed reforms in rulemaking are:*

- 1)** the establishment of a trigger amount whereby any proposed rule or regulation exceeding that figure would require an affirmative vote by the legislature;
- 2)** the requirement of a full Economic Impact Statement on any proposed rule or regulation that is estimated to exceed the trigger amount.

It has been shown in states that have adopted the full REINS Act that bureaucrats and administrators are reluctant to propose new rules or regulations that have any significant economic impact for compliance.

# Pension Reform

Montana’s public pension systems, particularly the Public Employees’ Retirement System (PERS-DB) and the Teachers Retirement System (TRS), are burdened by substantial unfunded liabilities due to years of fixed-rate contributions that have failed to meet actuarial needs. The resulting pension debt—exceeding \$4.3 billion between these two systems alone—threatens both the retirement security of public employees and the financial responsibility of Montana taxpayers.

We need to prioritize reforms that will shift us to an Actuarially Determined Employer Contribution (ADEC) system or a Defined Contribution (DC) retirement program for new hires.

A Defined Contribution plan will be portable and allow for greater financial flexibility and freedom for state employees who want to change careers and leave the public sector.

Revised December 15, 2025

# Judicial Reform

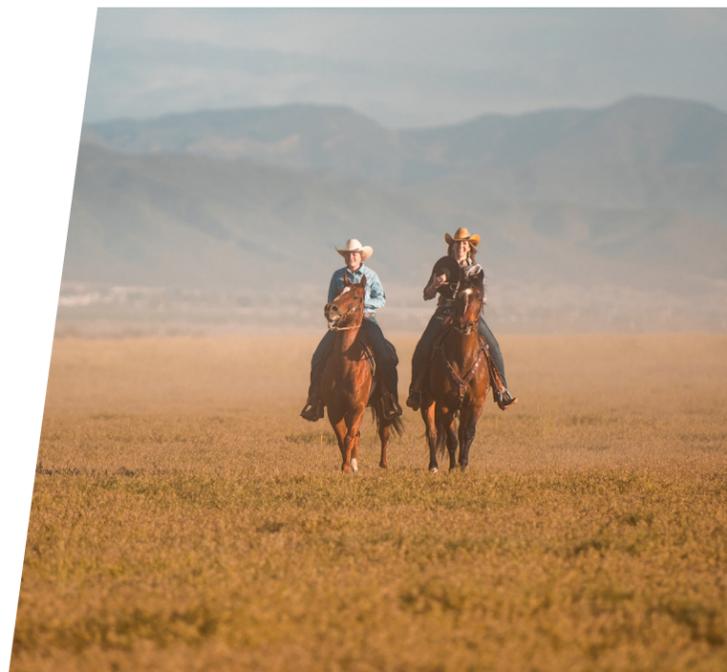
State judges play a powerful role in shaping the law and protecting individual rights—often more so than federal courts. Unfortunately, some state courts have overturned duly enacted laws or created new ones from the bench, bypassing the democratic process.

It's essential to have judges who are impartial, principled, and committed to the rule of law. We support originalists and textualists—judges who interpret laws based on their plain meaning at the time they were written. Judicial decisions should reflect the law as written, not personal ideology or political agendas.

AFP-MT supports legislation that would allow judicial candidates to declare their party affiliation. This would provide voters with more information, allowing them to make better-informed decisions about judicial candidates while also protecting the right of free association of the judicial candidates.

A faithful judiciary and an informed public are both vital to preserving liberty and the proper balance of powers.

The current Montana Supreme Court has demonstrated that it is not aligned with these principles. For example, in *Held v. Montana*, the Montana Supreme Court discovered in the Montana Constitution a new, unwritten “right” to a “stable climate system” within the Montana Constitution. The decision overturned energy priority decisions by the elected branches and will limit energy development in the future.



# Tax Reform

## INCOME TAX

Montana's high and complex income tax system puts workers, families, and small businesses at a disadvantage.

It discourages job growth, investment, and spending—while making our state less attractive compared to neighbors with lower taxes. AFP-MT will continue to press for a fairer, flatter tax system that would let Montanans keep more of what they earn and strengthen our economy.

## PROPERTY TAX

Montanans have seen significant property tax increases in recent years. While some proposed relief is well-intentioned, lawmakers should avoid cost-shifting to the state and burdening other taxpayers. AFP believes that effective and long-lasting property tax reform increases transparency, limits local government revenue and spending, and reforms property taxes for all property owners, not just a preferred few.

Americans for Prosperity strives to create an economy that works for all, empowering people to earn success and realize their potential. It is for these reasons we strongly believe tax policy should not pick winners and losers by providing favors to politically preferred behaviors, activists, or industries. AFP-Montana will work on empowering Montanans to have a greater voice and vote on proposed property tax increases by advocating for reforms such as Truth in Taxation, which already exists in Kansas and Utah.

Tax policy should be simple, stable, and fair: low rates, fewer loopholes, and no special treatment for political favorites. Most small businesses pay individual income taxes, so a lower rate and simpler system directly helps them grow and create jobs. It's time to level the playing field and unleash Montana's full potential. AFP supported H.B. 337 in 2025, which reduces the top tax rate to 5.4% by 2027. Yet, lawmakers should go further and adopt a low, flat tax rate that would simplify the tax system for Montanans and allow workers to keep more of their hard-earned income.

Truth in Taxation is aimed at increasing transparency and public involvement in property tax decisions by mandating that property owners receive clear notifications about any proposed property tax increases and ensuring opportunities for public input.

Montana already has some limits on property tax increases, such as the inflation cap, but these limits should apply to all taxing authorities—counties, cities and towns, school districts, and special districts (such as fire, sewer, and library districts). Carry-forward amounts—unused taxing capacity that let governments raise taxes more in future years without new approval—should either be eliminated or, if maintained, be subject to Truth in Taxation notifications and voter approval through a ballot measure if the carry-forward amount is large. These changes will increase transparency for residents and limit property tax increases.

# Housing Reform

Montana ranks as the least affordable state for housing in the United States.

This ranking is based on the disparity between home prices and average household incomes.

While Montana's housing reform has been heralded as the "Montana Miracle," there is still much work to be done to loosen the local regulatory stranglehold that limits housing development. SB 146, creating the Private Property Protection Act, which failed by only a few votes this past session, would return land-use and property rights decisions back to homeowners, while still preserving the health and safety of neighbors and the environment. Additionally, allowing for triplexes and fourplexes on lots that are zoned for single-family residences would lower costs and increase housing supply to help solve the housing crisis. AFP-MT intends to work with our coalition partners in securing land-use and property rights for owners and to expand the supply of housing by eliminating locally restrictive zoning.



# Tax Rules

## TAX INCREMENT FINANCING (TIF)

For decades, TIF has diverted millions of Montana taxpayers' dollars away from essential public services to benefit private developers and large corporations. Originally created to address urban "blight," TIF has evolved into a tool of corporate welfare, subsidizing projects that often would have been built anyway. Each year, Montana's largest cities allocate tens of millions of taxpayer dollars to multimillion-dollar corporations under the guise of "revitalization," while simultaneously claiming to lack the revenue needed for police, fire, and infrastructure. This system leaves local governments scrambling to fill budget gaps by raising property taxes—pushing already struggling homeowners and small businesses to the brink.

It's time to reform TIF and restore fiscal accountability at the local level.

## TAXPAYER'S BILL OF RIGHTS (TABOR)

TABOR protects taxpayers by limiting government growth and guaranteeing a direct voter say on tax increases. Under TABOR, any new tax, tax rate hike, or certain revenue increases must be approved by a public vote — giving Montanans the right to vote on proposed tax increases or any new, excessive fees. TABOR keeps spending under control and promotes transparency and accountability in government.

If a local government diverts excess revenue into special projects—through TIF—it must be transparent in its budget so taxpayers can clearly see how much money is being redirected, who benefits, and how that impacts funding for essential services. The definition of "blight" must be narrowed so that thriving areas like downtown Bozeman no longer qualify for taxpayer-funded handouts at the expense of critical functions. TIF should never be used as a backdoor for corporate cronyism or political favoritism. TIF districts should have clear end dates, not extendable deadlines. True prosperity comes when government focuses on its core responsibilities—public safety, roads, and essential services—not on padding the pockets of special interests. Reducing TIF abuse is a vital step toward lowering property taxes, strengthening transparency, and ensuring Montana's tax dollars serve the people, not private developers.



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