

The Ripple Effect:

The Importance of Sustaining
Big Sky's Economy

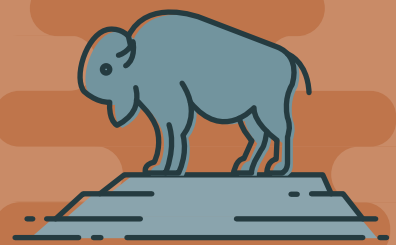




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EXECUTIVE SUMMARY

PUBLIC REVENUE FLOW

\$37.8M =
Madison County
Property Tax
Collection

\$19.4M = Resort
Tax Collections

\$20.3M =
Gallatin County
Property Tax
Collection

State of Montana
received
approximately
\$87.9M
in income taxes,
corporate taxes,
property taxes,
lodging taxes,
gas taxes, and
alcohol taxes

NET FISCAL IMPACT

Big Sky makes up approximately 80% of the taxable value in Madison County

Big Sky makes up approximately 11% of the taxable value of Gallatin County

PROPERTY TAXES COLLECTED

Gallatin County \$129.9M

Big Sky \$20.3M

Madison County \$46.7M

Big Sky \$37.8M

TOTAL ECONOMIC IMPACT

Big Sky has a huge economic impact on Gallatin and Madison Counties, and the State of Montana

\$2.276B
OF ECONOMIC IMPACT

Madison and Gallatin Counties:
\$1.269B and 26,065 jobs or
32% of the 2-County
Labor Force



State of Montana:
\$1B in additional impact

IN 2022, ECONOMIC ACTIVITY IN THE BIG SKY AREA GENERATED \$144.2 MILLION IN TOTAL STATE, COUNTY, AND LOCAL TAX REVENUES

**STATE OF MONTANA
PUBLIC REVENUES (\$87.95M)**

Property
Taxes (School
Equalization &
University
Levies) \$21.35M

Liquor &
License Tax
\$862K

Est. Income
Taxes \$57.8M

Gas Tax
\$715K

Lodging Tax
\$7.12M

**GALLATIN
COUNTY
PUBLIC
REVENUES
(\$6.9M)**

Property Tax
Other Gallatin
County Taxes
\$6.95M

**MADISON
COUNTY
PUBLIC
REVENUES
(\$18.8M)**

Property Tax
Other Madison
County Taxes
\$18.8M

**BIG SKY PUBLIC REVENUES
(\$30.39M)**

Property Tax
Big Sky Taxes
\$10.9M

Resort Tax
\$19.49M



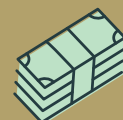
Big Sky has 6 Hotels



with 450 Rooms



1200 Short-Term
Rental Rooms

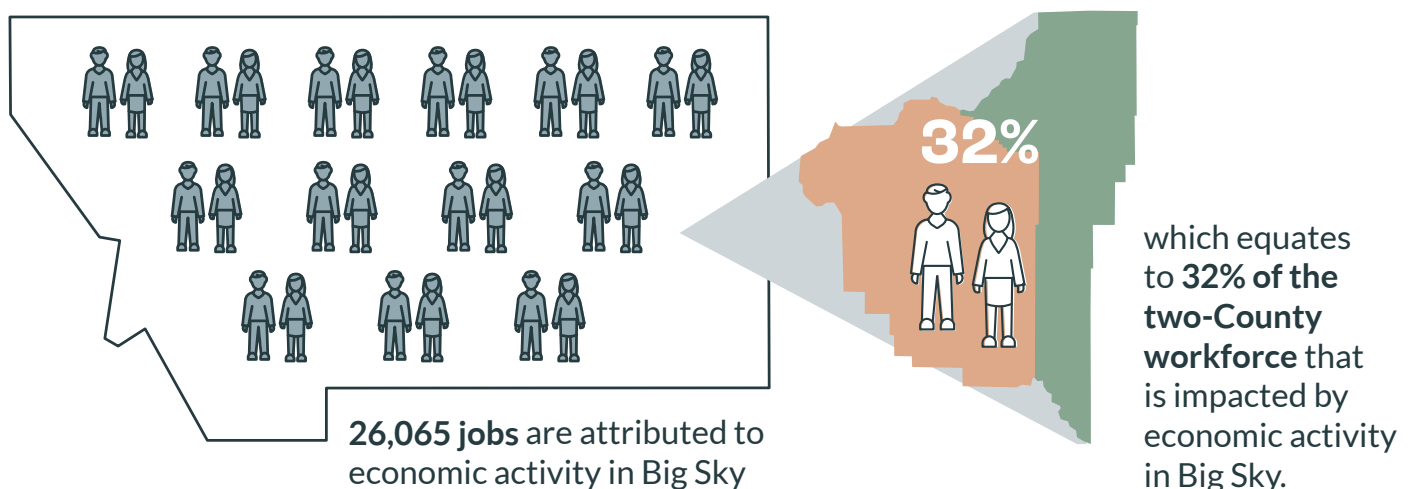
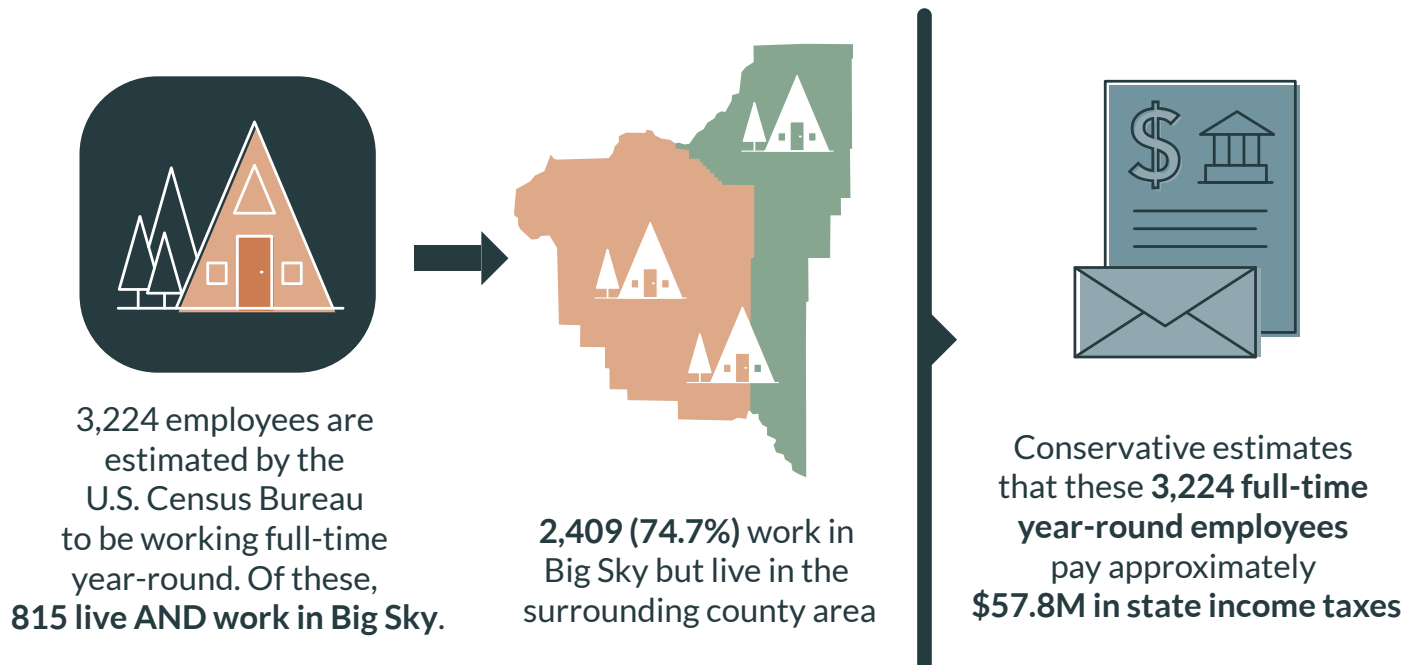
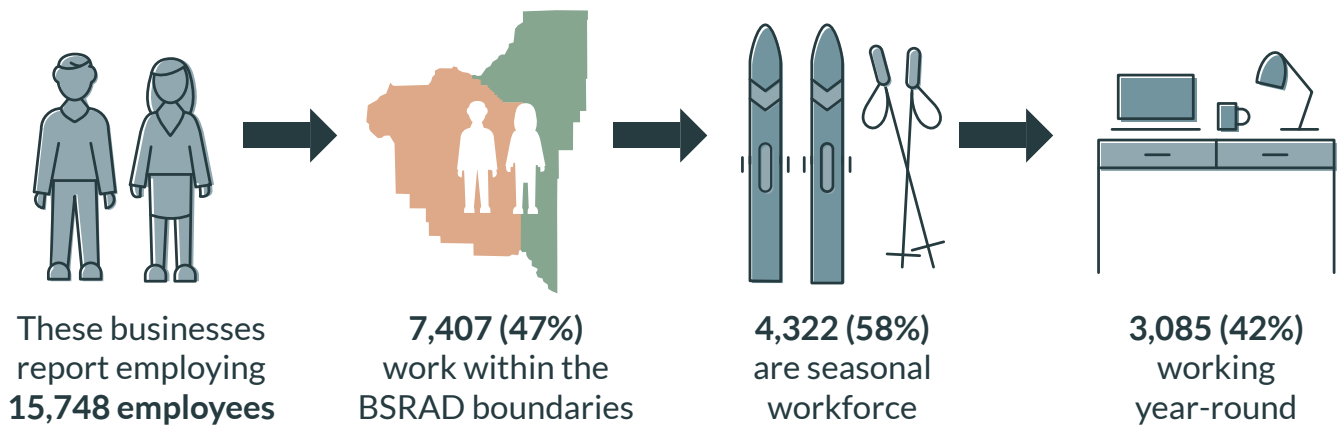


with an average
nightly rate of
\$639 to \$738 in 2023

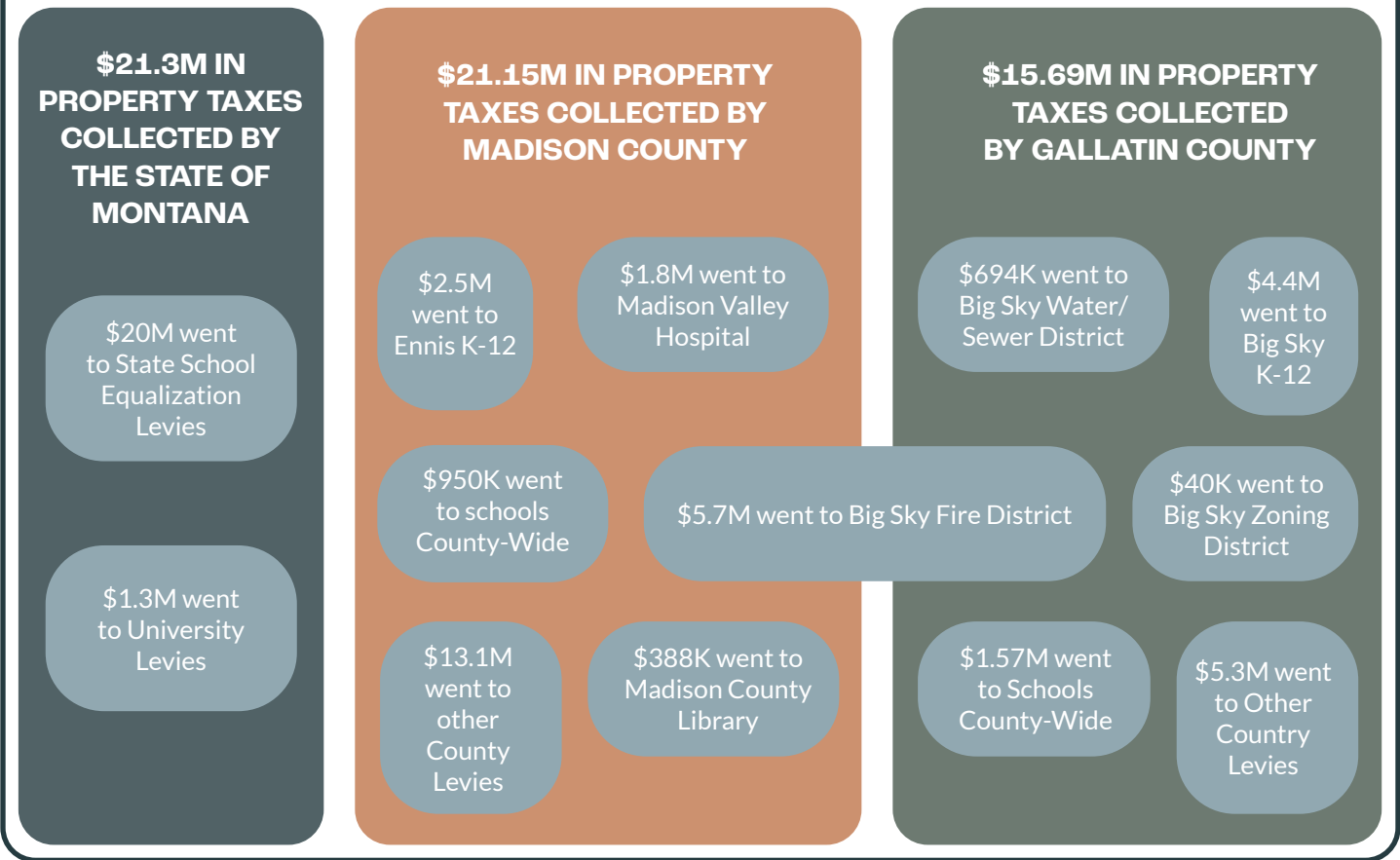
**In 2022, Big Sky's
lodging brought in a
total of \$7,120,677 in
lodging tax for the
State of Montana**

Big Sky is the largest collector of lodging tax across the State of Montana
Big Sky collected 32.6% of Yellowstone Country's lodging tax collections
Big Sky collected 12.3% of state-wide collections
Big Sky collected \$1.8M more than Bozeman
Big Sky's lodging tax collections has grown 213% since 2017

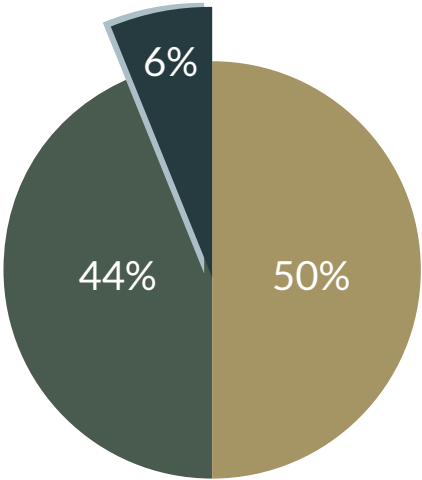
BIG SKY RESORT AREA DISTRICT HAS 810 BUSINESS ENTITIES REGISTERED AS DOING ACTIVITY WITHIN THE DISTRICT



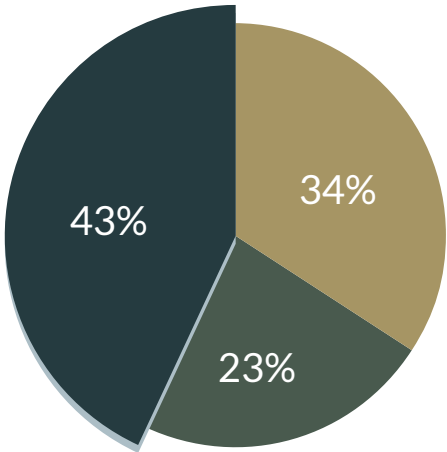
**COLLECTIVELY, THE GREATER BIG SKY COMMUNITY PAID
\$58.1M IN PROPERTY TAXES IN 2022**



Madison County Property Tax Comparison



Gallatin County Property Tax Comparison



County Levies
 State Levies
 Big Sky Levies



OVERVIEW

In March 2023, the Big Sky Resort Area District, in partnership with the Big Sky Chamber of Commerce, engaged the Northern Rocky Mountain Economic Development District to provide an analysis of the fiscal contributions of the community of Big Sky to Gallatin and Madison Counties, as well as the state of Montana. This study builds upon the Big Sky Economic Profile published in October 2022, extending the scope of the initial research to provide a more comprehensive and technically detailed assessment.

The central objective of this analysis is to comprehensively assess the extent of Big Sky's economic contributions to the region. This encompasses a range of vital factors, such as population dynamics, employment statistics, taxes, and economic activity generated by businesses and tourism activity in Big Sky.

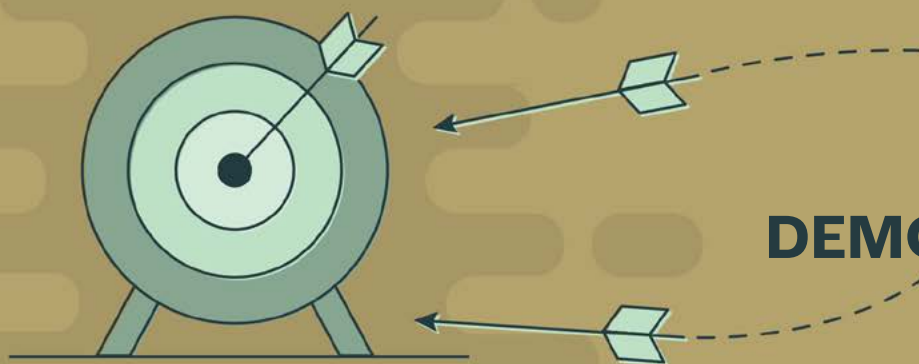
This report is divided into three sections. The first section presents a thorough demographic analysis of the Big Sky community, offering insights into population trends, growth patterns, and demographic characteristics. The second section conducts a fiscal analysis, delving into public revenues and tax collections within Big Sky. This includes an assessment of various revenue streams and their implications for public services and development. Lastly, the third section undertakes an economic impact analysis, quantifying the ripple effects of local expenditures driven by businesses and tourism. Together, these sections provide a holistic understanding of Big Sky's demographic makeup, fiscal health, and economic contributions to the broader region.

Data Methodologies

The following analysis uses data from multiple sources, including the Big Sky Resort Area District Tax Collections, private employers in Big Sky, the U.S. Census Bureau American Community Survey, the U.S. Bureau of Labor Statistics, the Bureau of Economic Analysis, Madison County Treasurer reports, Gallatin County Treasurer reports, Montana Department of Revenue reports, Montana Office of Public Institution School District budgets, and IMPLAN multipliers. Unless otherwise noted, all data is from 2022.

Big Sky, situated within both Gallatin and Madison Counties in Montana, stands as an unincorporated community. This unique geography and small community size pose data challenges in terms of accessibility and accuracy. Due to these factors, many commonly used publicly available data sets do not provide estimates for variables with this geographic bound. The available variables typically have larger standard errors, indicating broader ranges in their accuracy estimates.

In an effort to compensate for the dearth of publicly available data, this study uses two community sources to supplement public data. The first is private employer data, such as construction spending and employee zip code information. The second is from the Big Sky Resort Area District (BSRAD). In accordance with state regulations, every business functioning within the resort district limits must formally register their organization and submit an annual report to BSRAD, the overseeing body responsible for managing the resort district and guaranteeing compliance to state regulations. The reports BSRAD receive include revenues generated within the district, along with various responses to questions regarding business activity, employment, and other services provided by employers such as housing.



DEMOGRAPHICS

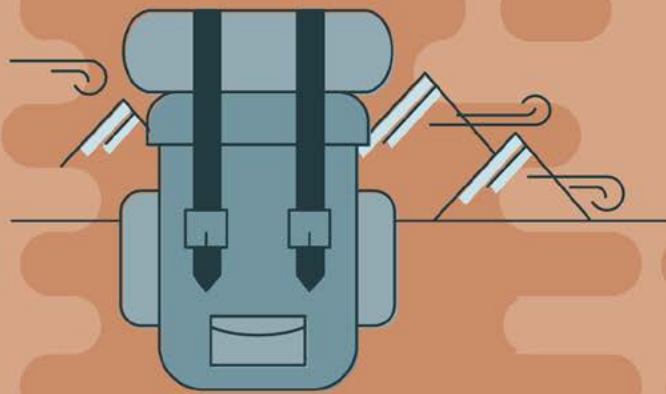
Population

Table 1 illustrates the population residing within the boundaries of the Big Sky Resort Area District. By aligning census block data with residential structure data, we can estimate the population residing in the BSRAD portion within each county. **The Big Sky community overall has seen significant growth, increasing 54% between 2010 and 2020.** This growth rate presents a drastic need for infrastructure investment to support this growth. In addition, the share of the total county population has grown over the years, from 2.5% in 2010 to 3% in 2020. Both Gallatin and Madison Counties also experienced large growth from 2010 to 2020 as shown in Figure 1.

Table 1: Regional Population Over Time

Big Sky Population By Count			
County	2010 Census	2020 Census	% Change
BSRAD Boundary - Gallatin County Side	2,053	3,222	57%
BSRAD Boundary - Madison County Side	409	573	40%
Total	2,462	3,795	54%
Total Population by County			
Gallatin County	89,513	118,960	32.9%
Madison County	7,691	8,623	12.1%
Total	97,204	127,583	31.3%
Big Sky Population Compared to County Population			
Big Sky Pop. In Gallatin County as % of Total Pop. in GalCo	2.3%	2.7%	--
Big Sky Pop. In Madison County as % of Total Pop. in MadCo	5.3%	6.6%	--
Big Sky Pop. Total as % of Entire Pop	2.5%	3.0%	--

Source: Montana Census and Economic Information Center, Census Bureau Table D1

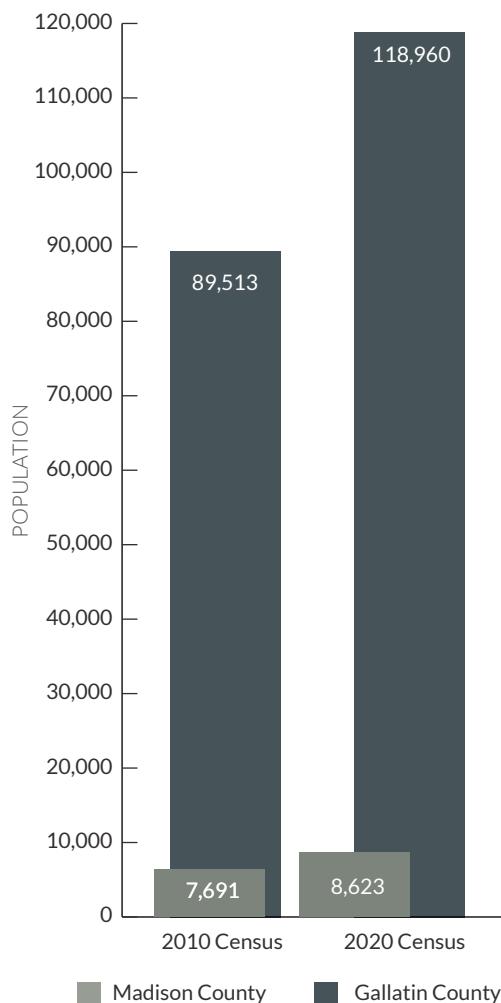


REGIONAL EMPLOYMENT

There are three sources of data we can use to compare employment in Big Sky relative to the region. The federal Bureau of Labor Statistics generates employment data at the national and county levels, providing comprehensive and reliable information. However, this data does not extend to estimating employment on a community scale. To determine employment in Big Sky, we can compare two other data sources – U.S. Census Bureau estimates, and data collected locally by the Big Sky Resort Area District.

U.S. Census Bureau employment estimates are created annually for the census-designated place (CDP) of Big Sky. A constraint to these estimates stems from the district boundary within which they are calculated. The CDP boundary, established by the Census Bureau, omits certain areas of economic activity and employment within Big Sky.

Figure 1: Population Trends Over Time



Source: Montana Census and Economic Information Center, Census Bureau Table D1

The Big Sky Resort Area District has recently begun collecting employment information from all businesses conducting activity within the resort district area. The data collected includes the total number of employees by the business, the number of employees working within the resort district boundary, and the number of seasonal employees each business hires. Limitations to this data include self-reporting errors and the possibility for businesses to inaccurately estimate the average amount of employees working in the district. It is essential to consider that these results might be inflated as all businesses engaged in any economic activity within the district are mandated to register with BSRAD. While this requirement encompasses businesses operating year-round, it also includes businesses in Big Sky for occasional and one-time events such as farmer's markets, concerts, and other similar activities. Consequently, the reported employment levels are likely to be higher than the actual year-round permanent employment figures.

We want to understand the two types of employment that impact Big Sky and the region. The first is full-time, year-round employment, and the second is the seasonal labor. Bureau of Labor Statistics data does not track seasonal employment independently of full-time, year-round jobs. Therefore, we can use locally collected data through BSRAD to estimate seasonal employment by industry.

Figure 2 demonstrates that the total annual labor force over-time in both counties has grown since 2017. Figure 3 shows the monthly breakdown of total employment over time since 2017 for Gallatin County. We illustrate this to examine how seasonal employment affects totals over time and in what seasons employment grows or contracts.

Figure 2: Total Annual Labor Force by County

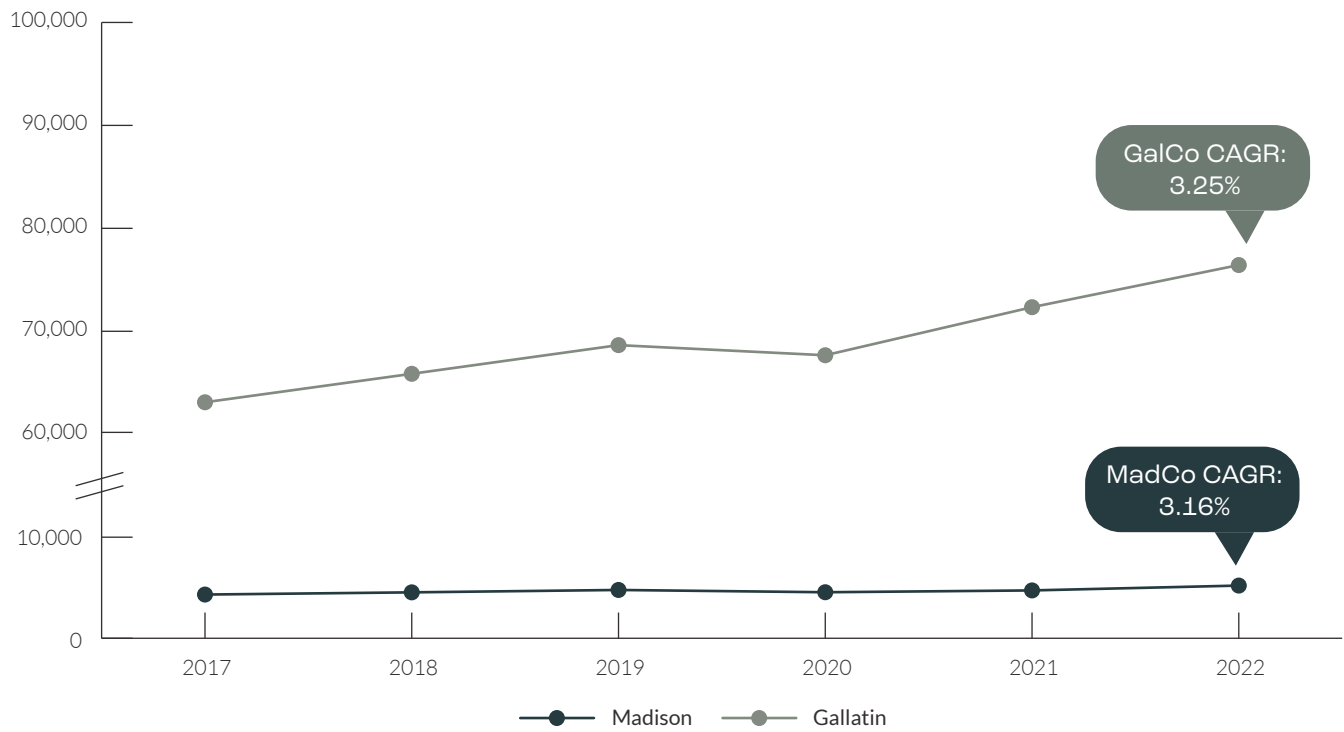


Figure 3: Monthly Employment Over Time, Gallatin County

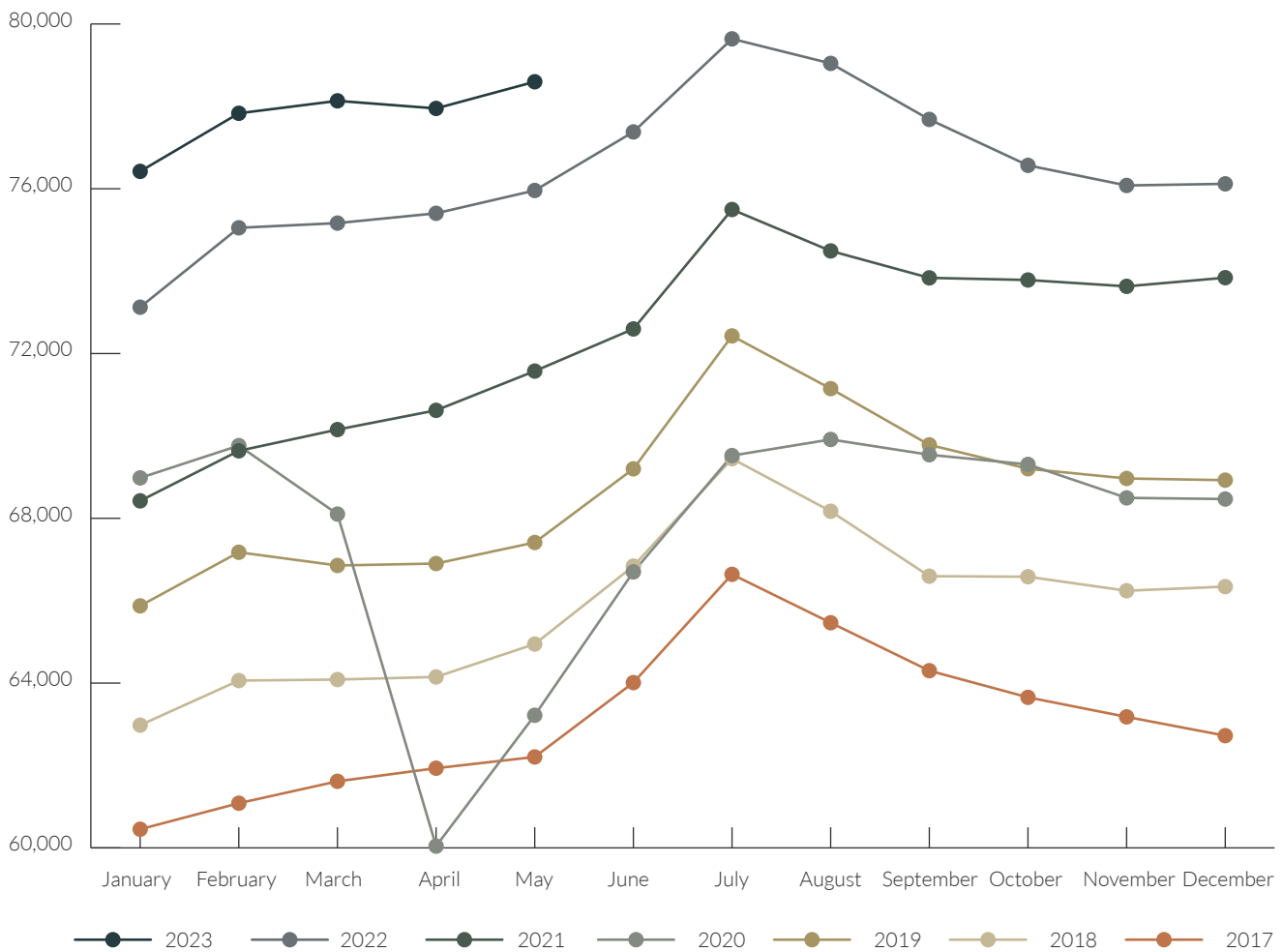
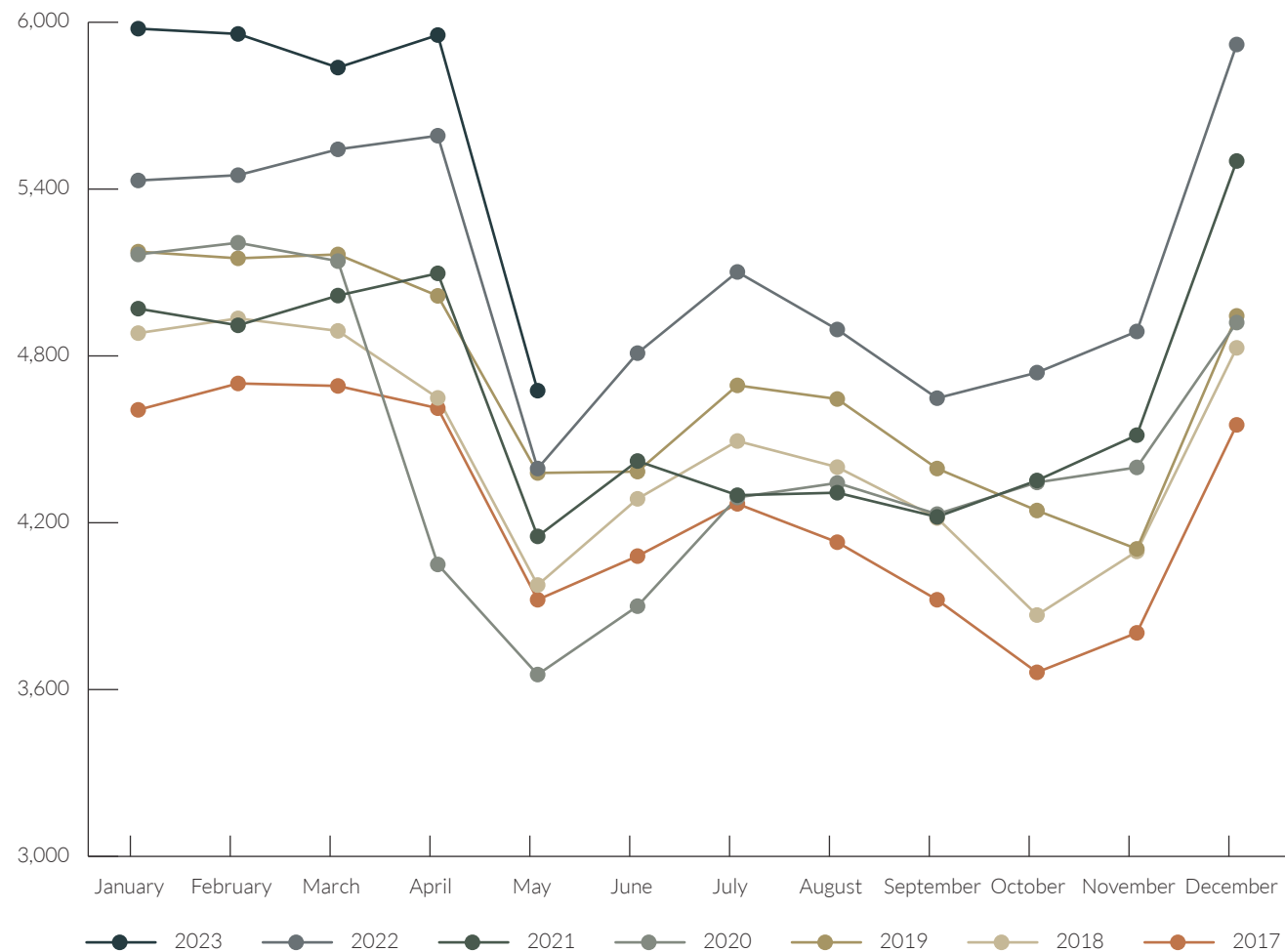


Figure 4: Monthly Employment Over Time, Madison County



Source: Bureau of Labor Statistics, LAUS Data

Table 2: County-Wide Labor Force Over Time

Total Annual Labor Force	2018	2019	2020	2021	2022
Gallatin	65,870	68,656	67,672	72,341	76,435
Madison	4,460	4,692	4,471	4,647	5,118
Total Labor Force	70,330	73,348	72,143	76,988	81,553

Source: Bureau of Labor Statistics, LAUS Data

Figure 3 shows that total employment levels have grown year over year except for 2020 (likely attributed to COVID-19). From January through May, employment levels are fairly steady, and beginning in May, employment levels in Gallatin County grow until their peak in July and then slowly contract until October, when employment levels out for the remainder of the year. The height of the labor force in July is likely driven by an influx of tourism to see Yellowstone National Park and enjoy outdoor recreation in the Montana summer. Generally, from high employment in July to low employment in January, the workforce fluctuates by 8-10%.

Comparing across successive years, Figure 4 shows the month-to-month variation in total employment levels in Madison County, which are more volatile when compared to Gallatin County, fluctuating 25-27% between peaks and lows. Each year (excluding 2020), total employment levels have grown. Winter months have a larger labor force, with consistent employment from December through April. This is likely due to Big Sky and the tourism influx to enjoy skiing and winter recreation. In May, employment levels drop and fluctuate until November.

Gallatin and Madison Counties have almost mirror-opposite seasons of employment, where Gallatin County employment is higher from May through October, and Madison County employment is higher from December through May. However, the Gallatin County labor force is over 10 times the size of Madison County, so the fluctuations do not fully offset each other.

Table 2 shows the county-wide labor force over time. **In both counties, the labor force has grown, and combined together the two-county labor force is 81,553 workers.**

Big Sky Employment

To capture employment in Big Sky, we can compare two different data sources. Unfortunately, the Bureau of Labor Statistics does not measure employment levels for communities with populations smaller than 50,000 (classified as a metropolitan). Therefore, we must find alternative data sources to estimate employment impacts.

Table 3 shows Census Bureau estimates for 2021 employment in Big Sky. These estimates are for the census-designated place, a boundary the U.S. Census Bureau determines. This data generates estimates for full-time, year-round employment and does not consider seasonal employment.

Table 3: Big Sky Employment Estimates - Census Data

Big Sky Employment Estimates - Census Data	
Total Population 16 years and over	2,616
In labor force	2,200
Civilian labor force	2,200
Employed	2,147
Unemployed	53
Armed Forces	0

Source: Census Bureau American Community Survey, DP03 Five-Year Estimates, 2021

Table 4 shows employment data for Big Sky Area Resort District's 2023 annual business registration. This district more broadly covers the Big Sky region than the census-designated place, including crucial economic activity centers excluded from the previous data set. There are 810 business entities registered with BSRAD and reporting data on their employment levels. However, this data also includes businesses that may work in Big Sky for occasional events and other irregularly occurring activities. This data is excellent for assessing the employment impact of the activities occurring in Big Sky and how many businesses are engaging in providing goods and services to community residents and visitors.

A total of 810 business entities registered with BSRAD in 2023 reported employing 15,748 employees, or 19% of the two county 2022 total employment of 81,553. **Businesses registered estimate 7,408 employees working within the district and hire 4,322 seasonal workers.**

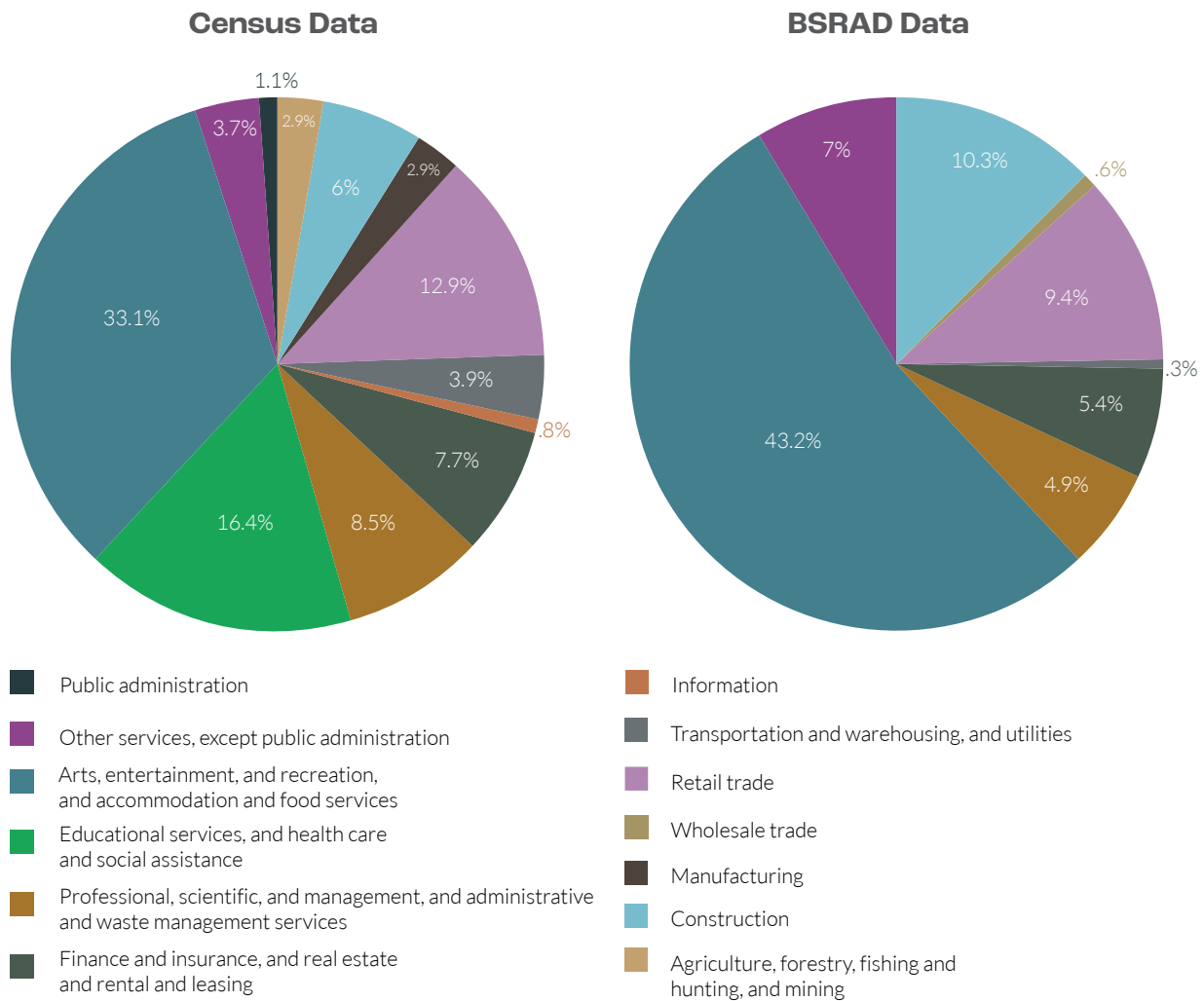
Figure 5 shows employment by industry compared across the two data sets.

Table 4: Big Sky Employment Estimates - BSRAD 2023 Business Registration

Industry	District Wide			Average Employees		Business Entity Count	
	Total Employees	Average Working in the District	Seasonal	Gallatin County	Madison County	Gallatin County	Madison County
Club/HOA	1,864	1,405	1,358	119	1,286	19	34
Construction	3,136	763	51	667	96	52	7
Event	73	56	33	56	0	3	1
Hotel/Lodge/Resort	2,279	2,183	1,617	383	1,800	5	1
Liquor License	20	17	11	1	16	2	23
Nonprofit	444	346	120	338	8	44	5
Other	812	169	134	130	39	8	1
Professional Services	1,741	365	76	347	18	107	5
Property Management	798	266	82	246	20	40	6
Real Estate Sales/Development	141	135	2	131	4	26	8
Recreational Activity/Service	268	205	266	200	5	27	1
Restaurant/Bar/Food Truck/Caterer	793	688	280	641	47	89	4
Retail	1,013	693	278	629	64	256	7
Spa/Fitness	48	52	6	52	0	16	1
Utilities	1,609	22	0	22	0	4	0
Wholesale Supplier	709	42	8	42	0	8	0
District Totals	15,748	7,408	4,322	4,005	3,403	706	104

Source: BSRAD 2023 Business Registration Data

Figure 5: Employment by Industry Comparison

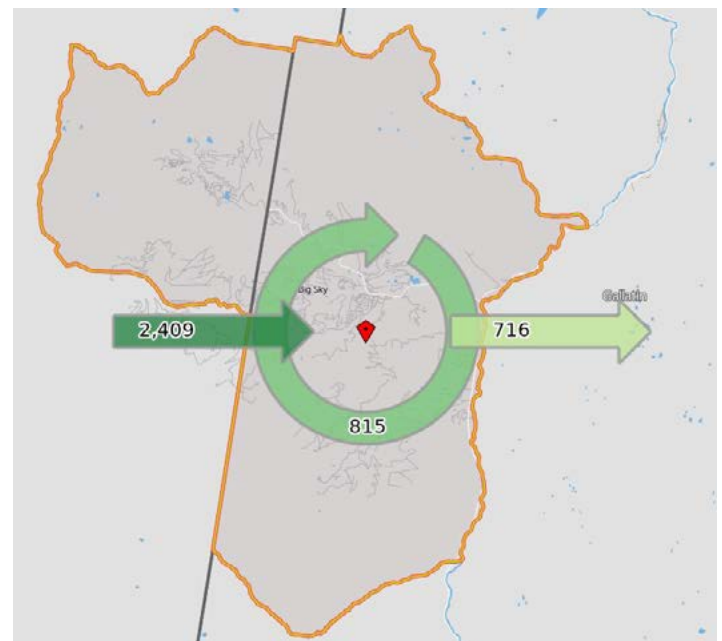


Employment Location

Due to the extremely high cost of housing, Big Sky is unable to house the entire workforce employed by businesses located in the area. Therefore, a large majority of the workforce lives in the surrounding county. There are two resources we can use to estimate residential living patterns of the labor force in Big Sky. The first is from the U.S. Census Bureau, performing a labor market inflow/outflow analysis using the OnTheMap tool. Figure 6 shows the results of this analysis. The U.S. Census estimates a total of 3,224 individuals employed full time year-round in the Big Sky CDP in 2020. **74.7% or 2,409 individuals are employed within the boundary but live in the surrounding county area, and 25.3%, or 815 individuals live and work in Big Sky.**

Of the 1,531 working individuals estimated to live in the Big Sky CDP, **716 individuals live in Big Sky but are employed outside of the community.**

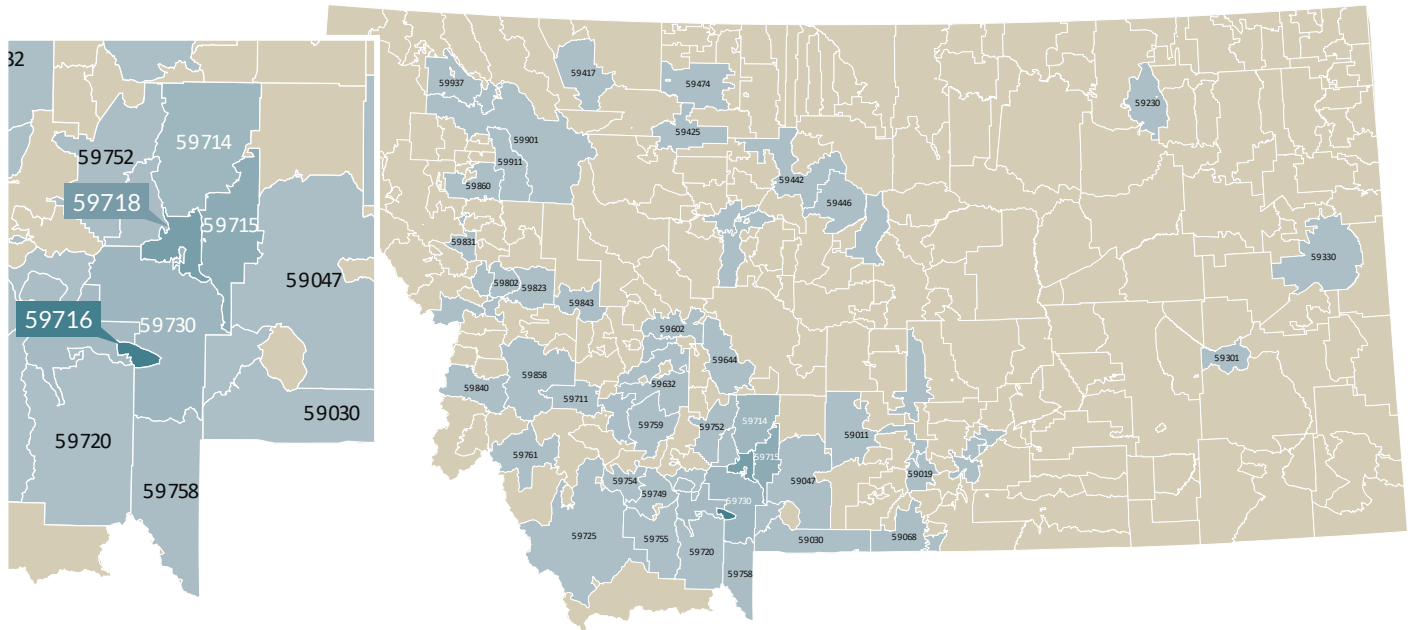
Figure 6: Employee Inflow/Outflow Analysis - Census Data



While it is powerful to see that it is estimated that 75% of employees in Big Sky live in the surrounding area, this tool does not tell us where exactly the employees are residing. In an attempt to model where employees live in the surrounding area, we collected employee zip code data from the largest employers in Big Sky. This data is only zip codes of employee permanent addresses, resulting in 3,732 observations. We removed all non-Montana zip codes because we want to analyze where local workers live, resulting in 2,169 permanent Montana resident employees. Furthermore, of the 2,169

employees that have Montana zip-codes, 2,025 live within zip codes in Gallatin and Madison Counties. Figure 7 is a heat map of all observations plotted by zip code throughout Montana. The 59716 zip code has the most employees, at 912, and the Bozeman zip codes of 59718 and 59715 have the next two highest concentrations of employees at 465 and 272, respectively. Of the 2,025 employees that live within Madison and Gallatin County zip codes, 1,953 employees (or 96.4%) live within Gallatin County, and 72 (or 3.56%) live within Madison County.

Figure 7: Big Sky Employee Residence by Zip Code



County	Zip Code	Town	# of Employees	"Est. Commute Time (Round Trip in Hrs) "	Annualized Commute Time Per Employee (in Days)*
Gallatin	59716	Big Sky	912	0	0.0
Gallatin	59718	Bozeman	465	1.6	17.0
Gallatin	59715	Bozeman	272	1.7	18.4
Gallatin	59730	Gallatin Gateway	134	1.2	13.0
Gallatin	59714	Belgrade	123	1.8	19.1
Gallatin	59741	Manhattan	17	2.0	22.0
Gallatin	59758	West Yellowstone	16	1.8	19.9
Gallatin	59752	Three Forks	14	2.3	25.3
Madison	59729	Ennis	64	2.9	31.8
Madison	59740	McAllister	6	2.7	28.9
Madison	59720	Cameron	2	3.2	35.0
Montana	Various	State-Wide	144	--	
Overall		Total Employees	% of Total		
Madison	County-Wide	72	3.32%		
Gallatin	County-Wide	1953	90.04%		
Montana	State	144	6.6%		

*Assuming 5 days of commuting, 52 weeks/year

**Assuming worker cannot access Jack Creek Road



TAXES OVERVIEW

Montana employs multiple taxation methods, including income, property, and sales/excise taxes. This report focuses on taxes paid by Big Sky residents. It begins with an analysis of property taxes in both Madison and Gallatin counties. Subsequently, it examines excise taxes, encompassing lodging, alcohol, and fuel taxes. Lastly, it briefly considers income and business taxes paid by community and business members.

Property Tax Overview

Property taxes are the primary way that Montana State funds its schools, and local Montana governments fund their various activities such as education, law enforcement, roads, libraries, emergency services, hospitals, infrastructure, and other activities. Property taxes are set by a combination of actors: the Montana Department of Revenue, the Montana State Legislature, and local governments and districts. The Montana Department of Revenue determines property value throughout the state and ensures uniform valuation of similar properties. The Montana State Legislature determines the share of tax burden on properties by designating property classes, establishing tax rates, setting the basis of valuation, and determining exemptions. Finally, local governments, and other districts such as a schools and hospitals, determine the tax level through budgeting and maximum mill levy limits.² Local governments must adhere to a mill levy limit, and the law limits the revenue they can collect from property taxes.³

Each activity, such as a school district or municipality, has properties that make up the tax base within the district. Each property has a classification either as commercial or residential. Every property is assigned an assessed value which the Montana Department of Revenue periodically determines. This assessed value represents the property's estimated market worth, including the land and building structures. To find the various classes of properties and tax rates, the Montana Department of Revenue produces a biennial report that covers property taxes in depth.

Table 5 shows the growth of taxable value over time from 2014 to 2023. Big Sky is represented by the Big Sky K-12 School District in Gallatin County, and the Big Sky Fire District in Madison County. It is important to note that the Big Sky Fire District boundary does not include the Yellowstone Club. The Yellowstone Club has their own private fire district but is an important component of the taxable property values in Big Sky. The two Big Sky districts are then summed to represent the community of Big Sky, excluding the Yellowstone Club. In the nine years spanning 2014 to 2023, the taxable value of Big Sky has increased by 270%. This increase is only surpassed by Madison County, which is in part due to the inclusion of the Yellowstone Club and Big Sky in their taxable valuation. In 2023, the taxable value of Big Sky was five times that of Belgrade's taxable value, and three-quarters of the taxable value of Bozeman. Big Sky's taxable value is 50% of all Missoula County, 38% of the value of Flathead and Yellowstone counties, and 4% of the taxable value for the entire state of Montana.

²For more information, please visit the Montana Department of Revenue Biennial Report at <https://mtrevenue.gov/dor-publications/biennial-reports/>

³15-10-420, MCA

Table 5: Taxable Value Growth Over Time

Taxable Value Growth Over Time	2014		2023		Change Over Time	
	Market Value	Taxable Value	Market Value	Taxable Value	Market % Change	Taxable % Change
Gallatin	\$9,834,392,320	\$256,999,355	\$48,559,638,214	\$743,698,207	393.8%	189.4%
Madison	\$3,203,123,638	\$83,592,837	\$21,059,498,696	\$341,953,378	557.5%	309.1%
City of Belgrade	\$447,142,998	\$11,481,638	\$2,592,412,316	\$38,278,002	479.8%	233.4%
City of Bozeman	\$3,598,269,877	\$92,081,322	\$17,730,663,050	\$268,988,379	392.8%	192.1%
"Big Sky K-12 (Gallatin County) *In 2014 was Ophir K-12 District"	\$1,031,818,858	\$26,848,568	\$6,670,911,372	\$106,704,259	546.5%	297.4%
"Big Sky Fire District (Madison County) * Excludes Yellowstone Club Private Fire District "	\$1,085,956,860	\$26,843,953	\$5,905,572,408	\$92,433,055	443.8%	244.3%
Total Big Sky Value	\$2,117,775,718	\$53,692,521	\$12,576,483,780	\$199,137,314	493.9%	270.9%
Missoula	\$7,939,216,919	\$204,362,352	\$24,848,778,538	\$382,614,897	213.0%	87.2%
Yellowstone	\$11,095,089,977	\$307,664,072	\$28,986,335,828	\$505,772,156	161.3%	64.4%
Flathead	\$10,462,679,681	\$257,375,870	\$34,631,206,171	\$508,041,599	231.0%	97.4%
State-wide	\$87,433,413,970	\$2,521,285,848	\$269,519,988,730	\$4,701,869,792	208.3%	86.5%

Source: MT Department of Revenue, Montana Certified Values, <https://svc.mt.gov/dor/property/cov#/206>

Madison County Property Tax Collections

In Madison County, there are two levy districts that cover and serve the Big Sky region. Figure 8 is a map of these two levy districts, District 28 and 29. Table 6 shows the levies within both of these districts.

Table 6: Madison County Levies by District

District 28 – 52 OUT	District 29 – 52 OUT Gallatin Fire (GF)
County Levies	County Levies
County Wide School Levies	County Wide School Levies
Road	Road
University Millage	University Millage
State Equalization Aid	State Equalization Aid
No. 52 School District (Ennis)	No. 52 School District (Ennis)
Madison Valley Cemetery	Madison Valley Cemetery
Madison Valley Hospital	Madison Valley Hospital
	Big Sky Rural Fire District
	Big Sky Fire 2013

Source: Madison County Treasurer's Office

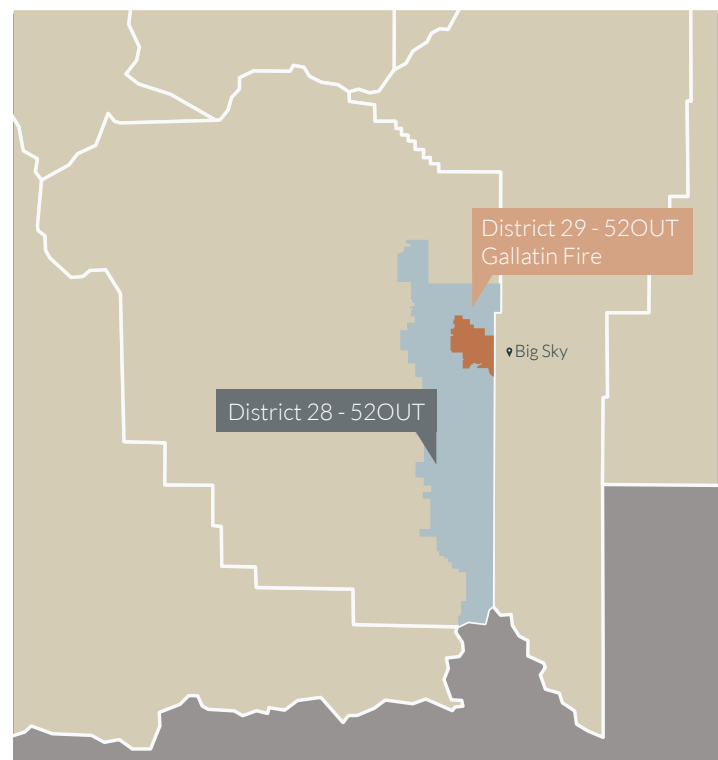
Figure 8: Madison County Tax Districts for Big Sky

Table 7 shows the taxable value of the Big Sky taxing districts in Madison County, and compares the taxable value of those districts to the total taxable value of other special districts in Madison County, and the taxable value of the entire county.

In 2022, both taxing districts in Big Sky had the taxable value of \$166,659,917. This is 80% of the entire taxable value of Madison County, 87% of the Ennis K-12 School District, and 86% of the Madison Valley Hospital District.

Since the two taxing districts (District 28 and 29) in Madison County are not the same as the Big Sky Resort Area Boundary (BSRAD), we also had the Montana Department of Revenue create a GIS map of the properties within the BSRAD boundary. This finds that the taxable value of all properties within the BSRAD boundary are \$149,835,389, or 90% of the taxable value of District 28 and 29 combined, and is 72% of the taxable value of Madison County.

Table 8 shows the distribution of the 2022 property tax collections from districts 28 and 29. The distribution of the property taxes is based on mills within each district. Out of the total taxes collected from Big Sky properties, only 6% are for special districts in Big Sky. 44.1% of the collections are sent to the state, and 49.9% go toward other Madison County activities. The county collects specific levies on behalf of the state and the revenues are not retained locally. This includes the University Mill Fund, the State Elementary Equalization Levy, the State High School Equalization Levy, and the State Equalization Fund.

Table 7: Madison County Properties 2022 Taxable Value

	Total Taxable Value 2022	Combined Big Sky Taxable Value as % of Total District Taxable Value
District 28 - 52OUT	\$117,060,270	--
District 29 - 52OUT GF	\$49,599,647	--
Combined Big Sky (District 28+29)	\$166,659,917	--
Big Sky Fire District*	\$49,599,630	--
Ennis K-12	\$191,381,366	87%
Madison Valley Cemetery District	\$190,343,728	88%
Madison Valley Hospital District	\$193,622,694	86%
County Road Fund	\$202,428,709	82%
Madison County	\$208,443,534	80%
BSRAD Boundary**	\$149,835,389	--
BSRAD as a percent of Combined Big Sky District		90%
BSRAD as a percent of Madison County		72%
*Only taxed in District 29		
**Boundary and Value created by MT Dept. of Revenue		

Source: Madison County Treasurer

Table 8: 2022 Madison County Property Tax Collection Distribution

	52OUT-GF	52OUT	Combined Districts	County Total Collections
	Actual Collected as of 1/8/24			
Taxable Value of District	\$49,599,647.00	\$117,060,270.00	\$166,659,917.00	\$208,443,534.00
General	\$1,533,635.07	\$3,755,797.48	\$5,289,432.55	\$6,670,193.09
Permissive Medical	\$196,976.25	\$482,385.24	\$679,361.49	\$856,702.92
SRS Permissive Mills	\$6,709.65	\$16,431.61	\$23,141.26	\$29,182.09
Bridge	\$141,381.98	\$346,237.58	\$487,619.56	\$614,908.43
Weed	\$76,681.75	\$187,789.87	\$264,471.62	\$333,509.65
County Fair Fund	\$48,884.62	\$119,716.05	\$168,600.67	\$212,612.40
Airport	\$124,607.85	\$305,158.55	\$429,766.40	\$541,953.19
District Court	\$31,151.96	\$76,289.64	\$107,441.60	\$135,488.30
Library	\$112,626.32	\$275,816.38	\$388,442.70	\$489,842.30
Planning	\$71,889.14	\$176,053.01	\$247,942.15	\$312,665.30
Emergency/Disaster	\$95,852.19	\$234,737.34	\$330,589.53	\$416,887.07
Nursing Homes	\$814,743.63	\$1,995,267.42	\$2,810,011.05	\$3,543,540.08
Public Health	\$74,285.45	\$181,921.44	\$256,206.89	\$323,087.48
Search/Rescue	\$47,926.10	\$117,368.67	\$165,294.77	\$208,443.53
Senior Citizens	\$95,852.19	\$234,737.34	\$330,589.53	\$416,887.07
Road	\$418,874.08	\$1,025,802.19	\$1,444,676.27	\$1,769,226.92
County-Wide Transportation	\$23,963.05	\$58,684.34	\$82,647.39	\$104,221.77
Retirement-High School	\$215,667.43	\$528,159.02	\$743,826.45	\$937,995.90
Retirement-Elementary	\$59,907.62	\$146,710.84	\$206,618.46	\$260,554.42
County General Levies Sub-Total	\$4,191,616.33	\$10,265,064.01	\$14,456,680.34	\$18,177,901.91
Ennis K-12	\$751,001.92	\$1,839,167.09	\$2,590,169.01	\$2,998,946.01
Madison Valley Cemetery	\$11,981.52	\$29,342.17	\$41,323.69	\$47,585.93
Madison Valley Hospital	\$521,915.18	\$1,278,144.83	\$1,800,060.01	\$2,108,551.14
County Special Districts Sub-Total	\$1,284,898.62	\$3,146,654.09	\$4,431,552.71	\$5,155,083.07
Madison County Levies Sub-Total	\$5,476,514.95	\$13,411,718.10	\$18,888,233.05	\$23,332,984.99
University Mill Fund	\$287,556.57	\$704,212.03	\$991,768.60	\$1,250,661.20
State Elementary Equalization Levy	\$1,581,561.16	\$3,873,166.17	\$5,454,727.33	\$6,878,636.62
State High School Equalization Levy	\$1,054,374.10	\$2,582,110.78	\$3,636,484.88	\$4,585,757.75
State Equalization Fund	\$1,917,042.83	\$4,694,746.87	\$6,611,789.70	\$8,337,741.36
State Levies Sub-Total	\$4,840,534.66	\$11,854,235.85	\$16,694,770.51	\$21,052,796.93
Big Sky Fire	\$2,266,904.33	\$-	\$2,266,904.33	\$2,346,062.50
Big Sky Specific Sub-Total	\$2,266,904.33	\$-	\$2,266,904.33	\$2,346,062.50
Total	\$12,583,953.94	\$25,265,953.95	\$37,849,907.89	\$46,731,844.42 *

*Does not represent county-wide total collections -- other districts exist that are excluded here
Source: Madison County Treasurer's Office

Gallatin County Property Tax Collections

Table 9 shows the total taxable value of the various special districts applying to Big Sky properties. Some districts do not span across all properties in Big Sky, this includes the Big Sky Fire, Big Sky Sewer and Water, Big Sky Zoning, So. Gallatin Canyon Zoning, and Gallatin Gateway Fire Districts. In 2022, the taxable Big Sky K-12 was 11% of the taxable value of the entirety of Gallatin County.

Table 10 shows the property taxes collected in Big Sky on the Gallatin County side, compared to the county-wide or district-wide collections of the corresponding fund. Out of the total collections from Big Sky properties, 42.8% are towards special districts in Big Sky, 22.7% are levies sent to the state, and 34.5% go to various Gallatin County activities.

Table 9: Gallatin County Taxable Property Values, 2022

	Total Taxable Value 2022	Big Sky K-12 Taxable Value as % of Total District Taxable Value
Big Sky K-12	\$53,029,415	--
Big Sky Fire District	\$47,935,995	--
Big Sky Sewer District	\$19,902,592	
Big Sky Zoning District	\$43,525,340	--
Gallatin Gateway Fire	\$18,546,643	
Gallatin Co Planning	\$127,845,382	41%
County Road & Library	\$251,913,335	21%
Gallatin County	\$464,664,669	11%

Source: Gallatin County Treasurer

Table 10: Gallatin County Property Tax Collection Distribution, 2022

	Actual Collected 2022	County/District Total Collections
Taxable Value of District	\$53,029,415.00	\$464,664,669
General Fund	\$719,316.07	\$7,360,288.36
Administration Fee	\$9.09	\$-
Road	\$778,806.79	\$4,320,313.70
Fair Fund	\$57,218.59	\$585,477.48
Parks	\$22,705.10	\$232,332.33
Library	\$218,882.89	\$1,214,222.27
Open Space Operations	\$181,645.72	\$1,858,658.68
Health Department	\$164,842.85	\$1,686,732.75
Public Safety	\$1,688,397.28	\$17,276,232.39
County Perm Med Levy	\$534,038.48	\$5,464,456.51
Permissive SRS Levy	\$25,883.97	\$264,858.86
Gal Co Water Quality Dist	\$19,132.70	\$3,066,786.82
Open Space Bond	\$102,379.35	\$1,040,847.77
Detention Center	\$232,051.95	\$2,374,436.46
County Building Cap Project	\$357,841.14	\$3,661,557.59
Rest Home	\$159,848.74	\$1,635,619.63
Gallatin Conservation District	\$29,440.27	\$255,739.89
Gallatin College	\$68,117.59	\$696,997.00
County Elem School Retirement Fund	\$999,051.47	\$9,678,965.06
Countywide Transportation Fund	\$59,943.34	\$613,357.36
County High School Retirement Fund	\$564,464.57	\$5,775,781.84
County General Levies Sub-Total	\$6,984,017.95	\$69,063,662.75
Gallatin Co Planning*	\$1,255.04	\$285,095.20
So Gallatin Canyon Zoning*	\$2,335.23	\$820.67
Gallatin Gateway Fire*	\$16,142.31	\$624,465.47
County Special Districts Sub-Total	\$19,732.58	\$910,381.34
Gallatin County Levies Sub-Total	\$7,003,750.53	\$69,974,044.09
State Forest Fire Fee	\$72,563.97	\$-
University Mill Fund	\$272,468.36	\$2,787,988.01
State Equalization Fund (Aid Levy)	\$1,816,456.77	\$18,586,586.76
State Elementary Equalization Levy	\$1,498,576.26	\$15,333,934.08
State High School Equalization Levy	\$945,920.33	\$10,222,622.72
State Levies Sub-Total	\$4,605,985.69	\$46,931,131.57
Big Sky Sewer Mills*	\$685,157.31	\$444,026.83
Big Sky W/S Delinquent	\$9,268.15	\$-
Big Sky Zoning*	\$40,314.40	\$41,784.33
Big Sky Fire*	\$3,519,744.66	\$3,815,225.84
Big Sky K-12 General (72N)	\$1,579,863.10	\$1,844,893.35
Big Sky K-12 Transportation	\$542,212.99	\$633,171.22
Big Sky K-12 Bus Depreciation	\$54,040.21	\$63,105.00
Big Sky K-12 Tuition	\$120,339.76	\$140,527.95
Big Sky K-12 Adult Ed	\$22,703.89	\$26,514.71
Big Sky K-12 Tech	\$80,378.07	\$93,862.06
Big Sky K-12 Debt Service	\$1,387,773.74	\$1,620,578.92
Big Sky K-12 Building Reserve	\$255,666.80	\$298,555.61
Bozeman High School Debt Service	\$395,532.92	\$4,047,229.27
Big Sky Specific Sub-Total	\$8,692,996.00	\$13,069,475.08
Total Collections	\$20,302,732.22	\$129,974,650.74 **

*Districts do not align with the Big Sky K-12 district, and some Big Sky properties are excluded from this tax

** Does not represent county-wide total collections--other districts exist and are excluded here

Excise Taxes

An excise tax is a form of taxation applied to specific goods and activities, serving both revenue generation and regulatory purposes. It operates as a supplemental fee on particular items and behaviors. To illustrate, when you purchase gasoline for your vehicle, a portion of the total cost includes an excise tax, which the government allocates to fund infrastructure projects like road maintenance and public transportation initiatives. Essentially, it functions as a mechanism whereby individuals who utilize certain resources or engage in particular activities contribute directly to their associated costs. Excise taxes can be levied on a diverse range of products, such as tobacco, marijuana, and alcohol, as well as on activities like gambling and telecommunications. The primary objective is twofold: to provide a source of government income and to influence consumer choices, often by raising the cost of goods or activities that may have societal or environmental implications. Excise taxes represent a methodical approach to fiscal policy and social regulation. Montana has many excise taxes, but this study focuses on taxes collected on lodging, fuel, and alcohol.

Lodging Tax Collections

Due to the dominance of the tourism industry, Montana collects a state-wide lodging tax of 8% (4% sales tax to the general fund and 4% facility use tax, commonly known as the “bed tax”). The lodging tax is placed on all guests of hotels, motels, bed and breakfasts, guest ranches, resorts, property-managed units, and campgrounds. These revenues are collected by the state government and redistributed among various programs at the state and local level such as historical preservation, facility maintenance in state parks, travel research programming, and non-profit convention and visitors’ bureaus. The total bed tax revenues are public information and published by the Montana Department of Commerce. Revenues are reported on an aggregated level called “tourism regions,” with Yellowstone Country being the tourism region in which Big Sky is located. They are also reported at the county level and Convention and Visitors Bureau (CVB) level. The Yellowstone Country tourism region is made up of Gallatin, Park, Sweetgrass, Stillwater, and Carbon Counties in Montana. Analyzing the trends in lodging tax collections allows us the ability to capture tourism activity across seasons and years. It is important to note that the volume of collections from a region will vary depending on nightly lodging rates, which vary depending on demand and season.

Figure 9: Quarterly Lodging Tax Collections Over Time

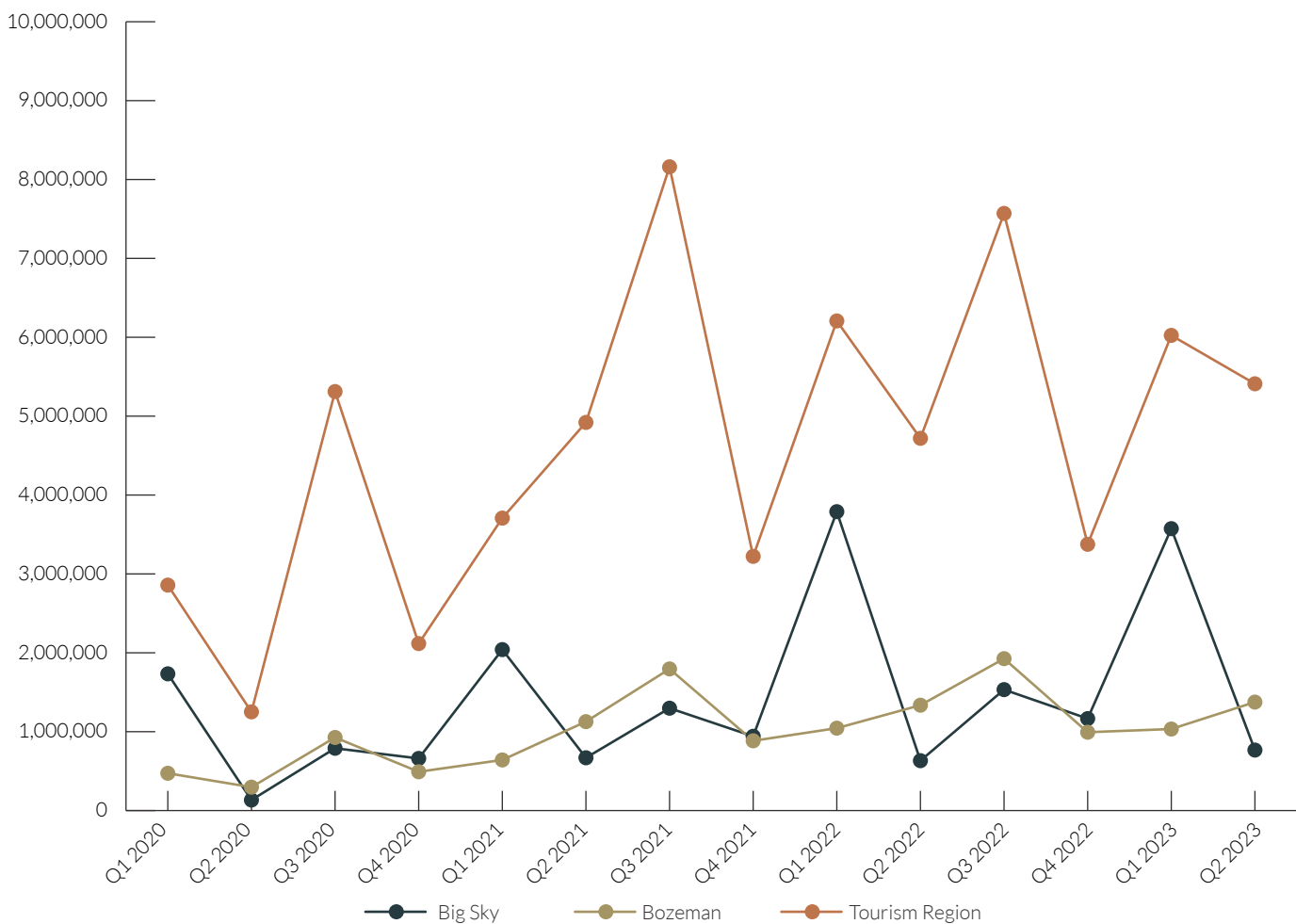


Figure 9 shows quarterly lodging tax collections over time. Quarterly lodging tax collections over time demonstrate the seasonality of tourism in Montana and across the region. This graph shows that Big Sky's largest collections typically occur in Q1 of each year, indicating a strong winter season. This is different than Montana's and Yellowstone Country's height of collections, which falls in Q3 of each year. This graph also demonstrates how Big Sky compares to the much larger city of Bozeman when comparing total collections.

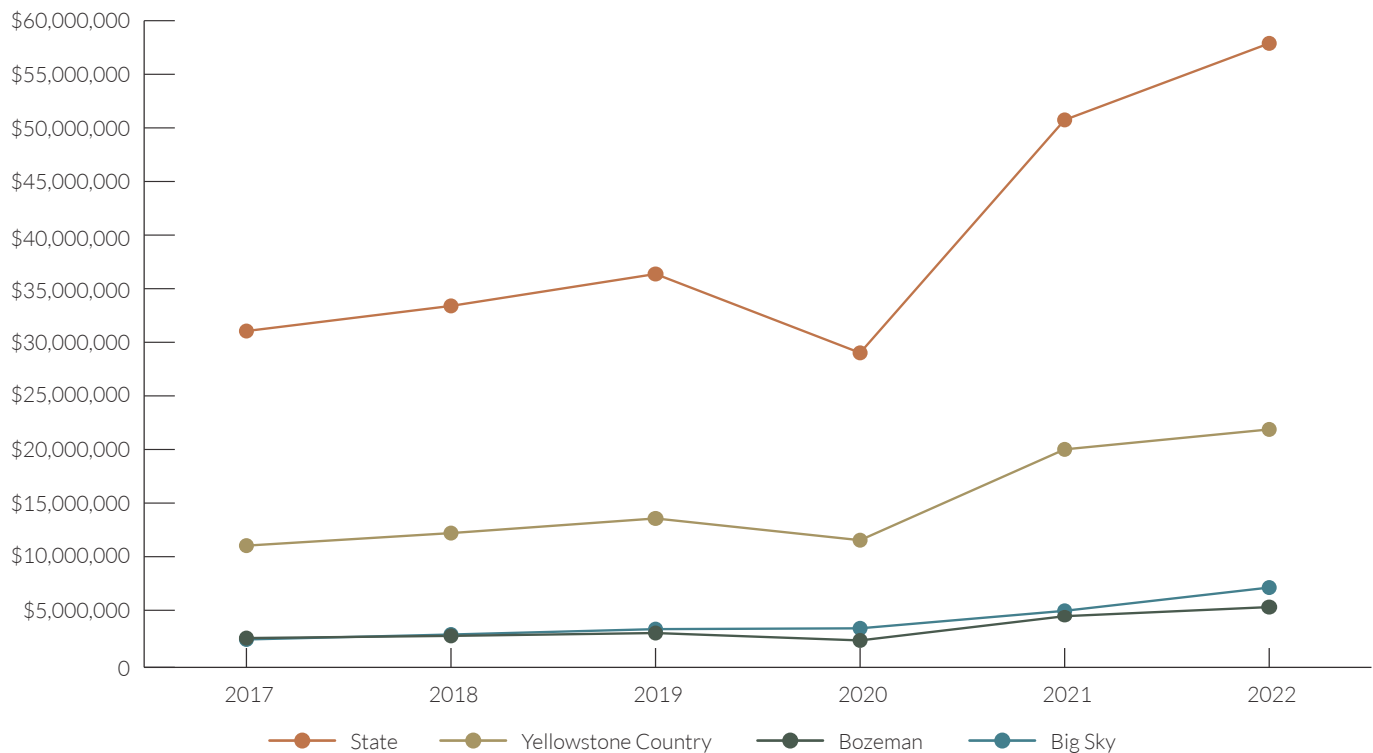
Table 11 and Figure 10 show annual lodging tax collections over time. This illustrates that annual lodging tax collections have been generally increasing, with 2020 being the exception. While Big Sky's lodging tax collections did not dip in 2020, Montana's, Yellowstone Country's, and Bozeman's did see a decline. Big Sky's annual tax collections have outpaced Bozeman's since 2020. Big Sky's annual lodging tax collections have outpaced Bozeman's since 2020.

Table 11: Annual Lodging Tax Collections Over Time

	2017	2018	2019	2020	2021	2022
State	\$31,049,098	\$33,393,287	\$36,369,885	\$29,014,231	\$50,744,688	\$57,885,158
Yellowstone Country	\$11,030,597	\$12,200,270	\$13,566,663	\$11,538,096	\$20,010,264	\$21,871,950
Bozeman	\$2,408,222	\$2,612,460	\$2,877,820	\$2,188,093	\$4,449,097	\$5,299,333
Big Sky	\$2,277,669	\$2,739,169	\$3,241,850	\$3,317,487	\$4,949,171	\$7,120,677

Source: Montana Department of Commerce Lodging Tax Collections

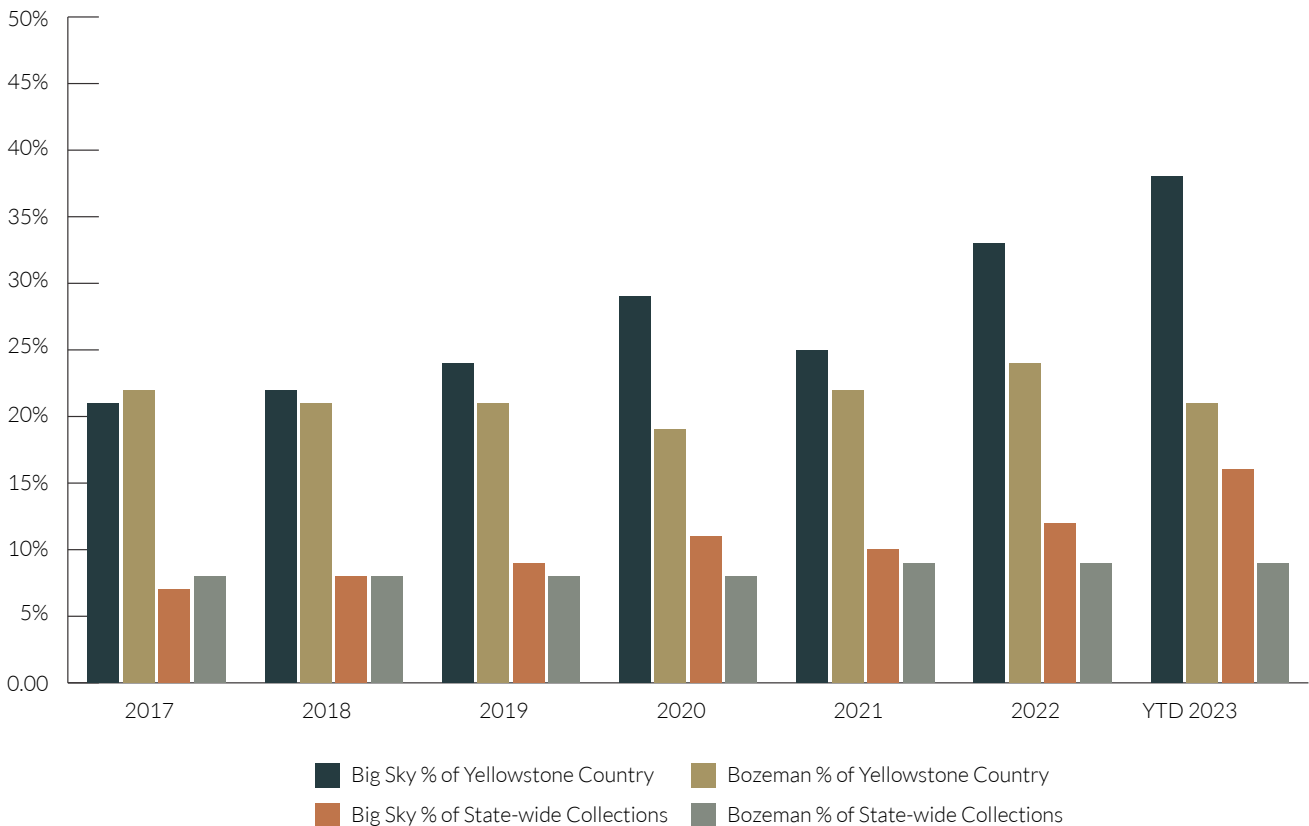
Figure 10: Annual Lodging Tax Collections Over Time



Source: Montana Department of Commerce Lodging Tax Collections

Figure 11 shows Big Sky lodging tax collections, compared to Bozeman's collections, as a proportion of Yellowstone Country and of entire state-wide collections. **Big Sky's proportion of lodging tax collections has grown over time, with collections making up 32% of the entire Yellowstone Country's annual total in 2022, and 12.3% of the entire state-wide total.** 2023 year-to-date includes Q1 and Q2 collections, where Big Sky's largest seasonal collection occurs in Q1.

Figure 11: Big Sky Lodging Tax Collections as a Proportion of Collections



Source: Montana Department of Commerce Lodging Tax Collections

Resort Tax Collections

Montana allows for communities with tourism-based economies to elect to impose a resort tax. Collected on the sale of goods and services geared toward visitors, resort tax is designed to offset the impact of tourism without overburdening local residents. Statute allows for up to a 3% rate, with an additional 1% for voter-approved infrastructure projects. Big Sky collects a 4% tax on luxury industries, such as lodging, restaurants, alcohol service, destination resorts, and recreational facilities. In Big Sky, property tax relief is in the form of interlocal agreements and annual allocations towards infrastructure and government services. Funding decisions are made by the publicly elected BSRAD Board of Directors.

Table 12 shows Big Sky's resort tax collections for calendar year 2022, along with the computed gross industry revenue. These numbers are broken down for each part of the district that falls within Gallatin or Madison County, and totals district-wide. Lodging is the largest industry in Big Sky, with a majority of the activity occurring in Madison County. In calendar year 2022, the Big Sky Resort Area District collected \$19.49 million in tax revenue, which includes the 1% tax that is restricted for voter-approved infrastructure projects.

Table 12: 2022 BSRAD Tax Collections and Industry Revenue

	BSRAD District Total		Gallatin County		Madison County	
Sector	Total Annual Tax Collections	Total Annual Gross Industry Revenue	Tax Collections - Gallatin	Gross Industry Revenue	Tax Collections - Madison	Gross Industry Revenue
Hotel/Lodge/Resort	\$8,313,186	\$207,829,650	\$2,562,328	\$64,058,200	\$5,750,858	\$143,771,450
Club or HOA	\$3,269,419	\$81,735,475	\$272,822	\$6,820,550	\$2,996,597	\$74,914,925
Vacation Rental Management	\$3,063,239	\$76,580,975	\$1,632,215	\$40,805,375	\$1,431,024	\$35,775,600
Restaurant/Bar/Food/Vender/Caterer	\$1,846,120	\$46,153,000	\$1,594,173	\$39,854,325	\$251,947	\$6,298,675
Retail	\$1,462,386	\$36,559,650	\$1,305,521	\$32,638,025	\$156,865	\$3,921,625
Recreational Service/Activity	\$588,085	\$14,702,125	\$571,955	\$14,298,875	\$16,130	\$403,250
Liquor License	\$571,428	\$14,285,700	\$122,759	\$3,068,975	\$448,669	\$11,216,725
Event	\$153,679	\$3,841,975	\$127,049	\$3,176,225	\$26,630	\$665,750
Short Term Rentals--Individual	\$118,184	\$2,954,600	\$72,402	\$1,810,050	\$45,782	\$1,144,550
Spa/Fitness	\$74,696	\$1,867,400	\$65,730	\$1,643,250	\$8,966	\$224,150
Professional Services	\$27,116	\$677,900	\$26,538	\$663,450	\$578	\$14,450
Wholesale Supplier	\$6,287	\$157,175	\$-	\$-	\$6,287	\$157,175
Total	\$19,493,825	\$487,345,625	\$8,353,492	\$208,837,300	\$11,140,333	\$278,508,325

Source: Big Sky Resort Area District Tax Collections

Gas Tax

Another excise tax that Montanan's pay is the fuel tax. The Montana Department of Transportation currently issues a tax on all vehicular fuel sold in Montana. The taxation point of gasoline, aviation fuel, and diesel fuel is at the distributor level. The current tax rate for gasoline is \$0.33, special fuel (including biodiesel) is \$0.2975, aviation fuel is \$0.05, and collected taxes are paid to the Montana Department of Transportation.⁴

A person must have a distributor's license to distribute gasoline in Montana. To qualify for a distributor's license, a person must engage in one or any of the following activities:

1. The business of producing, refining, manufacturing, or compounding gasoline or special fuel for use or distribution
2. Importing fuel from another state or province.
3. Exporting fuel from Montana to another state or province.
4. Engaging in the business of wholesale distribution of gasoline or diesel and choosing to become licensed to assume the Montana state gasoline and/or special fuel tax liability.
5. Grandfathered licensed prior to 1969.
6. A blender of ethanol (alcohol) and gasoline.⁵

Tables 13 and 14 show total fuel consumption by type, and total fuel taxes collected in 2022 for Gallatin and Madison Counties, respectively. It is important to note that these tables omit the breakout of certain fuel types (jet fuel, av gas, clear diesel, and dyed diesel), but that the consumption numbers and tax collections are included in the grand totals column for each county and city. Total fuel consumed and taxed in Big Sky equated to 2% of total fuel consumption in Gallatin County in 2022. However, it is important to note that most Big Sky residents purchase their fuel in Bozeman, Belgrade, or the surrounding county area due to higher prices in the Big Sky community.

Table 13: Total Fuel Consumption and Tax Collected, Gallatin County, 2022

	Gasoline		Ethanol Blended Gasoline		Grand Totals			
	Fuel Consumption	Tax Collections	Fuel Consumption	Tax Collections	Fuel Consumption	% of Consumption	Tax Collections	% of Collections
Belgrade	2,529,215	\$828,411.63	5,172,164	\$1,687,691.30	28,055,082	23%	\$5,666,558.81	17.3%
Big Sky	277,877	\$90,909.26	1,623,135	\$530,261.79	2,351,378	2%	\$715,124.34	2.2%
Bozeman	3,664,302	\$1,199,842.12	43,561,556	\$14,265,686.91	71,916,294	58%	\$19,677,607.19	60.2%
Gallatin Gateway	0	\$-	1,919,085	\$630,177.33	2,653,320	2%	\$818,851.69	2.5%
Logan	0	\$-	0	\$-	2,000	0%	\$595.00	0.0%
Manhattan	395,220	\$129,168.50	1,791,515	\$582,371.41	2,800,830	2%	\$838,883.66	2.6%
Three Forks	386,485	\$126,666.89	5,595,994	\$1,840,604.21	10,914,057	9%	\$3,393,182.43	10.4%
West Yellowstone	293,465	\$95,907.98	3,876,787	\$1,272,089.83	5,092,295	4%	\$1,569,229.77	4.8%
Total	7,546,564	\$2,470,906.36	63,540,236	\$20,808,882.77	123,785,256	100%	\$32,680,032.88	100.0%

Source: MT Department of Transportation

⁴ MCA 15-70-403(a)(iv).

⁵ <https://www.mdt.mt.gov/business/fueltax/faq.aspx>

Table 14: Total Fuel Consumption and Tax Collected, Madison County, 2022

	Gasoline		Ethanol Blended Gasoline		Grand Totals			
	Fuel Consumption	Tax Collections	Fuel Consumption	Tax Collections	Fuel Consumption	% of Consumption	Tax Collections	% of Collections
Ennis	1,133,950	\$371,660.05	505,984	\$164,444.80	2,769,758	40%	\$698,024.75	43%
Harrison	0	\$-	0	\$-	10,499	0%	\$-	0%
McAllister	0	\$-	0	\$-	7,775	0%	\$-	0%
Norris	282,233	\$92,484.23	1,525,811	\$499,957.70	4,127,869	59%	\$939,016.83	57%
Twin Bridges	11,002	\$3,603.16	0	\$-	37,012	1%	\$4,703.66	0%
Total	1,427,185	\$467,747.44	2,031,795	\$664,402.50	6,952,913	100%	\$1,641,745.24	100%

Source: MT Department of Transportation

Montana's 127 incorporated cities, 54 counties, and two consolidated city-county governments benefit from allocated fuel tax revenues. Each fiscal year, the funds are distributed on a monthly basis. They are designated to support reconstructing, maintaining, and repairing rural roads, streets, and alleys within cities or towns. Counties receive a share based on a calculation involving the ratio of rural road mileage, the rural population outside incorporated areas, and the land area within each county. Meanwhile, cities and towns receive funding following a ratio derived from the population residing within corporate limits and the extent of city or town street and alley mileage.⁶

Table 15 shows the county and city fuel allocations for state fiscal year (SFY) 2023. **Gallatin County and its incorporated cities received \$1.383M, or only 4.2% of the total fuel taxes collected from the same region in the previous year. Madison County and its incorporated cities received \$183,915 in SFY 2023, which was 11.2% of the total fuel taxes collected from the county in the previous year.**⁷

Table 15: County and City Fuel Tax Collections, SFY 2023

County and City Fuel Tax Allocations, SFY2023		
	Fuel Tax Allocation	% of Total 2022 Collections From County
Gallatin County	\$346,321.73	1.1%
Bozeman	\$788,160.65	4.0%
Belgrade	\$172,026.34	3.0%
Manhattan	\$44,746.39	5.3%
Three Forks	\$4,613.41	0.1%
West Yellowstone	\$27,662.81	1.8%
Total Allocations Across Gallatin County	\$1,383,531.33	4.2%
Madison County	\$120,834.41	7.4%
Ennis	\$23,671.77	1.4%
Sheridan	\$15,709.75	1.0%
Twin Bridges	\$10,021.15	0.6%
Virginia City	\$13,677.65	0.8%
Total Allocations Across Madison County	\$183,914.73	11.2%

Source: MT Department of Transportation

⁶"Questions and Answers: About Montana's State Fuel Tax Distributions to Cities and Counties." <https://www.mdt.mt.gov/business/fueltax/docs/fuelqa.pdf>

⁷ <https://www.mdt.mt.gov/business/fueltax/docs/SFY2023-ALLOCATIONS.pdf>

Alcohol

States use two types of strategies to regulate alcohol—license and control. License states provide private businesses licenses to sell alcoholic beverages, and control states have a state agency act as the sole wholesale, and in some states, also the sole retailer for some or all alcoholic beverages. Some control states also license and regulate parts of the supply chain.

Montana is a controlled state, and its agency is the only wholesaler of distilled spirits and fortified wine. However, private companies are licensed wholesalers of beer and table wine. Montana’s Department of Revenue Alcoholic Beverage and Control Division (ABCD) licenses and regulates all alcoholic beverage operations within the state.

Alcoholic beverage sales are a source of revenue for the state of Montana, funding state government operations and other support programs. In 2023, \$49.3M from liquor operations went to the State General Fund, and \$12.2M to the Special Revenue Fund. The Special Revenue Fund is used by Department of Public Health and Human Services for treatment, rehabilitation, and prevention of alcoholism and chemical dependency.

The ABCD is divided into two bureaus to oversee these activities – the Liquor Distribution Bureau and the Licensing and Compliance Bureau. The Liquor Distribution Bureau manages the wholesale process for distilled spirits and fortified wine, including operating state liquor warehouses to order, manage, and maintain liquor inventories, establishing defined prices for all approved liquor products to be distributed, and establishing and maintaining agency contracts

to supply products to the 95 agency liquor stores throughout the state. Table 16 shows the total tax revenue collected, state-wide, by alcohol type for fiscal year (FY) 2021 and 2022.

Big Sky has one state-managed liquor store, located at 223 Town Center Ave.⁸ Gallatin County has five state-agency liquor stores, and Madison County has three. Table 17 shows each of the state-agency liquor store gross sales for FY 2022 and 2021, and where they rank in gross sales among the 95 state-wide agency managed liquor stores.

Figures 12 and 13 show the portion of total alcohol sales by store in each county. Alcohol sales in Big Sky comprised 14.3% of all alcohol sales in Gallatin County in 2022.

The Licensing and Compliance Bureau oversees and enforces compliance with the state’s alcoholic beverage laws, including licensing all individuals and businesses that manufacture, import, distribute, or retail alcoholic beverages in Montana, verifying the qualifications of alcoholic beverage license applicants, monitoring licensee activities to ensure compliance and manage violations, revocation, and other regulatory requirements.

Table 18 shows the liquor license tax and the excise tax on liquor that was collected from each state-agency liquor store and distillery in Gallatin and Madison Counties, for fiscal year 2022 and 2023. The Big Sky liquor store collected 13.3% of total Gallatin County alcohol taxes in FY 2022, and 14.2% in FY 2023.

Table 16: Statewide Alcohol Tax Revenue by Type

	Liquor Excise Tax	Liquor License Tax	Wine Tax	Beer Tax	Total
FY 2021	\$23,473,422	\$14,673,456	\$3,971,701	\$4,424,097	\$46,542,676
FY 2022	\$24,598,539	\$15,440,998	\$3,854,563	\$4,314,981	\$48,209,081

Source: Liquor Enterprise Fund Report of Operations, FY 2022, Alcoholic Beverage Control Division, Department of Revenue

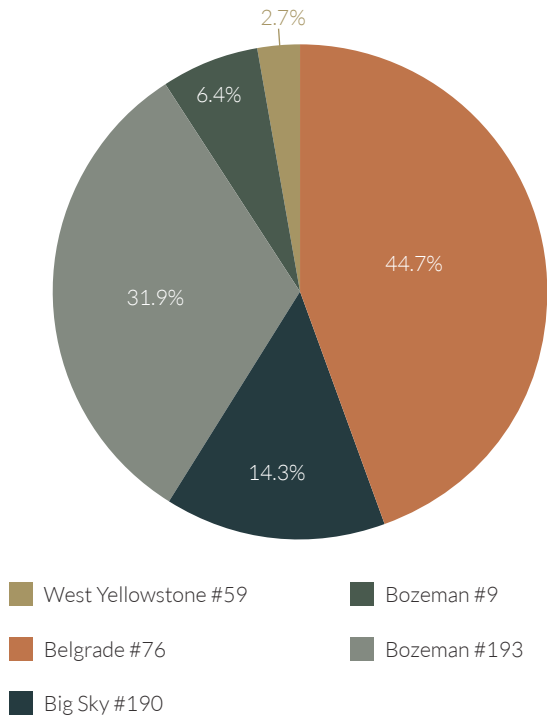
Table 17: State Agency Liquor Store Sales, FY 2022 and 2021

	2022	Rank	2021	Rank
Belgrade #76	\$14,087,257	2	\$13,161,310	2
Bozeman #193	\$10,056,997	4	\$9,979,932	4
Big Sky #190	\$4,503,949	14	\$3,467,217	17
Bozeman #9	\$2,032,110	26	\$2,568,114	24
Ennis #60	\$1,244,913	39	\$1,099,839	39
West Yellowstone #59	\$852,483	49	\$870,235	48
Sheridan #105	\$405,406	73	\$396,079	74
Whitehall #104	\$402,238	74	\$395,656	75
Twin Bridges #77	\$145,904	86	\$144,665	87

Source: Liquor Enterprise Fund Report of Operations, FY 2022, Alcoholic Beverage Control Division, Department of Revenue

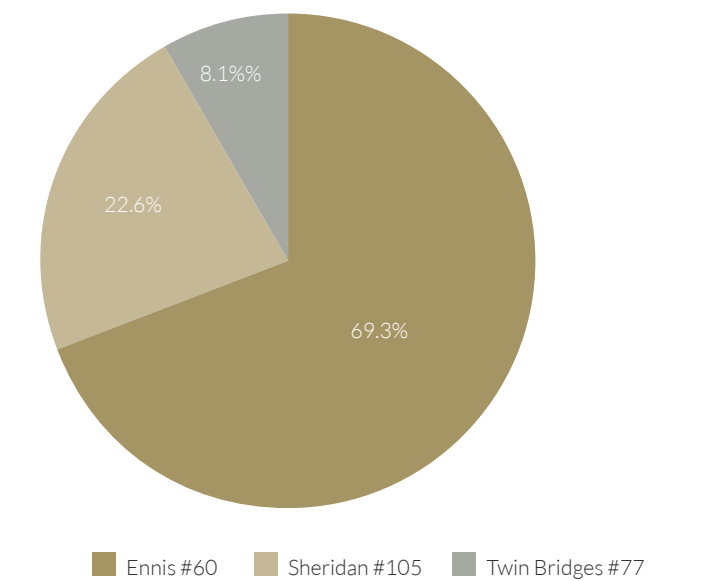
⁸ Big Sky Liquor Store is #190

Figure 12: Percent of Total Liquor Store Sales FY2022, Gallatin County



Source: Liquor Enterprise Fund Report of Operations, FY 2022, Alcoholic Beverage Control Division, Department of Revenue

Figure 13: Percent of Total Liquor Store Sales FY2022, Madison County



Source: Liquor Enterprise Fund Report of Operations, FY 2022, Alcoholic Beverage Control Division, Department of Revenue

Table 18: License and Liquor Tax for Gallatin and Madison Counties, FY 2022 and FY 2023

Gallatin County						
	FY 2022			FY 2023		
Agency Liquor Stores	Liquor License Tax	Liquor Tax	Total Tax Assessed	Liquor License Tax	Liquor Tax	Total Tax Assessed
Belgrade #76	\$1,045,556.93	\$1,671,800.01	\$2,717,356.93	\$1,033,172.58	\$1,653,890.22	\$2,687,062.80
Big Sky #190	\$307,644.00	\$491,372.59	\$799,016.58	\$332,344.33	\$530,627.67	\$862,972.01
Bozeman #193	\$739,406.37	\$1,183,053.14	\$1,922,459.51	\$788,780.46	\$1,262,695.44	\$2,051,475.90
Bozeman #9	\$153,458.73	\$245,427.17	\$398,885.91	\$99,390.01	\$158,912.51	\$258,302.52
West Yellowstone #59	\$60,898.16	\$97,340.79	\$158,238.96	\$63,059.98	\$137,500.30	\$200,560.28
Total	\$2,306,964.19	\$3,688,993.69	\$5,995,957.89	\$2,316,747.37	\$3,743,626.14	\$6,060,373.51
Distilleries						
Blackpot	\$357.88	\$536.94	\$894.82	\$284.97	\$427.49	\$712.46
Bozeman Spirits	\$6,570.18	\$9,854.89	\$16,425.07	\$6,097.79	\$9,146.41	\$15,244.20
Dry Hills Distiller	\$2,642.32	\$3,963.51	\$6,605.83	\$2,462.55	\$3,693.86	\$6,156.41
Wildrye	\$3,394.49	\$5,091.62	\$8,486.11	\$2,596.25	\$3,894.23	\$6,490.48
Total	\$12,964.87	\$19,446.96	\$32,411.83	\$11,441.56	\$17,161.99	\$28,603.55
Madison County						
	FY 2022			FY 2023		
Agency Liquor Stores	Liquor License Tax	Liquor Tax	Total Tax Assessed	Liquor License Tax	Liquor Tax	Total Tax Assessed
Ennis #60	\$87,510.09	\$139,761.10	\$227,271.18	\$85,953.54	\$51,040.89	\$136,994.43
Sheridan #105	\$30,352.73	\$48,516.82	\$78,869.55	\$31,912.21	\$18,190.91	\$50,103.12
Twin Bridges #77	\$10,985.51	\$17,558.43	\$28,543.95	\$11,383.89	\$100,986.76	\$112,370.65
Total	\$128,848.33	\$205,836.35	\$334,684.68	\$129,249.64	\$170,218.56	\$299,468.20
Distilleries						
Willie's Distillery	\$12,978.44	\$19,468.35	\$32,446.79	\$12,426.41	\$18,640.23	\$31,066.64

Source: Montana Dept. of Revenue Alcoholic Beverage and Control Division



INCOME TAXES

Personal Income

Individual income tax is the largest source of tax revenue for the state of Montana, making up 61.5% of the general fund revenue for fiscal year 2022. In 2022, individual income tax collections amounted to \$2,393,807,454 according to the Department of Revenue's Biennial Report. In 2021, the Montana state legislature passed Senate Bill 399 which made many changes to the Montana tax code, one of which was the reduction of the number of tax brackets to two: 4.7% and 5.9%.

Table 19 shows income tax liability paid by residents of Big Sky. This data was obtained from the Montana Department of Revenue and includes 2022 income tax returns based on the mailing address reported. This includes two variables, the first is the tax liability of the taxpayers after non-refundable credits. This is the number used when the Department of Revenue creates revenue estimates. The second variable is total taxpayer liability after refundable credits. This number is usually used to estimate actual taxes paid.

It is important to note that this data does not distinguish between the region of Big Sky that falls within Gallatin County and the region that falls within Madison County.

Table 19: Personal Income Tax Returns, 2022

Address Reported on Return	Tax Liability After Non-Refundable Credits	Tax Liability After Refundable Credits
Gallatin County	\$315,289,758	\$314,344,111
Madison County	\$43,000,172	\$42,918,065
Big Sky	\$27,632,507	\$27,620,898

Source: Montana Department of Revenue

The U.S. Census Bureau estimates that approximately 75% of individuals employed in Big Sky live in the surrounding areas, therefore the income taxes they pay on their wages earned in Big Sky are not captured by the Department of Revenue data in the above table. Therefore, in order to quantify the impact of wages earned in Big Sky, this study attempts to estimate income taxes paid by the commuting workforce.

This estimate was built using combined data from the Census Bureau “On the Map” resource, and the Department of Revenue data used above. Table 20 shows these estimates, combined with the income tax collections reported above. When compared to the total collections from Gallatin and Madison counties, this study estimates that the Big Sky workforce contributes approximately 16.2% of the total income taxes paid by the region.

Table 20: Total Income Tax Estimates, 2022

Total Big Sky Employee Income Taxes Paid	
Filers Living in 59716 (After Refundable Credits)*	\$27,620,898
Filers Living Out of 59716 (Estimates)	\$30,240,000
Total Estimated MT Income Taxes Paid	\$57,860,898
Regional Comparison	
Gallatin County Income Taxes (After Refundable Credits)*	\$314,344,111
Madison County Income Taxes (After Refundable Credits)*	\$42,918,065
Regional Income Taxes Paid*	\$357,262,176
Big Sky Income Taxes as Percent of Region	16.2%
Total State-Wide Income Taxes, 2022	\$2,393,807,454

Source: Montana Department of Revenue



ECONOMIC IMPACT ANALYSIS

An economic impact analysis refers to a systematic examination of how specific economic activities and spending affect various aspects of a local economy. The purpose of conducting an economic impact analysis is to evaluate the ripple effects that a given project or policy may have on a region or industry. For instance, if a city plans to build an event center, an economic impact analysis would examine not only the immediate construction jobs but also the broader economic consequences, such as jobs in tangential industries this activity impacts, what revenues stay locally, and what revenues are paid to the state.

This analytical approach utilizes IMPLAN multipliers to quantify these effects, often considering both direct and indirect impacts. Direct impacts represent the initial changes caused by the project, while indirect impacts are the subsequent economic changes resulting from the direct impacts. Together, these provide a comprehensive view of how a particular undertaking influences an economy.

In essence, economic impact analysis serves as a valuable tool for policymakers, businesses, and communities to make informed decisions by understanding the potential economic benefits and drawbacks associated with the examined activities.

The analysis examined each sector individually before totaling the impacts of the three sectors to determine a combined impact number. Substantial time went into isolating and targeting data points specific to the project area.

Resident Expenditures

Currently, there are no publicly available household or individual expenditure estimates specific to Big Sky. In gathering the inputs to identify resident-based benefits, this study used the 2021 Personal Consumption Expenditures (PCE) for Montana, and Cost-of-Living Indices (COLI) and Composite COLIs for Big Sky that were estimated in a 2022 proprietary, private study. COLIs were used to adjust Montana PCE estimates to approximate expenditures for residents of Big Sky. The per capita expenditure was multiplied by the Big Sky population of 3,854 residents to provide the \$257.1 million in resident expenditures used in this report as the direct impact.

Visitor Expenditures

To approximate visitor expenditures, BSRAD resort tax collections were used. While VISA credit card spending data was also considered to approximate visitor expenditures, it was decided that resort tax collections more accurately and comprehensively reported tourism activity by industry year-round.

Construction Expenditures

Currently, no estimates are available for gross domestic product (GDP) at the community level, making construction expenditures imperfect. The construction data presented represents major private entities' annual spending. However, this is not all-inclusive of construction activities in Big Sky and excludes public spending on infrastructure such as the TIGER transportation grant and other wastewater treatment plant construction spending.

Data Methodology

This study recognizes that exactness in the impact estimates is challenging when classic public data is unavailable. It was agreed that the data points used in the study must be reasonable, conservative, and defensible, and the objective would not be to seek out and apply the most significant attributable data points. For example, in efforts to identify per-capita expenditures, the 2021 PCEs applicable to the project area ranged from \$47,887 to \$86,151 (a number that included an overall Big Sky PCE with Composite COLI). This study uses \$66,733.31 for annual per capita expenditures. Estimates were based on a Big Sky PCE, modified by a local COLI.

Description of Report Variables

This analysis is divided into four reports: resident spending impacts, visitor spending impacts, private construction spending impacts, and gross economic output. The gross economic output report is the aggregate of the first three reports, and is the community's total economic benefit, including all direct and indirect benefits. The total includes local economic benefits and benefits from the county region. The following provides descriptions for the variables in each report.

Gross Economic Output: This is the aggregated market value of goods and services produced by businesses and government enterprises from the analyzed expenditures. It essentially equals the revenue businesses collect within the community or county.

Gross County Product: This is the total value added by the production of goods and services in the economy. It represents the sum of labor compensation, capital-type income, and indirect business taxes, and is the economic impact that stays locally within the county. The subtraction of gross county product from gross economic output equals the amount of economic impact that is lost to the local region but is benefitting the larger economy, such as the state. Gross county product is best described as new money added because of the combined activities of the industry being analyzed.

Total Labor Income: This is the compensation to employees and self-employed proprietors, including wages and indirect payments such as retirement benefits, health insurance, and other similar fringe benefits.

Total Employment: This is the number of jobs generated within the impact area, including full-time and part-time positions, salaried workers, and sole proprietors.

Capital Income: This is the estimate of business profits, interest, and rental income. Capital income is best described as non-labor benefits.

Indirect Business Tax: This is the taxes and fees not based on the businesses' income. It may represent sales tax (resort tax in this case), county property taxes against businesses, and federal, state, and local fees.



DIRECT EFFECTS

The initial changes that result from economic activity

SOCIAL EFFECTS

The qualitative impacts that occur in the community as a result of economic activity

INDIRECT EFFECTS

The impact of local industries buying goods and services from other local industries as a result of influence in the industry

INDUCED EFFECTS

Response by the economy to an initial change that occurs through the income received by wage earners and businesses due to

Resident Expenditures Impact

Table 21 details the economic impacts of resident expenditures in Big Sky. This estimate is based on a per capita expenditure of \$66,733.31 for the estimated 3,854 residents. These estimates are broken out by industry based on 2021 PCE estimates obtained from the Bureau of Economic Analysis.

Total Economic Impacts

The direct impact of resident expenditures is estimated to be \$257 million, with indirect impacts estimated at \$116.9 million, for a total economic impact exceeding \$374.1 million.

Local Benefit: It is estimated that of the total economic impact of \$374.1 million total impact, \$216 million is retained in the local market.

Payroll Benefits in Dollars: The study shows that resident expenditures contribute a total of \$108.9 million to local payroll and employment.

Job impacts: It is estimated that 4,030 jobs benefit from resident-based expenditures.

Capital income: Capital income and related non-labor benefits total \$80.7 million that are generated from resident spending.

Indirect Business Taxes: Resident spending is estimated to generate \$26.9 million in indirect business tax benefits.

Table 21: Economic Impact Analysis of Resident Expenditures

Resident Spending Category	Direct	Indirect and Induced Impact	Total Gross Impact	Gross County Impact	Labor Income	Employment Benefits	Capital Income	Indirect Business Tax
Financial Services and Insurance	\$12,167,078	\$5,408,693	\$17,575,771	\$7,781,750	\$2,755,997	79	\$4,659,107	\$366,646
Other Services	\$25,413,276	\$11,297,092	\$36,710,368	\$16,253,677	\$5,756,429	165	\$9,731,439	\$765,810
Transportation Services	\$5,172,068	\$2,410,751	\$7,582,819	\$3,480,217	\$2,362,617	96	\$621,593	\$496,007
Clothing and Footwear	\$4,486,056	\$2,034,460	\$6,520,516	\$4,000,462	\$2,025,865	90	\$1,236,340	\$738,256
Food and Beverages Purchased for Off-Premises Consumption	\$22,796,410	\$12,148,493	\$34,944,903	\$20,455,952	\$13,101,542	520	\$4,237,956	\$3,116,669
Food Services and Accommodations	\$12,718,200	\$6,332,646	\$19,050,846	\$8,832,529	\$5,609,396	332	\$2,277,476	\$945,535
Gasoline and Other Energy Goods	\$5,349,352	\$2,279,822	\$7,629,174	\$4,826,043	\$2,323,843	102	\$1,636,969	\$865,232
Other Durable Goods	\$2,902,062	\$1,884,847	\$4,786,909	\$2,560,466	\$2,044,035	76	\$379,152	\$137,251
Health Care	\$32,219,440	\$16,802,357	\$49,021,797	\$30,682,251	\$23,102,300	716	\$6,427,017	\$1,153,239
Other Nondurable Goods	\$13,496,708	\$7,296,883	\$20,793,591	\$13,926,207	\$9,212,555	458	\$2,416,372	\$2,297,280
Motor Vehicles and Parts	\$10,960,776	\$5,955,022	\$16,915,798	\$10,379,032	\$6,720,164	161	\$1,794,782	\$1,864,086
Furnishings and Durable Household Equipment	\$6,170,254	\$2,802,416	\$8,972,670	\$3,794,264	\$2,367,912	81	\$1,265,942	\$160,410
Recreation Services	\$6,420,764	\$3,318,755	\$9,739,519	\$5,538,039	\$3,088,655	124	\$1,788,513	\$660,872
Final Consumption Expenditures of Non-profits Serving Households	\$6,794,602	\$3,115,502	\$9,910,104	\$3,885,648	\$1,556,398	88	\$1,909,387	\$419,927
Housing and Utilities	\$81,663,593	\$29,321,398	\$110,984,991	\$72,791,526	\$22,274,193	692	\$38,993,483	\$11,523,070
Recreational Goods and Vehicles	\$8,459,530	\$4,573,095	\$13,032,625	\$7,505,585	\$4,683,027	248	\$1,421,059	\$1,401,419
Total Resident Benefits	\$257,190,169	\$116,982,231	\$374,172,400	\$216,693,649	\$108,984,930	4,030	\$80,796,586	\$26,911,708

Source: Personal Consumption Expenditures Bureau of Economic Analysis, Circle Analytics Analysis

Visitor/Tourist Expenditures Impact

Table 22 details the economic impacts of visitor and tourist expenditures in Big Sky. This estimate is based on the 2022 resort tax collections, reported by industry.

Total Economic Impacts

The direct impact of visitor expenditures is estimated to be \$487.3 million, with indirect impacts estimated at \$217.7 million, for a total economic impact exceeding \$705.1 million.

Local Benefit: It is estimated that of the total economic impact of \$705.1 million total impact, \$422.1 million is retained in the local market, or 59.8%.

Payroll benefits in Dollars: The study shows that visitor expenditures contribute a total of \$207.3 million to local payroll and employment.

Job impacts: It is estimated that 8,707 jobs benefit from resident-based expenditures.

Capital income: Capital income and related non-labor benefits total \$156.3 million that are generated from visitor spending.

Indirect Business Taxes: Visitor spending is estimated to generate \$58.4 million in indirect business tax benefits.

Table 22: Economic Impact Analysis of Visitor Expenditures

Visitor Spending Category	Direct Impact	Indirect and Induced Impact	Total Impact	Gross County Impact	Labor Income	Employment Benefits	Capital Income	Indirect Business Tax
Professional Services	\$677,905	\$301,353	\$979,258	\$433,571	\$153,554	4	\$259,588	\$20,428
Restaurant/Bar/Food Vendor/Caterer	\$46,152,984	\$22,980,493	\$69,133,477	\$32,052,301	\$20,355,897	1,204	\$8,264,717	\$3,431,245
Hotel/Lodge/Resort	\$207,829,654	\$99,772,992	\$307,602,646	\$180,995,856	\$101,902,119	4,310	\$55,725,089	\$23,370,608
Event	\$3,841,975	\$2,077,132	\$5,919,107	\$3,964,236	\$2,622,447	130	\$687,845	\$653,944
Retail	\$36,559,655	\$19,765,673	\$56,325,328	\$37,723,075	\$24,954,814	1,240	\$6,545,429	\$6,222,832
Recreational Service/Activity	\$14,702,120	\$7,599,210	\$22,301,330	\$12,680,877	\$7,072,332	285	\$4,095,296	\$1,513,250
Spa/Fitness	\$1,867,399	\$965,218	\$2,832,617	\$1,610,670	\$898,297	36	\$520,167	\$192,206
Liquor License	\$14,285,691	\$6,349,732	\$20,635,423	\$8,766,787	\$5,288,335	128	\$3,194,083	\$284,504
Club or HOA	\$81,735,489	\$29,347,212	\$111,082,701	\$72,855,611	\$22,293,803	693	\$39,027,813	\$11,533,215
Vacation Rental Management	\$76,580,979	\$27,496,480	\$104,077,459	\$68,261,095	\$20,887,882	649	\$36,566,590	\$10,805,892
Short Term Rentals - Individual	\$2,954,604	\$1,060,854	\$4,015,458	\$2,633,611	\$805,884	25	\$1,410,791	\$416,907
Wholesale Supplier	\$157,175	\$77,755	\$234,930	\$145,622	\$81,566	2	\$37,496	\$26,559
Totals:	\$487,345,630	\$217,794,102	\$705,139,732	\$422,123,311	\$207,316,929	8,707	\$156,334,904	\$58,471,591

Source: Personal Consumption Expenditures Bureau of Economic Analysis , Circle Analytics Analysis

Private Construction Expenditures Impact

Table 23 details the economic impacts of private construction spending in Big Sky in 2022. This is aggregated data shared by private employers detailing the construction investment in commercial activity. This does not include public spending that occurs on roads, bridges, water or sewer, etc.

Total Economic Impacts

The direct impact of resident expenditures is estimated to be \$722.8 million, with indirect impacts estimated at \$424.7 million, for a total economic impact exceeding \$1.197 billion.

Local Benefit: It is estimated that of the total economic impact of \$1.197 billion total impact, \$630 million is retained in the local market.

Payroll benefits in Dollars: The study shows that resident expenditures contribute a total of \$489.8 million to local payroll and employment.

Job impacts: It is estimated that 13,328 jobs benefit from private construction-based expenditures.

Capital income: Capital income and related non-labor benefits total \$114.4 million that are generated from resident spending.

Indirect Business Taxes: Resident spending is estimated to generate \$25.9 million in indirect business tax benefits.

Table 23: Economic Impact Analysis of Construction Expenditures

Construction Spending	Direct	Indirect and Induced Impact	Total Gross Impact	Gross County Impact	Labor Income	Employment Benefits	Capital Income	Indirect Business Tax
Big Sky Construction	\$772,822,000	\$424,755,738	\$1,197,577,738	\$630,223,330	\$489,855,236	13,328	\$114,415,300	\$25,952,794

Source: Private Firm Spending, Circle Analytics Analysis

Summary of Economic Impacts

Table 24 is the summation of resident, visitor, and construction spending and estimated economic impacts. This is intended to represent the total economic impact of the community of Big Sky to the local region of Gallatin and Madison Counties, and estimate the amount of economic activity that is generated for the broader geographic region outside of isolated local impacts.

Total Economic Impacts

This summary combines the benefits of resident, visitor and construction-related impacts in Big Sky Montana. **The total economic impact of Big Sky resident, visitor and construction expenditures exceeds \$2.28 billion.** This is a significant economic contribution from a community of less than 4,000 and only 3% of the two-county population. The total impact is comprised of \$374.1 million in resident benefits, \$705.1 million in visitor benefits, and \$1.2 billion in construction-related impacts. **Overall, \$1.3B (57%) of Big Sky's economic impact stays in the region, but \$1.0B (43%) is leaked to the rest of the state.**

Local Benefit: It is estimated of the total \$2.28 billion in total benefits, \$1.27 billion is retained in the local market.

Payroll benefits in Dollars: The study shows that resident, visitor, and construction expenditures contribute a total of \$806.1 million to local payroll and employment.

Job impacts: Job impacts total 26,065. Of these jobs, 4,030 benefit from resident-based expenditures, 8,707 are visitor-related and 13,328 are construction-related. **Big Sky is 3% of the two-county population but its economy contributes to and supports 32% of the labor force in Gallatin and Madison Counties.**

Capital income: Capital income and related non-labor benefits total \$351.5 million.

Indirect Business Taxes: Indirect business tax benefits total \$111.3 million.

Table 24: Total Economic Impact

Total Economic Impact	Direct	Indirect and Induced Impact	Total Gross Impact	Gross County Impact	Labor Income	Employment Benefits	Capital Income	Indirect Business Tax
Total Resident + Visitor + Construction	\$1,517,357,799	\$759,532,071	\$2,276,889,870	\$1,269,040,290	\$806,157,095	26,065	\$351,546,790	\$111,336,093

Source: Private Firm Spending, Circle Analytics Analysis



BIG SKY'S GDP

To estimate the economic size, performance, and impact of the community of Big Sky on both the local county region and Montana state-wide, we turn to GDP. The Bureau of Economic Analysis (BEA) is the federal agency that estimates GDP on an annual and quarterly basis in the United States. While the BEA creates these estimates nation-wide, state-wide, and county-wide, they do not create estimates at a more local level. Therefore, to estimate the GDP of Big Sky's industries, we can use the "Gross County Impact" variable from the previous Economic Impact section. Gross County Impact is an estimate of the economic impact that stays within the local region, and is the equivalent to local GDP. It is important to note that Gross County Impact is not the entire economic impact of Big Sky, but only what stays in the local economy. There is other economic activity that bleeds into the larger statewide economy, and this is captured by Total Gross Impact. In this analysis, the Gross County Impact variable serves as Big Sky GDP estimates and is comparable to county-level GDP obtained from the BEA for 2021. Total Gross Impact serves as state-wide GDP estimates and is comparable to Montana GDP also obtained from the BEA.

As does the economic impact analysis, Big Sky GDP estimates include the contributions of both visitor spending and local resident spending on the region. The industry breakdown provided in the previous section is rolled up under the appropriate high level private industry seen below.

Table 25 shows the GDP comparison of Big Sky to Gallatin and Madison Counties in 2021. Total Regional GDP represents Gallatin and Madison Counties GDP summed together to achieve a regional total. Big Sky Total Industry Revenue represents summed totals from the Gross County Impact estimates in the applicable economic impact analysis tables. In Table 29 we can see that Big Sky makes up 16.34% of the total private industry GDP. Big Sky does not have any government enterprises, and when this industry is factored into the total, **Big Sky's GDP makes up 14.65% of the regional total.**

Since Gross County Impact are estimates that are limited to the two-county region, and there are economic impacts that occur outside of the two-county area. Therefore, to compare the entire economic impact of Big Sky to state-wide GDP, we look at the Total Gross Impact of all industries from Table 28. **Big Sky's total GDP is estimated to be \$2,276,889,870, or 4.3% of the Montana State-wide GDP reported at \$52.95B.**

Table 25: GDP by Industry and County Compared to Big Sky, 2021

	Madison and Gallatin Region		
	Total Regional GDP	Big Sky Total Industry Revenue** (Gross County Impact)	Big Sky GDP as Percent of Regional Total
All industry total	\$8,665,089,000	\$1,269,040,290	14.65%
Private industries	\$7,767,004,000	\$1,269,040,290	16.34%
Agriculture, forestry, fishing and hunting	\$104,657,000	\$-	0.00%
Mining, quarrying, and oil and gas extraction	\$53,185,000	\$-	0.00%
Utilities	\$16,298,000	\$-	0.00%
Construction	\$833,107,000	\$630,223,330	75.65%
Manufacturing	\$396,210,000	\$16,486,673	4.16%
Wholesale trade	\$359,598,000	\$145,622	0.04%
Retail trade	\$896,367,000	\$65,973,753	7.36%
Transportation and warehousing	\$151,068,000	\$26,190,877	17.34%
Information	\$282,577,000	\$-	0.00%
Finance, insurance, real estate, rental, and leasing	\$1,915,201,000	\$153,428,887	11.71%
Professional and business services	\$1,111,120,000	\$433,571	0.04%
Educational services, health care, and social assistance	\$608,784,000	\$34,567,899	5.68%
Arts, entertainment, recreation, accommodation, and food services	\$813,535,000	\$325,336,001	31.28%
Other services (except government and government enterprises)	\$216,556,000	\$16,253,677	7.51%
Government and government enterprises	\$898,085,000	\$-	0.00%
Montana State-Wide			
Montana - State-wide 2021 GDP	\$52,952,000,000	\$2,276,889,870	4.30%

Source: Bureau of Economic Analysis

**GDP estimates are taken directly from the Gross County Impact column in the Economic Impact Analysis Section



CONCLUSION

The economic power and broad impact of Big Sky is undeniable. The community of approximately 3,800 residents generates 4% of Montana state-wide GDP, and 14% of GDP in Madison and Gallatin Counties. This economic engine impacts **1 in 5 jobs** throughout Madison and Gallatin Counties, and collected over \$58M in property taxes in 2022. **For every \$1 spent in Big Sky, \$2.50 of economic impact is created that the region and state benefit from.**

However, this massive economic impact is not without its constraints. Between 2010 and 2020, **Big Sky grew over 54%**, putting pressure on existing infrastructure development to further accommodate the growth. Big Sky's recent capital improvement plan (CIP) has identified over \$770M in infrastructure needs to keep up with growing demand from residents and tourists alike. This cost estimate takes into account essential infrastructure to keep the economic engine of Big Sky generating the impact from which the entire region receives benefit.

Adding additional demand on infrastructure in the community of Big Sky is the large amount of tourists each year. Big Sky is the largest contributor to lodging tax, making up 12.3% of total state-wide collections in 2022. **Big Sky only receives 11% of that back, and these funds are legislatively required to be spent on tourism marketing.**

Due to overwhelmingly high housing costs, **75% of the workforce lives in the surrounding county areas and commutes into Big Sky.** Due to this, transportation is a top priority for all that live, work, and do business in Big Sky. While the 191-highway is the only public access to Big Sky, it is located in a narrow mountain canyon and there are few physical solutions to ease traffic flow. Funding solutions for transportation is also a challenge, with the state of Montana collecting \$32M in fuel taxes from Gallatin County in 2022 but only reallocating 4.2% back to all incorporated governments within Gallatin County the following fiscal year (FY23).

Lastly, property taxes, a typical source of revenue that local governments use to fund their services, is a complicated set of taxing districts for the unincorporated Big Sky. In 2022, Madison County collected \$37.8M from the two Big Sky tax districts. Out of the \$37.8M collected, only \$2.26M (6%) went to support direct services in the community. \$18.8M (50%) went to other Madison county-wide levies, and \$16.6M went to state school equalization levies. Gallatin County property taxes collections were significantly more balanced, with 42.8% (\$8.69M) of the total \$20.3M in collections going to direct services in Big Sky. 34.2% (\$6.95M) went to Gallatin county-wide levies, and 22.9% (\$4.66M) went to state school equalization levies.