



# State Legislative Candidate Questionnaire

The Missoula Organization of REALTORS® advocates for REALTORS® and consumers. Our members would like to know your thoughts on priority REALTOR® issues. We thank you for being specific in your responses.

## ISSUES

Home prices in Missoula County have increased rapidly since the end of the economic downturn and incomes have not kept up. The median sales price of a home in 2019 was \$315,000, making it challenging for many Missoulians to buy a home. The rapidly increasing price is due in part to a shortage of housing, particularly in more attainable price ranges. As a state legislator, you will evaluate policies that will impact housing and economic development in Missoula County.

### **Housing Development**

State law broadly outlines the process by which local governments must review subdivisions of land. Subdivision is the primary vehicle for creating lots to be developed into homes for sale. Subdivision review policies attempt to balance communities' housing needs with protecting the environment, agriculture, wildlife habitat, public safety, and other interests. **What changes to Subdivision law do you support to encourage needed development of housing while balancing other community values?**

**Browder Response:** If we look at the beginning and ending parts of Montana's subdivision law (Title 76, Chapters 3 & 4) we find provisions that to me cause unnecessary complexity, as well as areas which can make development easier. The Statement of Purpose (76-3-102) is broad, since it includes promotion of open space, prevention of overcrowding of land, and protecting the rights of property owners as being among the goals of the law. While these are not necessarily contradictory, local governments could interpret them in such a way that the rights of property owners are in effect sacrificed to some other goal.

The last part of the subdivision regulations, 76-3-511, seems to offer a possible solution to this contradiction. It prescribes that local rules for implementing subdivision law cannot be more stringent than state regulations or guidelines. If we see that certain elements of the statement of purpose, because of how local governments are implementing them, are leading to property owners unable to develop their land, then these elements can be modified or repealed by the legislature.

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Regulatory reform may be one strategy for promoting housing affordability through state law. **Are there non-regulatory strategies that the legislature should pursue, so please enumerate? If strategies require funding, where should it come from?**

**Browder Response:** Developing affordable housing is critical to all parts of House District 92. With the seasonal nature of areas like Seeley Lake and Condon, having housing for employees during the main tourist season can determine the success or failure of a business. To create truly affordable housing requires a partnership of the landowner, the developer, private lending agencies, and an organization to provide long term management. There are possibilities to assist the landowner in getting fair value of their land if we look at the conservation easement model. Likewise we could encourage developers to be more willing to undertake affordable housing projects if we modify parts of the subdivision regulations appropriately. There is considerable non-public funding available for such projects, but this generally addresses direct construction costs, and not the return on the investment in the land.

Specific programs will vary between urban areas close to Missoula, where neighborhoods are denser, and matters like historical areas and neighborhood character are important. In the rural areas, there is more need for flexibility in determining infrastructure requirements. In both cases, with clearly defined state parameters for affordable housing (whether single- or multi-family) we should be able to increase the stock of such housing, and ease the problem our small businesses have in finding and retaining employees.

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### **Tax Law**

State Law provides for tax increment financing (TIF) and urban renewal districts. TIF is used within urban renewal districts to combat blight and promote economic development. However, critics of TIF say that these urban renewal districts can be in place for many years, and TIF diverts property tax revenue away from schools and county governments. Supporters respond that TIF grows the property tax base and creates jobs, and that once the urban renewal districts sunset, the taxing jurisdictions have significantly more revenue than they would have otherwise had. **What changes to TIF statues would you recommend responding citizen complaints and improve the program?**

**Browder Response:** Since none of HD92 is incorporated the TIF issue is less important here. However, it does have a significant impact in the City of Missoula, so by extension we need to be clear about the values as well as shortcomings of tax increment financing. Of course this is not a problem unique to Montana, and the arguments for and against are pretty consistent everywhere. The benefit of a TIF project is that development and construction happens, often in areas that need the investment (such as the West Broadway and Russell Street in Missoula.) Proponents make the claim that the aggregate tax benefit (over the long run) exceeds the cost to the city in the early years.

The arguments against TIF typically are that: 1) many, if not all, of these projects would be built anyway, and 2) the short term diversion of property tax can cause a ripple effect throughout the city that is detrimental to everyone. From my perspective the best solution is a compromise: allow TIF as a mechanism subject to constraints such as 1) a maximum percentage of a city's (or redevelopment authority) tax that can be impacted by TIF projects, and 2) possibly a voter approval process at least for overall TIF projects.

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Property taxes are the primary revenue generator used to fund local government services. Recently increased mil levies multiplied by increasing property value assessments have left many homeowners asking for relief. **What are your thoughts on the current taxation structure for local government? What changes, if any, would you propose/support?**

**Browder Response:** It seems common to hear people say “...the Montana tax system is broken.” It is less common to hear state and local leaders say how to solve it. As a senior living on a fixed income, and owning a house whose taxes increase every year, I definitely feel the pain of our over-reliance on property taxes. While we have limited increases (½ of the prior 3 year inflation) in our levy limit, we do not have an assessment limit, and this can result in huge tax burdens in areas like Missoula’s university district, and lakefront property throughout Western Montana.

Discussions I have had with small business owners, other seniors, real estate professionals, and mortgage lenders, all agree Montana needs to fix this property tax problem. Some jurisdictions have chosen the “local option sales tax” approach, via the resort tax mechanism. Areas such as Whitefish and Big Sky seem to handle this well, and the additional revenues (largely, but not entirely,) generated by out-of-state visitors. In Seeley Lake, the resort tax has been defeated three times, and may never be proposed again. I do think some of the updates to the resort tax rules, especially allowing for partial year implementation, will help some communities lessen the burden of property taxes.

Discussions of sales taxes in general are anathema to Montanans, but I think it’s time for a bipartisan look at how Montana generates revenue, where this burden falls now, and how we can fairly distribute our tax collection to promote business growth and housing affordability.

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### **Economic Development**

While the unemployment rate in Montana has been quite low for several years prior to the COVID pandemic, growth in wages has remained relatively stagnant compared to increases in housing costs. **As a state legislator, how would you propose to help grow and attract good paying jobs in Montana and specifically Missoula County?**

**Browder Response:** Job growth is a function of many things, but companies and organizations of all sizes generally cite the following as key drivers in deciding where to expand their operations: 1) quality of the workforce, 2) quality of life, 3) cost of living and housing affordability. Missoula County has the potential of a high quality workforce, but we lose many younger workers to other states. Missoula, Gallatin and Flathead counties have shown an ability to grow a tech industry, and I would support any effort to see this continue. Having worked in technology companies myself, I have seen their ability to grow quickly, and since they tend to cluster together for the knowledge effect, this growth translates into new businesses coming to the area. Obviously we need to make sure our higher education system has the right mix of

programs, that we have digital infrastructure that can support tech companies, and we need a housing mix (condos, starter homes, etc) that appeals to the technology workforce.

Additional programs, some of which are already in place but may need rejuvenation, are brownfield redevelopment guidelines, public-private partnerships, and what we used to call work study (now sometimes lumped into apprenticeship programs) arrangements that let students build skills while still in school. None of this requires significant funding from the state, but does require a willingness to compromise with the different participants in crafting a solution.

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### **Fair Housing**

The National Association of REALTORS include sexual orientation and gender identity anti-discrimination language in their code of ethics. Montana does not prohibit discrimination based on sexual orientation and /or gender identity. **As a state legislator would you support legislation to prohibit discrimination based on sexual orientation and /or gender identity?**

**Browder Response:** One of my former jobs was with Chase Home Finance, the mortgage division of Chase Manhattan Bank, now JP Morgan Chase (and still one of the largest originators and servicers of residential mortgages.) This bank has always been a champion of diversity, and the lessons I learned then are still applicable. Discrimination of any kind is wrong and should be remedied in every way possible. In addition, because we all serve a diverse customer base, it is good business as well to respect everyone. Yes, I would support such legislation and bring Montana in accordance with the National Association of REALTORS code of ethics.