

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. The shapes are primarily triangles and polygons, creating a dynamic, layered effect. The text is centered in a clean, sans-serif font.

Montana Association of
Conservation Districts
Spring Board
June 12, 2024

Mill Levies and Budgets Presented by:



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Finance Director

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Today's Discussion

- ▶ Mills/levies/taxes
- ▶ Levy calculation form
- ▶ Budget Sheet for Levies
- ▶ SB332
- ▶ Comparison of Individual Tax Bills
- ▶ County budget process



15-10-420

- ▶ 15-10-420. Procedure for calculating levy. (1) (a) Subject to the provisions of this section, a governmental entity that is authorized to impose mills may impose a mill levy sufficient to generate the amount of property taxes actually assessed in the prior year plus one-half of the average rate of inflation for the prior 3 years. The maximum number of mills that a governmental entity may impose is established by calculating the number of mills required to generate the amount of property tax actually assessed in the governmental unit in the prior year based on the current year taxable value, less the current year's newly taxable value, plus one-half of the average rate of inflation for the prior 3 years.
- ▶ (b) A governmental entity that does not impose the maximum number of mills authorized under subsection (1)(a) may carry forward the authority to impose the number of mills equal to the difference between the actual number of mills imposed and the maximum number of mills authorized to be imposed. The mill authority carried forward may be imposed in a subsequent tax year.
- ▶ .

Mills are units

- Used to calculate ad valorem property taxes

Mills are multiplied

- By the certified taxable valuation to generate tax revenue

The term “mill”

- Is a Latin term meaning “thousandth” (1/1,000)


“Ad Valorem” means

- Based on Value

DOR-Certified Taxable Valuation Information

(usually received first week in August)

Use 2023 Certified Taxable Valuations to complete FY2024 Levy Comp form

 **MONTANA**
Form AB-72T
Rev. 3-12

2019 Certified Taxable Valuation Information
(15-10-202, MCA)

1.	Total Market Value*	\$	822,795,471
2.	Total Taxable Value	\$	13,987,523
3.	Taxable Value of Newly Taxable Property	\$	94,000
4.	Taxable Value less Incremental Taxable Value**	\$	13,103,886
5.	Taxable Value of Net and Gross Proceeds*** (Class 1 and Class 2)	\$	4,443,000

6. TIF Districts

Tax Increment District Name	Current Taxable Value	Base Taxable Value	Incremental Value
District A	1,337,249	453,612	883,637
District B	6,663,338	7,932,918	

Total Incremental Value \$ 883,637

SAMPLE

Preparer Jane Doe Date: 8/3/2018

*Market value does not include class 1 and class 2 value 9
**This value is the taxing jurisdiction's taxable value less total incremental value of all tax increment financing districts.
***The taxable value of class 1 and class 2 is included in the taxable value totals.

NOTE... 20XX Taxable Value less (TIF's) Incremental Taxable Value
 $\div 1,000$

Taxable value per mill example: $13,987,523 / 1,000 = 13,987.52$

Determination of Tax Revenue and Mill Levy Limitations

Section 15-10-420, MCA

Aggregate of all Funds/or

Fund

FYE June 30, 2025

Reference Line		Enter amounts in yellow cells	Auto-Calculation (If completing manually enter amounts as instructed)
(1)	Enter Ad valorem tax revenue <u>ACTUALLY</u> assessed in the prior year <i>(from Prior Year's form Line 17)</i>	\$ 1,000,000	\$ 1,000,000
(2)	Add: Current year inflation adjustment @ 2.80%		\$ 28,000
(3)	Subtract: Ad valorem tax revenue <u>ACTUALLY</u> assessed in the prior year for Class 1 and 2 property, (net and gross proceeds) <i>(from Prior Year's form Line 20) (enter as negative)</i>		\$ -
(3.5)	Subtract: Department of Revenue FY2025 All Class 8 Business Property Tax Reimbursement (15-1-123 MCA) <i><u>This is a new line for FY2025 only; see the Instructions tab for additional information (enter as negative)</u></i>		\$ -
(4) = (1)+(2)+(3)+(3.5)	Adjusted ad valorem tax revenue		\$ 1,028,000
	<u>ENTERING TAXABLE VALUES</u>		
(5)	Enter 'Total Taxable Value' - from Department of Revenue <i>Certified Taxable Valuation Information</i> form, line # 2	\$ 20,000,000	\$ 20,000,000
(6)	Subtract: 'Total Incremental Value' of all tax increment financing districts (TIF Districts) - from Department of Revenue <i>Certified Taxable Valuation Information</i> form, line # 6 <i>(enter as negative)</i>		\$ -
(7) = (5) + (6)	Taxable value per mill (after adjustment for removal of TIF per mill incremental district value)		\$ 20,000,000
(8)	Subtract: 'Total Value of Newly Taxable Property' - from Department of Revenue <i>Certified Taxable Valuation Information</i> form, line # 3 <i>(enter as negative)</i>	\$ (100,000)	\$ (100,000)
(9)	Subtract: 'Taxable Value of Net and Gross Proceeds, (Class 1 & 2 properties)' - from Department of Revenue <i>Certified Taxable Valuation Information</i> form, line # 5 <i>(enter as negative)</i>		\$ -
(10) = (7) + (8) + (9)	Adjusted Taxable value per mill		\$ 19,900,000

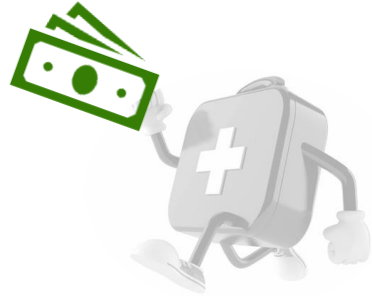
(11) =(4) / (10)	CURRENT YEAR calculated mill levy		51.66
(12) = (7) x (11)	CURRENT YEAR calculated ad valorem tax revenue		\$ 1,033,200
	<u>CURRENT YEAR AUTHORIZED LEVY/ASSESSMENT</u>		
(13)	Enter total number of carry forward mills from prior year (from Prior Year's form Line 22)	0.00	0.00
(14) =(11) + (13)	Total current year authorized mill levy, including Prior Years' carry forward mills		51.66
(15) = (7) x (14)	Total current year authorized ad valorem tax revenue assessment		\$ 1,033,200
	<u>CURRENT YEAR ACTUALLY LEVIED/ASSESSED</u>		
(16)	Enter number of mills actually levied in current year (Number should equal total <u>non-voted</u> mills, which includes the number of carry forward mills, actually imposed per the final approved current year budget document. <u>Do Not</u> include voted or permissive mills imposed in the current year.)	51.66	51.66
(17) = (7) x (16)	Total ad valorem tax revenue actually assessed in current year		\$ 1,033,200
	<u>RECAPITULATION OF ACTUAL:</u>		
(18) = (10) x (16)	Ad valorem tax revenue actually assessed		\$ 1,028,034
(19)	Ad valorem tax revenue actually assessed for newly taxable property		\$ 5,166
(20)	Ad valorem tax revenue actually assessed for Class 1 & 2 properties (net-gross proceeds)		\$ -
(21) =(18) + (19) + (20)	Total ad valorem tax revenue actually assessed in current year		\$ 1,033,200
(22) = (14) - (16)	Total carry forward mills that may be levied in a subsequent year (Number should be equal to or greater than zero. A (negative) number indicates an over levy.)		0.00

(12) =(7) x (11)	CURRENT YEAR calculated ad valorem tax revenue		\$ 1,033,200
	<u>CURRENT YEAR AUTHORIZED LEVY/ASSESSMENT</u>		
(13)	Enter total number of carry forward mills from prior year (from Prior Year's form Line 22)	10.00	10.00
(14) =(11) + (13)	Total current year authorized mill levy, including Prior Years' carry forward mills		61.66
(15) =(7) x (14)	Total current year authorized ad valorem tax revenue assessment		\$ 1,233,200
	<u>CURRENT YEAR ACTUALLY LEVIED/ASSESSED</u>		
(16)	Enter number of mills actually levied in current year (Number should equal total <u>non-voted</u> mills, which includes the number of carry forward mills, actually imposed per the final approved current year budget document. <u>Do Not</u> include voted or permissive mills imposed in the current year.)	61.66	61.66
(17) =(7) x (16)	Total ad valorem tax revenue actually assessed in current year		\$ 1,233,200
	<u>RECAPITULATION OF ACTUAL:</u>		
(18) =(10) x (16)	Ad valorem tax revenue actually assessed		\$ 1,227,034
(19)	Ad valorem tax revenue actually assessed for newly taxable property		\$ 6,166
(20)	Ad valorem tax revenue actually assessed for Class 1 & 2 properties (net-gross proceeds)		\$ -
(21) =(18) + (19) + (20)	Total ad valorem tax revenue actually assessed in current year		\$ 1,233,200
(22) =(14) - (16)	Total carry forward mills that may be levied in a subsequent year (Number should be equal to or greater than zero. A (negative) number indicates an over levy.)		0.00

<u>CURRENT YEAR AUTHORIZED LEVY/ASSESSMENT</u>			
(13)	Enter total number of carry forward mills from prior year (from Prior Year's form Line 22)	0.00	0.00
(14) =(11) + (13)	Total current year authorized mill levy, including Prior Years' carry forward mills		51.66
(15) =(7) x (14)	Total current year authorized ad valorem tax revenue assessment		\$ 1,033,200
<u>CURRENT YEAR ACTUALLY LEVIED/ASSESSED</u>			
(16)	Enter number of mills actually levied in current year (Number should equal total <u>non-voted</u> mills, which includes the number of carry forward mills, actually imposed per the final approved current year budget document. <u>Do Not</u> include voted or permissive mills imposed in the current year.)	40.00	40.00
(17) =(7) x (16)	Total ad valorem tax revenue actually assessed in current year		\$ 800,000
<u>RECAPITULATION OF ACTUAL:</u>			
(18) =(10) x (16)	Ad valorem tax revenue actually assessed		\$ 796,000
(19)	Ad valorem tax revenue actually assessed for newly taxable property		\$ 4,000
(20)	Ad valorem tax revenue actually assessed for Class 1 & 2 properties (net-gross proceeds)		\$ -
(21) =(18) + (19) + (20)	Total ad valorem tax revenue actually assessed in current year		\$ 800,000
(22) =(14) - (16)	Total carry forward mills that may be levied in a subsequent year (Number should be equal to or greater than zero. A (negative) number indicates an over levy.)		11.66

Permissive Levies include:

- (i) Judgment Levy
- (i) Repay Taxes Paid Under Protest
- (i) Emergency Levy
- (i) Study Commission Levy
- (i) Contributions for Group Benefits
- (vii) Reimburse County for Cost of Transferring Property
- (viii) To Fund the Increase in Employer Contributions to the Sheriffs Retirement System 19-7-404(2)(b), MCA



15-10-420(9)(A)

Permissive Levy for Group Benefits



Is an additional levy and separate from the “aggregate” mill levy calculated on the Mill Levy Determination Form according to 15-10-420 MCA



Covers the increase in contributions for medical & life group benefits and payments in lieu of group benefits. *** Does not cover property, liability & casualty insurance

**Govt
Funds**

For employees & officers not paid wholly or in part by user charges in proprietary funds. (Only the portion of benefits paid from a governmental fund can be used)



Is re-calculated every year after a base year has been established using the Permissive Levy Form on DOA LGSB website



Must be deposited into Fund 2372 - Permissive Levy

Determine BASE Year per 2-18-703(4)(c) MCA

FY2000

If the entity made contributions for group benefits beginning in July of FY2000 and levied the Permissive Levy in FY2002 or any year after - the Base Year is FY2000

1st Year

If the entity did not make contributions for group benefits in or prior to FY2000 and subsequently did so, and has levied Permissive Mills the; first year the entity provided contributions for group benefits beginning in July is the Base Year

Establish
BASE Year

If the entity has made contributions for group benefits beginning in July of a fiscal year but has not Permissively Levied the entity must first establish their base year - the Base Year will be the FY immediately preceding the year the Permissive Levy will first be levied.

Make
Contribution

Note: to establish a Base Year the entity must have begun employer contributions in July of the Fiscal Year. Once established - the Base Year is permanent



2-9-212

(3) (a) For the purposes of this section, "group benefits" means group hospitalization, health, medical, surgical, life, and other similar and related group benefits provided to officers and employees of political subdivisions, including flexible spending account benefits and payments in lieu of group benefits.

(b) The term does not include casualty insurance as defined in **33-1-206**, marine insurance as authorized in **33-1-209** and **33-1-221** through **33-1-229**, property insurance as defined in **33-1-210**, surety insurance as defined in **33-1-211**, and title insurance as defined in **33-1-212**.



A Public Hearing must be held -

The hearing can be held on the same day and time as the budget hearing as long as notice is given.

The levy should be approved by the governing body after a public hearing.

The permissive levy should be listed separately on the tax bills.
Note: List separate from aggregate levy when certifying levies to County & Department of Revenue.

Determination of Permissive Levy for Group Benefits

Section 15-10-420(9), MCA

FYE June 30, 20XX

Entity Name:

Step A: Input in Yellow Cells		Fiscal Year	Line #1: BASE Year = Total <i>Actual</i> Annual Employer Contribution for Group Benefits in BASE Year Line #2: BUDGET Year: Total Annual Employer Contribution For Group Benefits for <i>Eligible Workers Employed</i> on July 1st	Average Monthly Employer Contribution per Employee	Actual # of Employees the Local Government Made (1) or Will Make (2) Employer Contributions to Group Benefits for on July 1st
(1)	BASE Year	2000	\$100,000.00	\$555.56	15
(2)	Budgeting For	2024	\$300,000.00	\$1,000.00	25
(3)	Increase from BASE Year (Decreases will be reported as zero)			\$444.44	10

Step B:		Fiscal Year	2024
		2023	Certified Taxable Valuation
(4)	Taxable Value less Incremental Taxable Value of General Fund	\$35,223,694.00	

Step C: Calculation of:		(5) BASE Contribution	(6) Increase in Employer Contribution from BASE Year
(5)	BASE Contribution	\$166,666.67	\$133,333.33
(6)	Increase in Employer Contribution from BASE Year		

Step D: Must be deposited into Fund 2372		Fund #2372 Permissive Medical Levy			
Transition clause per L2009 SB 491, Section 4, has expired.		Fiscal Year	Fund 2372 Permissive Levy # of Mills Allowed to Levy (Not Subject to 15-10-420)	Value Per Mill	Fund 2372 Total Generated Tax Revenue
(7)	Choice #1 PER sec. 4, Ch 412, L2009 - (1)(b)	2024	3.79	\$35,223.69	\$133,333.33



VOTED
LEVIES

15-10-425, MCA



15-10-425, MCA

The Local Government should:

(1) Conduct an election to

- a) Impose a new mill levy,
- b) Increase a mill levy that is required to be submitted to the electors, or
- c) Exceed the mill levy limit provided for in 15-10-420.

(2) The governing body shall

- a) Pass a resolution,
- b) Amend its self-governing charter, or
- c) Receive a petition indicating an intent to impose a new levy, increase a mill levy, or exceed the current statutory mill levy provided for in 15-10-420 on the approval of a majority of the qualified electors voting in the election.

The resolution, charter amendment, or petition must state:

- (a) specific purpose for which the additional money will be used;
- (b) either:
 - (i) specific \$\$\$ to be **raised &** approximate # of mills to be **imposed**;
 - or**
 - (ii) specific # of mills to be **imposed &** approximate \$\$\$ to be **raised**;
- (c) whether the levy is permanent or the durational limit on the levy.

(3) Notice of the election must be prepared by the governing body and include

- a) reflect the content of the resolution
- b) include a statement of the impact of the election on a home valued at \$100,000 and a home valued at \$200,000.

SPREADSHEET: Special Mill Levy Calculation



Located on MACO site: <http://www.mtcounties.org/resources-data/>

Select: Budget Resources

Scroll to bottom of page under Calculation Forms

CALCULATION FORMS

- ➡ DETERMINATION OF PERMISSIVE LEVY FOR GROUP BENEFITS WORKSHEET
- ➡ MILL LEVY COMPUTATION FORM
- ➡ INFLATION FACTOR FOR MILL LEVY CALCULATION
- ➡ SPECIAL MILL LEVY CALCULATION SPREADSHEET



SPECIFIC # OF MILLS

CALCULATING THE TAX INCREASE OF A VOTED LEVY OF _____ MILLS				
For _____				
Assessed Market Value	Tax Rate	Taxable Value	Specific Mills	Tax Increase
\$100,000	1.35%	\$1,350	2.0	\$2.70
\$200,000	1.35%	\$2,700	2.0	\$5.40
	1.35%	\$0	0.0	\$0.00

Enter the specific number of mills being proposed in the red highlighted cells.

SPECIFIC DOLLAR AMOUNT

CALCULATING THE TAX INCREASE OF A VOTED LEVY OF _____ DOLLARS FOR THE _____			
STEP 1			
\$10,000	\$20,000	\$50,000	Specific Dollar Amount to be Levied
			Certified Taxable Value of the taxing jurisdiction - Use the most-recent available
\$2,000,000	\$2,000,000	\$2,000,000	
\$2,000	\$2,000	\$2,000	Revenue Generated per Mill
5.00	10.00	25.00	Approximate Mills required to Generate Specific Dollar Amount
STEP 2			
\$50,000	\$100,000	\$200,000	Assessed Market Value of Home
0.0135	0.0135	0.0135	Tax Rate - 15-6-134(3)(a)
\$675	\$1,350	\$2,700	Taxable Value subject to mill levy
5.00	10.00	25.00	Mills to be Levied (From Step 1)
\$3.38	\$13.50	\$67.50	Tax Assessed

SB332

- ▶ 7-6-4020(6) If a government entity intends to increase property taxes, including an increase authorized under 15-10-420(1), the preliminary budget must include the amount by which property taxes will increase on homes valued at \$100,000, \$300,000, and \$600,000.
- ▶ 7-6-4030-Final budget –resolutions-appropriations
 - (c) include any increase in property taxes, including an increase authorized under 15-10-420(1), and the amount by which property taxes will increase on homes valued at \$100,000, \$300,000, and \$600,000

Determination of Proposed Property Tax Increase

Section 7-6-4020 & Section 7-6-4030, MCA

Aggregate of all Funds/or _____ Fund

FYE June 30, 2024

Reference Line		Enter amounts in yellow cells		
(1)	FY2024 Increase(decrease) in property taxes	\$ (6.75)	\$ (20.25)	\$ (40.50)
= (7) - (13)	(Increase(decrease) in Calculated Total Property tax(line 7) from Calculated Total Property tax(line 13))			
(2)	FY2024 Calculation			
(3)	Current Market Value	\$ 100,000.00	\$ 300,000.00	\$ 600,000.00
(4)	Taxable Rate: 1.35% of Current Market Value	\$ 1,350.00	\$ 4,050.00	\$ 8,100.00
(5)	Taxable Value Per Mill (1/1000th)	\$ 1.35	\$ 4.05	\$ 8.10
(6)	Total Levy in Mills(Line 11 on the Mill levy Calculation Form)	100.00	\$ 100.00	\$ 100.00
(7)	Calculated Total Property Tax	\$ 135.00	\$ 405.00	\$ 810.00
(8)	FY2023 Calculation			
(9)	Current Market Value	\$ 100,000.00	\$ 300,000.00	\$ 600,000.00
(10)	Taxable Rate: 1.35% of Current Market Value	\$ 1,350.00	\$ 4,050.00	\$ 8,100.00
(11)	Taxable Value Per Mill (1/1000th)	\$ 1.35	\$ 4.05	\$ 8.10
(12)	Total Levy in Mills(Line 11 on the Mill levy Calculation Form)	105.00	\$ 105.00	\$ 105.00
(13)	Calculated Total Property Tax	\$ 141.75	\$ 425.25	\$ 850.50

Treasurer

Taxpayer



RESIDENTIAL PROPERTY TAX COMPUTATION

Within City of Helena- 618 Madison

2023 Levy Year (Same as Calendar Year)

The following steps may be used to calculate property taxes.

		Tax Year		2023	2022	
1.	Current "Phased In" Market Value			\$ 776,700	\$ 721,900	(From Assessment Notice) 7.59%
2.	Subtract	2023 Exemption	0.00%	0	0	
3.	Non-Exempt Market Value			\$ 776,700	\$ 721,900	
4.	Multiply By:	2023 Taxable Rate (%)		X 1.3500%	1.3500%	(From Assessment Notice)
5.	Current Taxable Value			\$ 10,485	\$ 9,746	(From Assessment Notice)
6.	Divide By:	1,000		1,000	1,000	(Mill Equivalent)
7.	Taxable Value per Mill			\$ 10.4850	\$ 9.7460	
8.	Multiply By:	Total Levy in Mills		X 706.49	804.14	
9.	Calculated Total Property Tax			\$ 7,407.55	\$ 7,837.15	-5.48%
				Increase	\$ (429.60)	

% increase from p/y

The **2023** tax levy is the levy for fiscal year

2023/2024

The FY 2023/2024

tax levies for the example are:

	<u>Total</u>	<u>State School Levies</u>	<u>Local School Levies</u>	<u>City</u>	<u>County</u>	<u>County Voted Levies</u>
Mill Levy	706.49	102.50	292.86	148.77	99.12	63.24
Property Tax	\$7,407.55	\$1,074.71	\$3,070.64	\$1,559.85	\$1,039.27	\$663.07
Share of Total	100%	14.51%	41.45%	21.06%	14.03%	8.95%

The **2022** tax levy is the levy for fiscal year

2022/2023

The FY 2022/2023

tax levies for the example are:

	<u>Total</u>	<u>State School Levies</u>	<u>Local School Levies</u>	<u>City</u>	<u>County</u>	<u>County Voted Levies</u>
Mill Levy	804.14	102.50	329.21	173.87	119.98	78.58
Property Tax	\$7,837.15	\$998.97	\$3,208.48	\$1,694.54	\$1,169.33	\$765.84
Share of Total	100%	12.75%	40.94%	21.62%	14.92%	9.77%
Increase(decrease) from Prior Year	(\$429.60)	\$75.75	(\$137.84)	(\$134.68)	(\$130.05)	(\$102.77)
% Increase from prior year		7.58%	-4.30%	-7.95%	-11.12%	-13.42%

Title 7 Chapter 6 Part 40 MCA

7-6-4001(2)
applies to all
local
governments

7-6-4025
may receive and
expend money
between July 1
of the fiscal year
and the date the
final budget
resolution is
adopted

7-6-4004
must conform to
the fund
structure
prescribed by the
department of
administration

Budget Act

7-6-4005(1)
may not make a
disbursement or
an expenditure
or incur
obligation
in excess of the
total approps for
a fund



If an expenditure is to be
financed from a tax levy
required to be authorized
and approved at an
election,

7-6-4014
the expenditure
may not be made
or an obligation
may not be
incurred against
the expenditure

7-6-4006(4)
may amend the
budget during
the fiscal year
by conducting
public hearings
at regular
meetings

until the tax levy is
authorized and approved in
an election.

Amendments providing for
additional appropriations must
identify fund reserves,
unanticipated, or previously
unbudgeted revenues

Budget Timeline - Statutory Due Dates

One

Preliminary budget phase starts June 1st for Counties - Clerk & Recorder/Finance Officer requests estimates of expenditure & revenues from Department Heads. Estimates returned by June 10th

Two

Certification of taxable values. by the first Monday in August, the Department of Revenue shall certify to each taxing authority the total taxable value within the jurisdiction of the taxing authority per 15-10-202(1).

Three

7-6-4024(3) Final budget resolution and 7-6-4036 Fixing tax levy by the later of the first Thursday after the first Tuesday in September or within 30 calendar days of receiving certified taxable values.

Four

15-10-305(1)(a) The county clerk and recorder shall by the second Monday in September or within 30 calendar days after receiving certified taxable values notify the Department of Revenue of the number of mills needed to be levied for each taxing jurisdiction in the county.

Five

7-6-4003 (1) Submit copy of the final budget together with a statement of tax levies to the department of administration by the later of **October 1** or **60 days after receipt of taxable values...**

Hearing On Preliminary Budget

7-6-4024. Hearing on preliminary budget. (1) The governing body shall hold a hearing in accordance with the notice given pursuant to **7-6-4021**.

(2) Local government officials shall attend the budget hearing to answer questions on their proposed budgets if called upon:

- (a) by the governing body; or
- (b) by a taxpayer or resident.

(3) The hearing may be continued from day to day and must be concluded and the budget finally approved and adopted by resolution by the later of the first Thursday after the first Tuesday in September or within 30 calendar days of receiving certified taxable values from the department of revenue.



Any
Questions?
Thank you!