Property Taxes

Property Tax 55 Mill
Property Tax 40 Mill
Property Tax 6 Mill
Property Tax 1.5 Mill

Legislative Fiscal Division

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Legislative Fiscal Division

Revenue Estimate Profile

Property Tax

Revenue Description: Montana law requires counties to levy a county equalization levy of 55 mills, a state equalization levy of 40 mills and 6 mills for the university system against all taxable value in each county. A mill levy of 1.5 mills is also applied against all property in the five counties with a vo-tech college. Taxable value is defined as the market value of statutorily defined property times a statutory tax rate. Property valued at market value includes personal property, utility property, railroad and airline property, livestock, and mineral net and gross proceeds. The assessed value of residential and commercial real estate is the market value phased in over the reappraisal cycle. Agricultural land and timberland are valued on a productivity basis and their values are also phased in over the reappraisal cycle. Beginning January 1, 2003, livestock is no longer taxed.

Beginning January 1, 2003, residential and commercial property as well as agricultural land and timberland reflect the impact of a new reappraisal on market values. The current reappraisal cycle is 6 years, during which increases in property values will be phased in by 1/6th per year. Property that declines in value will be assessed immediately at its new reappraised value. The impact of reappraisal on assessed values increased the market value of the average residence by 20.2 percent. The equivalent increases for commercial property were 18.5 percent and for agricultural land by 15.3 percent.

The 2003 legislature passed a reappraisal mitigation bill - SB 461. Beginning in tax year 2003, reappraisal values were phased in over the next six years. The new tax rates and the new homestead and comstead exemptions are shown in the accompanying table:

In addition to the tax on property, this revenue component includes collections from "non-levy" sources that are distributed on the basis of mills levied by taxing jurisdictions. These non-levy sources include the state share of coal gross proceeds taxes, federal forest revenues, and other smaller revenue sources.

This source also includes the state's share of protested taxes paid by centrally assessed companies. Should the state fail in it defense of the taxation of these companies, the protested taxes must be returned to the taxpayer.

SB 461 Tax Rates and Exemption Percentages for Class 4 Residential and Commercial Property

Fiscal Year	Tax Rate	Class 4 Residential Exemption	Class 3 Multi Family Housing Exemption	Class 4 Commercial Exemption
2003 (prior law)	3.46%	31.0%	31.0%	13.0%
2004	3.40%	31.0%	31.0%	13.0%
2005	3.30%	31.4%	31.4%	13.3%
2006	3.22%	32.0%	32.0%	13.8%
2007	3.14%	32.6%	32.6%	14.2%
2008	3.07%	33.2%	33.2%	14.6%
2009	3.01%	34.0%	34.0%	15.0%

Homeowners whose homesteads have increased above certain thresholds and whose income falls below certain levels will face lower tax rates. This is the extended property tax assistance program and is detailed in MCA 15-6-193.

Summary of Legislative Action:

House Bill 83 – Under previous law, county superintendents paid K-12 tuition for a child who is placed in licensed foster care or group homes outside the student's district of residence by the state or a court. Tuition payments were deducted from countywide elementary or high school equalization accounts by the county before the money was remitted to the state. Under HB 83, the Office of Public Instruction (OPI) makes payments to the school district of attendance. Districts submit a claim (out-of-district attendance agreement) to OPI at the end of the year of attendance. OPI makes these tuition payments with a general fund appropriation in the year following attendance rather than from a deduction of 55 mill revenue. Thus, 55 mill general fund revenue increases by $336,000 per year beginning in FY 2007. The legislation is effective July 1, 2005.

Senate Bill 48 – Under previous law, if in any year inflation adjusted wage and salary growth were to exceed 2.85 percent, the tax rate on class 8 business equipment property would have been phased down to 0 percent over the following three years. The legislation eliminates this possibility by removing this "trigger" from law. SB 48 also increases the threshold amount of class 8 property that an entity may own and be exempt from property taxation - from $5,000 of market value to $20,000. The portion of the legislation that eliminates the "trigger" is effective on passage and approval. The increase in the class 8 exemption amount is effective beginning January 1, 2006. Total revenue impacts are shown in the table.

SB 48 Revenue Impacts

Revenue Type	Fiscal 2006	Fiscal 2007
General Fund 40 Mills	($72,301)	($192,364)
General Fund 55 Mills	(99,415)	(264,500)
State Special 6 Mills	(11,610)	(30,889)

Legislative Fiscal Division

Revenue Estimate Profile

Property Tax

SB 74 Revenue Impacts

Revenue Type	Fiscal 2006	Fiscal 2007
General Fund 40 Mills	-	$21,904
General Fund 55 Mills	-	30,118
State Special 6 Mills	-	3,286

Senate Bill 74 – Under previous law, certain parcels of land between 20 and 160 acres were classified under class 3 as non-qualified agricultural land. Non-qualified agricultural land is assigned a value of $41.97 per acre and is taxed at seven times the class 3 tax rate (which is the same as the class 4 tax rate). Some of these parcels lie in subdivisions with covenants prohibiting agricultural use. The legislation requires that acres in subdivisions with covenants prohibiting agricultural use are not defined as non-qualifying agricultural land and must be valued and taxed as class 4 property. The act is effective for tax years beginning January 1, 2006 and thus affects FY 2007 revenues. Total revenue impacts are shown in the table.

Senate Bill 87 – The legislation creates a new state special revenue account for centrally assessed protested tax payments. Under previous law, these payments were all deposited in the general fund. SB 87 directs the Department of Revenue to distribute protested taxes as follows:

1. 50 percent of the state 95 mill levy portion to the general fund;
2. 50 percent of the state 95 mill levy portion to the centrally assessed property tax state special revenue account;
3. 50 percent of the state 6-mill levy portion to the 6-mill university account; and
4. 50 percent of the state 6-mill levy portion to the centrally assessed property tax state special revenue account.

SB 87 Revenue Impacts

	One-Time Transfer	On-going Revenue		
Revenue Type	Fiscal 2005	Fiscal 2005	Fiscal 2006	Fiscal 2007
General Fund 40 Mills	($1,108,211)	($286,632)	($573,263)	($573,263)
General Fund 55 Mills	(1,523,789)	(394,118)	(788,237)	(788,237)
State Special 6 mills	(168,000)	(43,500)	(87,000)	(87,000)
Protested Taxes SSR	2,800,000	724,250	1,448,500	1,448,500

The legislation also requires that half the protested taxes already collected from tax disputes in fiscal 2003 and fiscal 2004 be transferred from the general fund and the 6 mill state special revenue account to the new state special account. SB 87 is effective on passage and approval. Thus, there will be a FY 2005 fiscal impact from protested taxes expected to be received May 2005. The table shows the total impacts on each state property tax account.

Senate Bill 115 – The legislation creates a new class of property, class 14, made exclusively of wind generation property. The tax rate for this new class is 3 percent of market value. Previously, this property was taxed at the class 13 rate of 6 percent. The new class is also eligible for new and expanding industry treatment and allows local tax abatement at the option of local taxing jurisdictions. Because of the tax reduction for this type of property, general fund 55 mill revenue is reduced $365,942 in FY 2007. The legislation applies to tax years beginning January 1, 2005.

Senate Bill 167 – The legislation allows for the creation of technology districts that are funded in part through tax increment financing. The technology district would have to be recognized before January 1, 2006 in order to have a fiscal impact in the 2007 biennium. None is expected to be so. The legislation is effective on passage and approval.

Senate Bill 276
Bentonite Production Tax Schedule

Production Per Mine	Increment	Tax Per Ton
First 20,000 Wet Tons	20,000	$0.00
20,001 to 100,000 Tons	80,000	$1.56
100,001 to 250,000 Tons	150,000	$1.50
250,001 to 500,000 Tons	250,000	$1.40
500,001 to 1,000,000 Tons	500,000	$1.25
Excess of 1,000,000 Tons	Unlimited	$1.00

Senate Bill 276 – Under previous law, net proceeds of miscellaneous mines, including bentonite mines, were subject to property taxation. Net proceeds for a mine were calculated by subtracting statutorily defined production costs from the gross value of the product of the mine. The taxable value was defined as 100% of the net proceeds. The tax was calculated by multiplying the consolidated mill levy of all taxing jurisdictions in which the mine is located by the taxable value. The consolidated mill levy included all local mills and the statewide 101 education mills. The royalties that were paid to state and federal government entities and to Indian tribes were exempt from property taxation. All other royalties were taxed on the same basis as the net proceeds of the mines. The taxable value was defined as 100% of the taxable royalties. The tax was calculated by multiplying the consolidated mill levy by the taxable value. This tax was assessed to the royalty owners.

SB 276 replaces the net proceeds tax on bentonite with a production tax. Bentonite production is taxed on the wet ton. A wet ton of bentonite is a ton of bentonite measured before crushing and drying. The new tax rates are described in the table.

1. For mines that first begin producing bentonite after December 31, 2004:
    a. 1.3% is distributed to the state special revenue fund to replace the state university 6 mills;
    b. 20.75% is distributed to the state general fund to replace the county equalization 95 mills; and
    c. 77.95% is distributed to the producing county to be distributed in proportion to current fiscal year mill levies, excepting the 101 statewide education mills.
2. For mines that produced bentonite before January 1, 2005 and on production occurring in CY 2005:
3. 2.33% is distributed to the state special revenue fund to replace the state university 6 mills;
    a. 18.14% is distributed to the state general fund to replace the county equalization 95 mills;
    b. 3.35% is distributed to Carbon County to be distributed in proportion to mill levies in the taxing jurisdictions in which production occurs, excepting the 101 statewide education mills; and
    c. 76.18% is distributed to Carter County to be distributed in proportion to current fiscal year mill levies in the taxing jurisdictions in which production occurs, excepting the 101 statewide education mills.
4. For mines that produced bentonite before January 1, 2005 and on production occurring in CY 2006:
    a. 90% of the tax is distributed as described in 2 above; and
    b. 10% of the tax is distributed as described in 1 above.
5. Beyond production in CY 2006, the distribution is a sliding scale mixture of that provided in sections 1 and 2 above.

SB 276 Revenue Impacts

Revenue Type	Fiscal 2006	Fiscal 2007
General Fund 40 Mills	($202,299)	($202,299)
General Fund 55 Mills	(278,162)	(278,162)
General Fund All Other	235,927	239,322
General Fund Total	($244,534)	($241,139)
State Special 6 Mills	(30,345)	(30,345)
SSR to 6 Mill Account	30,304	28,964
SSR to Counties	1,034,360	1,032,305
SSR Total	$1,034,319	$1,030,924

Under previous law, FY 2006 revenue would have been derived from taxes on CY 2004 production and FY 2007 revenue would have been derived from taxes on CY 2005 production. Under SB 276, FY 2006 revenue is derived from taxes on CY 2005 production and FY 2007 revenue is derived from taxes on CY 2006 production. Taxable royalties are taxed at a rate of 15%. The tax is distributed in the same manner as the tax on production. The impact of SB 276 on state revenues is shown in the table.

SB 296 Revenue Impacts

Revenue Type	Fiscal 2005	Fiscal 2006
General Fund 40 Mills	-	($21,970)
General Fund 55 Mills	-	(30,208)
State Special 6 Mills	-	(3,280)

Senate Bill 296 – Land that is under one ownership and is greater than 20 acres in size, but less than 160 acres in size, could become eligible for agricultural land classification contingent on meeting additional requirements provided in this legislation. Typically, these parcels of land are called "non-qualified agricultural land". Under SB 296, the 20 to 160 acre parcels of land that do not meet the minimum $1,500 in agricultural related income produced by the land, may qualify as agricultural land if the owner: 1) submits proof that 51% of the owner's annual income is derived from agricultural production; or 2) the property taxes are paid by a family corporation, family partnership, sole proprietorship or family trust involved in Montana agricultural production and 51% of the entity's Montana annual gross income is derived from agricultural production or the owner is a shareholder, partner, owner, or member of a family corporation, family partnership, sole proprietorship, or family trust that is involved in Montana agricultural production and 51% of the entity's Montana annual gross income is derived from agricultural production. The legislation is effective July 1, 2005 and the new ownership criteria are effective in tax year 2006, thus impacting FY 2007 revenues. The revenue impacts are shown in the table.

Senate Bill 359 - Under the previous law, the state paid tuition for a student who was placed by a state agency or court in foster care or a group home in a school district other than the child's district of residence. Once a state-placed student turned 18 years old, the student became a resident of the district where he lived and so the state no longer paid tuition. Under SB 359, the state continues to pay tuition for the remainder of the school year when a student turns 18 in the middle of a school year rather than stopping tuition when the student turns 18. Tuition is paid by allowing counties to subtract tuition payments from the 55 mill payment to the state. It is estimated that $5,600 more in tuition will be paid each year than under the previous law, reducing general fund 55 mill revenues by the same amounts. The bill is effective July 1, 2005 and applies to school budgets for the school fiscal year beginning on or after July 1, 2006.

Legislative Fiscal Division

Revenue Estimate Profile

Property Tax: 55 Mill

Applicable Tax Rate(s): Each property class has its own tax rate which is applied to assessed value to produce a taxable value. For every $1,000 in taxable value, 55 mills generates $55 in state property taxes.

Distribution: All property tax receipts are deposited into the general fund, except revenue associated with the 6-mill university levy.

Summary of Legislative Action:

Property Tax: 55 Mill -- Legislation Passed by 59th Legislature
Estimated General Fund Impact for the 2007 Biennium

Bill Number and Short Title	Fiscal 2005	Fiscal 2006	Fiscal 2007
HB0083 Revise school district tuition payments			336,000
SB0048 Stop class 8 property tax reduction		(99,415)	(264,500)
SB0074 Clarify eligibility of land for valuation as nonqualified agricultural land			30,118
SB0087 Clarify appeal and payment of protested taxes for centrally assessed property	(394,118)	(788,237)	(788,237)
SB0115 Equitable taxation of wind energy facilities			(365,942)
SB0167 Technology districts -- tax increment financing			
SB0276 Revise taxes on bentonite		(278,162)	(278,162)
SB0296 Alternative method for assessing, taxing certain land parcels			(30,208)
SB0359 Revise statutes related to school district enrollment		(5,600)	(5,600)
Total Estimated General Fund Impact	($394,118)	($1,171,414)	($1,366,531)

* for an explanation of these bills, see the main property tax section.

Statutory Reference:

Tax Rate (MCA) – 20-9-331(1), 20-9-333(1)
Tax Distribution (MCA) - 20-9-331(1), 20-9-333(1)
Date Due – one-half of taxes due November 30th and one-half due May 31st (15-16-102(1)), county treasurers must remit to the Department of Revenue within the first 20 days of each month money received in the previous month (15-1-504(1))

% of Total FY 2004 General Fund Revenue: 7.54 %

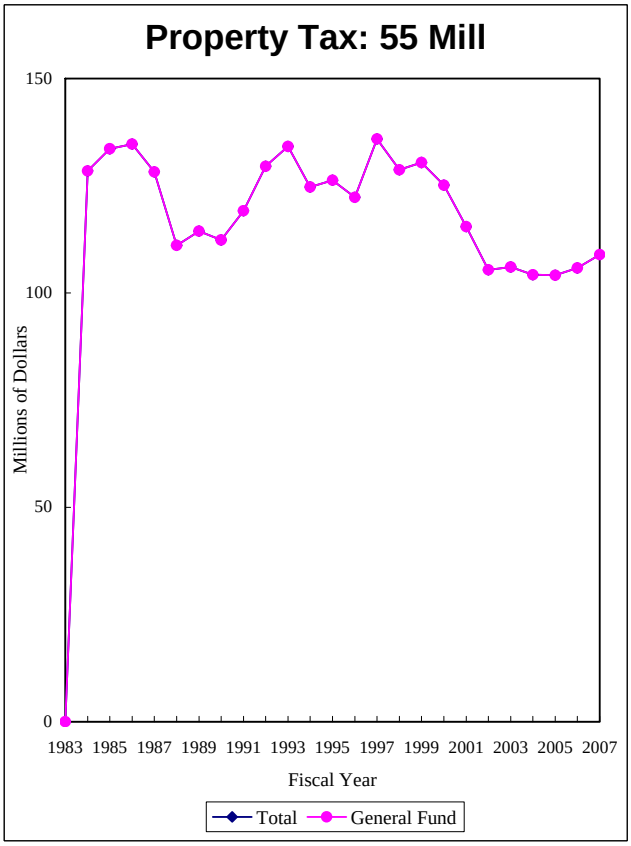
Legislative Fiscal Division

Revenue Estimate Profile

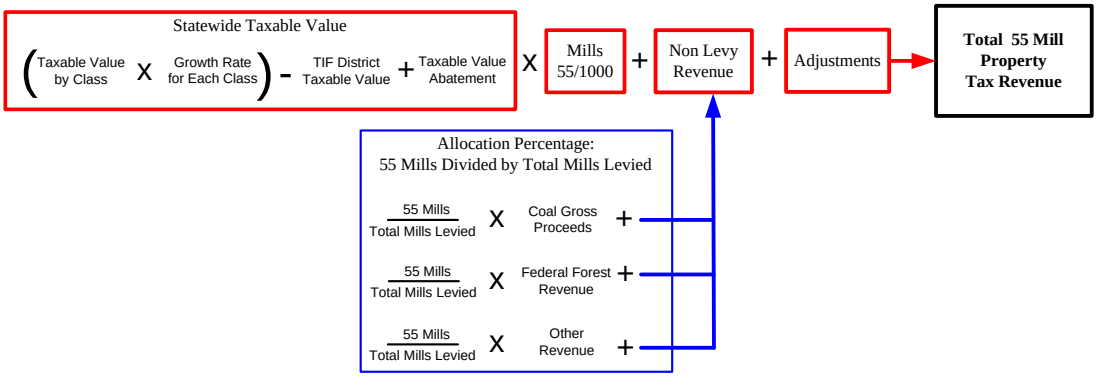
Property Tax: 55 Mill

Revenue Projection:

	Fiscal Year	Total Collections Millions	General Fund Collections Millions	GF Percent Change
A	1983	0.000000	0.000000	Not App.
A	1984	128.445172	128.445172	Not App.
A	1985	133.608178	133.608178	4.02%
A	1986	134.707251	134.707251	0.82%
A	1987	128.225413	128.225413	-4.81%
A	1988	111.111138	111.111138	-13.35%
A	1989	114.444609	114.444609	3.00%
A	1990	112.374543	112.374543	-1.81%
A	1991	119.161125	119.161125	6.04%
A	1992	129.526346	129.526346	8.70%
A	1993	134.154928	134.154928	3.57%
A	1994	124.696589	124.696589	-7.05%
A	1995	126.265989	126.265989	1.26%
A	1996	122.329028	122.329028	-3.12%
A	1997	135.893657	135.893657	11.09%
A	1998	128.708743	128.708743	-5.29%
A	1999	130.388345	130.388345	1.30%
A	2000	125.145645	125.145645	-4.02%
A	2001	115.454627	115.454627	-7.74%
A	2002	105.375801	105.375801	-8.73%
A	2003	106.028709	106.028709	0.62%
A	2004	104.223809	104.223809	-1.70%
F	2005	104.145000	104.145000	-0.08%
F	2006	105.847000	105.847000	1.63%
F	2007	108.902000	108.902000	2.89%



Forecast Methodology

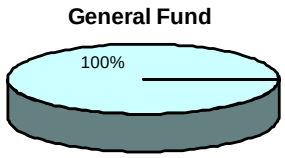


Legislative Fiscal Division

Revenue Estimate Profile

Property Tax: 55 Mill

Distribution Methodology



Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2005 legislature that may affect future estimates of this revenue source.

	t Fiscal	Total Tax Millions	GF Tax Millions	Tax. Value Millions	Mills/1000 Applied	Non-Levy Millions	Adjustments Millions
Actual	2000	125.145645	125.145645	1863.986815	0.055000	23.445540	0.274000
Actual	2001	115.454627	115.454627	1656.909416	0.055000	16.482000	4.933824
Actual	2002	105.375801	105.375801	1671.589714	0.055000	13.809000	0.000000
Actual	2003	106.028709	106.028709	1691.720391	0.055000	11.424000	0.000000
Actual	2004	104.223809	104.223809	1703.300593	0.055000	13.316000	0.000000
Forecast	2005	104.539000	104.539000	1756.251400	0.055000	8.314933	-0.370000
Forecast	2006	107.018000	107.018000	1802.671553	0.055000	8.240996	-0.370000
Forecast	2007	110.268000	110.268000	1856.267989	0.055000	8.543058	-0.370000

	t Fiscal	Class 1 Millions	Class 2 Millions	Class 3 Millions	Class 4 Millions	Class 5 Millions	Class 6 Millions	Class 7 Millions
Actual	2000	7.026572	8.282057	139.192024	894.188310	37.015035	22.570979	1.881621
Actual	2001	5.178965	8.460976	139.318879	920.536186	39.008611	15.695230	0.155867
Actual	2002	7.842501	11.014983	139.057406	954.102342	35.667858	12.459077	0.189041
Actual	2003	8.691402	10.669321	138.900095	1002.873942	35.382198	6.167237	0.216414
Actual	2004	7.808005	8.799575	140.240224	1034.656439	32.725014	0.000000	0.995149
Forecast	2005	8.032414	10.428300	139.901823	1076.984542	34.024275	0.000000	0.974316
Forecast	2006	9.080467	12.718855	139.901823	1118.986939	34.058299	0.000000	0.974316
Forecast	2007	9.080467	17.057981	139.901823	1162.627430	34.092357	0.000000	0.974316

	t Fiscal	Class 8 Millions	Class 9 Millions	Class 10 Millions	Class 12 Millions	Class 13 Millions	TIF's Millions	Abatement Millions
Actual	2000	215.748092	498.030237	8.520090	68.192588	0.000000	44.535577	7.874787
Actual	2001	112.782734	230.832978	8.708849	49.641444	147.142750	28.428840	7.874787
Actual	2002	116.605209	219.955767	8.198788	48.658380	144.488095	30.529563	3.879830
Actual	2003	118.348926	206.360123	7.170239	46.688479	137.184847	30.802832	3.870000
Actual	2004	118.296988	212.110930	6.789287	45.630257	125.622547	33.562140	3.188318
Forecast	2005	117.240984	219.992824	6.791382	45.074061	120.485065	27.766903	4.088317
Forecast	2006	121.344418	219.772831	6.675929	44.172580	118.557304	27.766903	4.194695
Forecast	2007	125.591473	219.553058	6.562438	43.289128	116.660387	23.430450	4.307581

Non Levy Revenue includes federal forest receipts, coal gross proceeds revenue, and other revenue which is distributed to statewide and local mills in each county. Before July 1, 2001, vehicle fees in lieu of taxes, financial institution taxes, and reimbursements from the state were non levy revenue. Before January 1, 2003, oil and natural gas receipts were treated as non-levy revenue. The mills to which non levy revenue is distributed are unique for each county and each non levy revenue source. The state's portion of non-levy revenue is remitted to the state as a portion of the appropriate property tax. For instance, statewide 40 mill revenue includes a property tax portion and a non levy portion.

A description for each individual source follows below.

Federal Forest Receipts

Revenue Description: The federal government authorizes logging operations on forest lands located within the borders of Montana. Through federal fiscal year 2000, the sale of timber generated revenue that the federal government shared with the state in the following year. The state received 25 percent of the federal forest receipts and sent the money to the county treasurer of the county in which the receipts were generated. Within thirty days, the county treasurer distributes the money to various county and state accounts.

Beginning November 2000, HR 2389 (federal legislation) fixes the allocation to the state at the average of the highest three years of forest receipts in the state. Not more than 20 percent and not less than 15 percent may be used by county governments for special projects on federal lands. The remainder is distributed under state law as described below.

Applicable Tax Rate(s): N/A

Distribution: The county treasurer apportions federal forest receipts in the following manner. Not more than 20% and not less than 15% is distributed to county government for special projects on federal land. Of the remainder:

- 66 2/3% goes to the general fund of the county
- 33 1/3% goes to the following countywide accounts, based on the mill ratios of each to total mills in the prior year: county equalization accounts (55 mills), county transportation account, county retirement accounts

Statutory References:

Tax Rate – NA
Distribution (MCA) – 17-3-211, 17-3-212
Date Due - the state treasurer distributes the funds within 30 days after receiving full payment

% of Total FY 2004 General Fund Revenue: Included in total property tax contribution.

COAL GROSS PROCEEDS TAX

Revenue Description: The state imposes a gross proceeds tax of 5.0 percent on the gross value of coal produced by all the coal mines in the state. The gross value of coal is computed as the tonnage of coal produced and sold times the contract sales price. This is the same gross value as used in the calculation of the state coal severance tax.

The tax is applied to one year's worth of production and the producer is billed in the following year. The producer pays the tax to the county treasurer in which the mine is located in two equal installments. One is in November of the notice year and the other is in May of the following year. Once received by the county treasurer, the tax revenue is distributed one month after receipt.

Applicable Tax Rate(s): The amount of tax due is 5.0 percent of the value of production as measured by the contract sales price for production in the preceding calendar year.

Distribution: The county treasurer distributes the coal gross proceeds tax based on the relative proportions of mill levies for the state, counties, and school districts as these existed in tax year 1989. At that time the county equalization mill levy was 45 mills. However, coal gross proceeds from new mines (starting business after December 31, 1988) are distributed across mill levies in the previous fiscal year.

Statutory References:

Tax Rate (MCA) – 15-23-703(1)
Tax Distribution (MCA) – 15-23-703(3)

% of Total FY 2004 General Fund Revenue: Included in total property tax contribution.

OTHER REVENUE

Revenue Description:

The county equalization account receives other revenue in addition to the types listed elsewhere. These include penalties and interest, back taxes, investment earnings, recreational fees, tax title and property sales, various state grants and fees, district court fines, county rents and lease income, and various revenue from federal sources such as PILT, Taylor Grazing and Bankhead Jones payments.

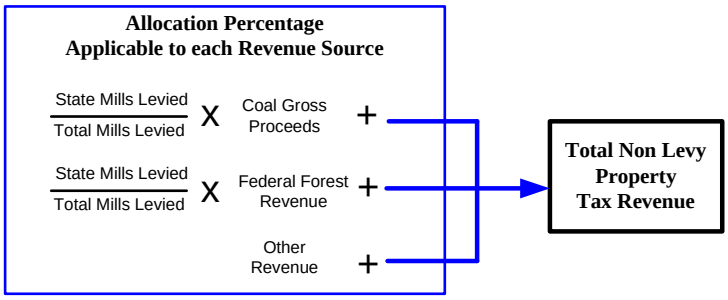
Applicable Tax Rate(s): N/A

Distribution: Varies

Statutory References: Various

% of Total FY 2004 General Fund Revenue: Included in total property tax contribution.

Forecast and Distribution Methodology



Legislative Fiscal Division

Revenue Estimate Profile

Property Tax: 40 Mill

Applicable Tax Rate(s): Each property class has its own tax rate which is applied to assessed value to produce a taxable value. For every $1,000 in taxable value, 40 mills generates $40 in state property taxes..

Distribution: All property tax receipts are deposited into the general fund, except revenue associated with the 6-mill university levy.

Summary of Legislative Action:

Property Tax: 40 Mill -- Legislation Passed by 59th Legislature
Estimated General Fund Impact for the 2007 Biennium

Bill Number and Short Title		Fiscal 2005	Fiscal 2006	Fiscal 2007
SB0048	Stop class 8 property tax reduction		(72,301)	(192,364)
SB0074	Clarify eligibility of land for valuation as nonqualified agricultural land			21,904
SB0087	Clarify appeal and payment of protested taxes for centrally assessed property	(286,632)	(573,263)	(573,263)
SB0115	Equitable taxation of wind energy facilities			(266,140)
SB0167	Technology districts -- tax increment financing			
SB0276	Revise taxes on bentonite		(202,299)	(202,299)
SB0296	Alternative method for assessing, taxing certain land parcels			(21,970)
	Total Estimated General Fund Impact	($286,632)	($847,863)	($1,234,132)

* for an explanation of these bills, see the main property tax section.

Statutory Reference:

Tax Rate (MCA) – 20-9-360
Tax Distribution (MCA) – 20-9-360
Date Due – one-half of taxes due November 30th and one-half due May 31st (15-16-102(1)), county treasurers must remit to the Department of Revenue within the first 20 days of each month money received in the previous month (15-1-504(1))

% of Total FY 2004 General Fund Revenue: 4.66 %

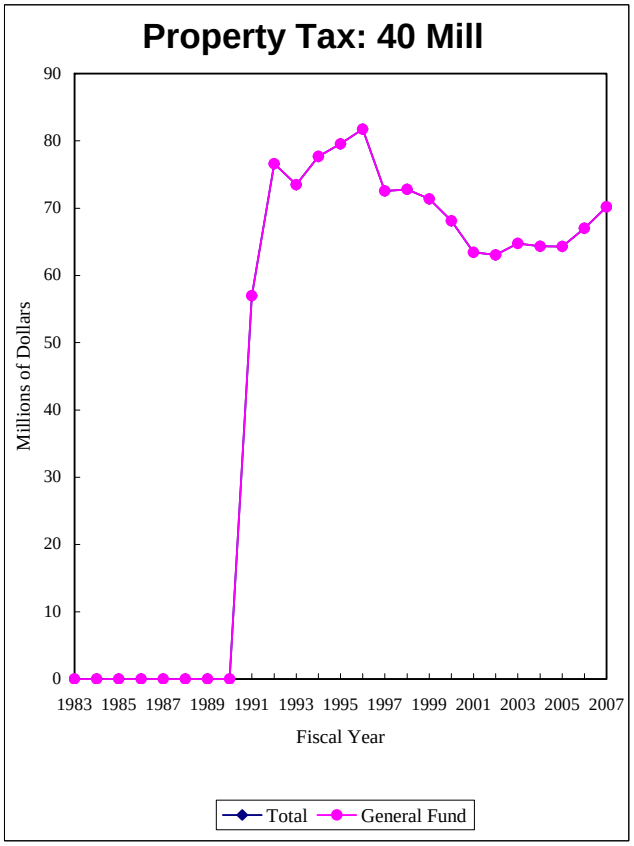
Legislative Fiscal Division

Revenue Estimate Profile

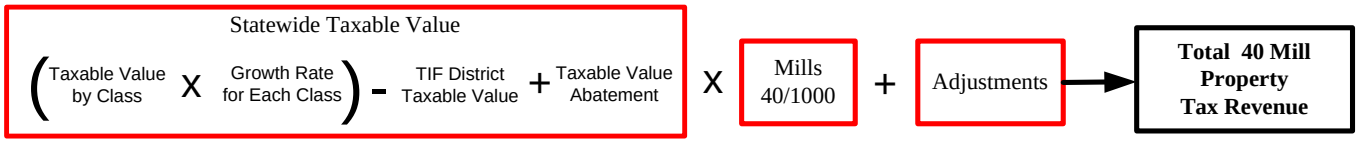
Property Tax: 40 Mill

Revenue Projection:

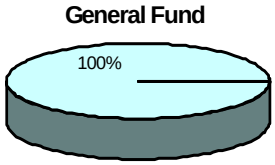
	Fiscal Year	Total Collections Millions	General Fund Collections Millions	GF Percent Change
A	1983	0.000000	0.000000	Not App.
A	1984	0.000000	0.000000	Not App.
A	1985	0.000000	0.000000	Not App.
A	1986	0.000000	0.000000	Not App.
A	1987	0.000000	0.000000	Not App.
A	1988	0.000000	0.000000	Not App.
A	1989	0.000000	0.000000	Not App.
A	1990	0.000000	0.000000	Not App.
A	1991	56.993458	56.993458	Not App.
A	1992	76.611683	76.611683	34.42%
A	1993	73.491444	73.491444	-4.07%
A	1994	77.685356	77.685356	5.71%
A	1995	79.576682	79.576682	2.43%
A	1996	81.753560	81.753560	2.74%
A	1997	72.560534	72.560534	-11.24%
A	1998	72.792875	72.792875	0.32%
A	1999	71.370740	71.370740	-1.95%
A	2000	68.119545	68.119545	-4.56%
A	2001	63.423977	63.423977	-6.89%
A	2002	63.044975	63.044975	-0.60%
A	2003	64.767167	64.767167	2.73%
A	2004	64.339197	64.339197	-0.66%
F	2005	64.313000	64.313000	-0.04%
F	2006	67.021000	67.021000	4.21%
F	2007	70.192000	70.192000	4.73%



Forecast Methodology



Distribution Methodology



Legislative Fiscal Division

Revenue Estimate Profile

Property Tax: 40 Mill

Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2005 legislature that may affect future estimates of this revenue source.

	t Fiscal	Total Tax Millions	GF Tax Millions	Tax. Value Millions	Mills/1000 Applied	Non-Levy Millions	Adjustments Millions
Actual	2000	68.119545	68.119545	1863.986815	0.040000	10.810197	-12.712919
Actual	2001	63.423977	63.423977	1656.909416	0.040000	5.251000	-11.300000
Actual	2002	63.044975	63.044975	1671.589714	0.040000	4.705000	-9.888000
Actual	2003	64.767167	64.767167	1691.720391	0.040000	2.983000	-8.475000
Actual	2004	64.339197	64.339197	1703.300593	0.040000	4.315000	-7.063000
Forecast	2005	64.600000	64.600000	1756.251400	0.040000	0.000000	-5.650000
Forecast	2006	67.869000	67.869000	1802.671553	0.040000	0.000000	-4.238000
Forecast	2007	71.426000	71.426000	1856.267989	0.040000	0.000000	-2.825000

	t Fiscal	Class 1 Millions	Class 2 Millions	Class 3 Millions	Class 4 Millions	Class 5 Millions	Class 6 Millions	Class 7 Millions
Actual	2000	7.026572	8.282057	139.192024	894.188310	37.015035	22.570979	1.881621
Actual	2001	5.178965	8.460976	139.318879	920.536186	39.008611	15.695230	0.155867
Actual	2002	7.842501	11.014983	139.057406	954.102342	35.667858	12.459077	0.189041
Actual	2003	8.691402	10.669321	138.900095	1002.873942	35.382198	6.167237	0.216414
Actual	2004	7.808005	8.799575	140.240224	1034.656439	32.725014	0.000000	0.995149
Forecast	2005	8.032414	10.428300	139.901823	1076.984542	34.024275	0.000000	0.974316
Forecast	2006	9.080467	12.718855	139.901823	1118.986939	34.058299	0.000000	0.974316
Forecast	2007	9.080467	17.057981	139.901823	1162.627430	34.092357	0.000000	0.974316

	t Fiscal	Class 8 Millions	Class 9 Millions	Class 10 Millions	Class 12 Millions	Class 13 Millions	TIF's Millions	Abatement Millions
Actual	2000	215.7480920	498.0302370	8.5200900	68.1925880	0.0000000	44.5355770	7.8747870
Actual	2001	112.7827340	230.8329780	8.7088490	49.6414440	147.1427500	28.4288400	7.8747870
Actual	2002	116.6052090	219.9557670	8.1987880	48.6583800	144.4880950	30.5295630	3.8798300
Actual	2003	118.3489260	206.3601230	7.1702390	46.6884790	137.1848470	30.8028320	3.8700000
Actual	2004	118.2969880	212.1109300	6.7892870	45.6302570	125.6225470	33.5621400	3.1883180
Forecast	2005	117.2409840	219.9928240	6.7913820	45.0740610	120.4850650	27.7669030	4.0883170
Forecast	2006	121.3444180	219.7728310	6.6759290	44.1725800	118.5573040	27.7669030	4.1946950
Forecast	2007	125.5914730	219.5530580	6.5624380	43.2891280	116.6603870	23.4304500	4.3075810

Legislative Fiscal Division

Revenue Estimate Profile

Property Tax: 6 Mill

Applicable Tax Rate(s): Each property class has its own tax rate which is applied to assessed value to produce a taxable value. For every $1,000 in taxable value, 6 mills generate $6 in state property taxes.

Distribution: All tax receipts are deposited into the university system 6 mill levy state special revenue account.

Summary of Legislative Action:

Property Tax: 6 Mill -- Legislation Passed by 59th Legislature
Estimated State Special Revenue Fund Impact for the 2007 Biennium

Bill Number and Short Title		Fiscal 2005	Fiscal 2006	Fiscal 2007
SB0048	Stop class 8 property tax reduction		(11,610)	(30,889)
SB0074	Clarify eligibility of land for valuation as nonqualified agricultural land			3,286
SB0087	Clarify appeal and payment of protested taxes for centrally assessed property	(43,500)	(87,000)	(87,000)
SB0115	Equitable taxation of wind energy facilities			(39,921)
SB0276	Revise taxes on bentonite		(30,345)	(30,345)
SB0296	Alternative method for assessing, taxing certain land parcels			(3,279)
	Total Estimated General Fund Impact	($43,500)	($128,955)	($188,148)

* for an explanation of these bills, see the main property tax section.

Statutory Reference:

Tax Rate (MCA) – 15-10-107
Tax Distribution (MCA) – 15-10-107
Date Due – one-half of taxes due November 30th and one-half due May 31st (15-16-102(1)), county treasurers must remit to the Department of Revenue within the first 20 days of each month money received in the previous month (15-1-504(1))

% of Total FY 2004 General Fund Revenue: NA

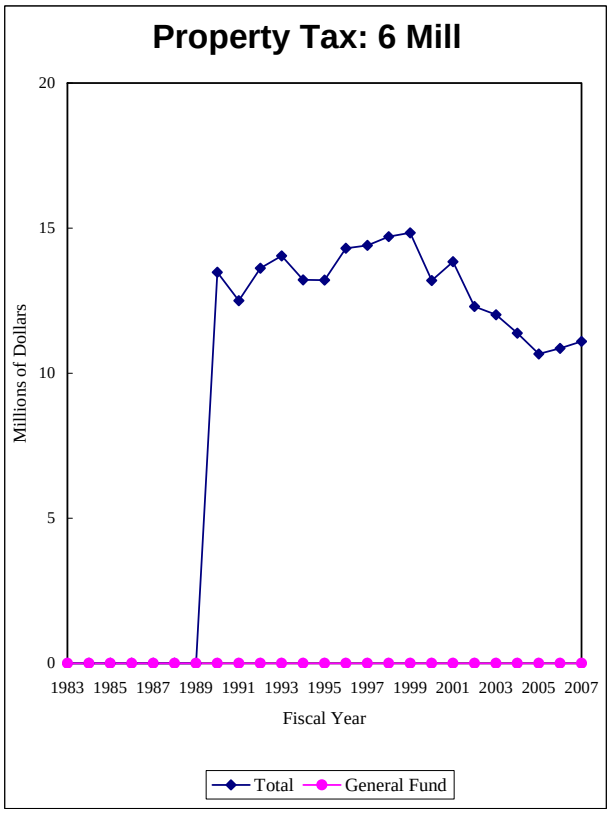
Legislative Fiscal Division

Revenue Estimate Profile

Property Tax: 6 Mill

Revenue Projection:

	Fiscal Year	Total Collections Millions	General Fund Collections Millions	GF Percent Change
A	1983	0.000000	0.000000	Not App.
A	1984	0.000000	0.000000	Not App.
A	1985	0.000000	0.000000	Not App.
A	1986	0.000000	0.000000	Not App.
A	1987	0.000000	0.000000	Not App.
A	1988	0.000000	0.000000	Not App.
A	1989	0.000000	0.000000	Not App.
A	1990	13.474561	0.000000	Not App.
A	1991	12.496650	0.000000	Not App.
A	1992	13.617908	0.000000	Not App.
A	1993	14.043891	0.000000	Not App.
A	1994	13.216589	0.000000	Not App.
A	1995	13.205272	0.000000	Not App.
A	1996	14.303006	0.000000	Not App.
A	1997	14.403716	0.000000	Not App.
A	1998	14.702250	0.000000	Not App.
A	1999	14.833917	0.000000	Not App.
A	2000	13.189138	0.000000	Not App.
A	2001	13.837616	0.000000	Not App.
A	2002	12.298211	0.000000	Not App.
A	2003	12.010924	0.000000	Not App.
A	2004	11.374292	0.000000	Not App.
F	2005	10.661000	0.000000	Not App.
F	2006	10.854000	0.000000	Not App.
F	2007	11.090000	0.000000	Not App.



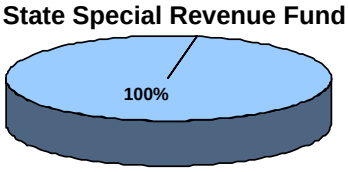
Forecast Methodology

Statewide Taxable Value

(Taxable Value by Class X Growth Rate for Each Class) - TIF District Taxable Value + Taxable Value Abatement

X Mills 6/1000 + Adjustments → **Total 6 Mill Property Tax Revenue**

Distribution Methodology



Legislative Fiscal Division

Revenue Estimate Profile

Property Tax: 6 Mill

Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2005 legislature that may affect future estimates of this revenue source.

	t Fiscal	Total Tax Millions	GF Tax Millions	Tax. Value Millions	Mills/1000 Applied	Non-Levy Millions	Adjustments Millions
Actual	2000	13.189138	0.000000	1900.647605	0.006000	2.584415	0.000000
Actual	2001	13.837616	0.000000	1677.463469	0.006000	1.758000	0.657843
Actual	2002	12.298211	0.000000	1698.239447	0.006000	1.588000	0.000000
Actual	2003	12.010924	0.000000	1722.523223	0.006000	1.082000	0.000000
Actual	2004	11.374292	0.000000	1736.862733	0.006000	0.000000	0.000000
Forecast	2005	10.704000	0.000000	1784.018303	0.006000	0.000000	0.000000
Forecast	2006	10.983000	0.000000	1830.438456	0.006000	0.000000	0.000000
Forecast	2007	11.278000	0.000000	1879.698439	0.006000	0.000000	0.000000

	t Fiscal	Class 1 Millions	Class 2 Millions	Class 3 Millions	Class 4 Millions	Class 5 Millions	Class 6 Millions	Class 7 Millions
Actual	2000	7.026572	8.282057	139.192024	894.188310	37.015035	22.570979	1.881621
Actual	2001	5.178965	8.460976	139.318879	920.536186	39.008611	15.695230	0.155867
Actual	2002	7.842501	11.014983	139.057406	954.102342	35.667858	12.459077	0.189041
Actual	2003	8.691402	10.669321	138.900095	1002.873942	35.382198	6.167237	0.216414
Actual	2004	7.808005	8.799575	140.240224	1034.656439	32.725014	0.000000	0.995149
Forecast	2005	8.032414	10.428300	139.901823	1076.984542	34.024275	0.000000	0.974316
Forecast	2006	9.080467	12.718855	139.901823	1118.986939	34.058299	0.000000	0.974316
Forecast	2007	9.080467	17.057981	139.901823	1162.627430	34.092357	0.000000	0.974316

	t Fiscal	Class 8 Millions	Class 9 Millions	Class 10 Millions	Class 12 Millions	Class 13 Millions	TIF's Millions	Abatement Millions
Actual	2000	215.748092	498.030237	8.520090	68.192588	0.000000	44.535577	7.874787
Actual	2001	112.782734	230.832978	8.708849	49.641444	147.142750	28.428840	7.874787
Actual	2002	116.605209	219.955767	8.198788	48.658380	144.488095	30.529563	3.879830
Actual	2003	118.348926	206.360123	7.170239	46.688479	137.184847	30.802832	3.870000
Forecast	2004	118.296988	212.110930	6.789287	45.630257	125.622547	33.562140	3.188318
Forecast	2005	117.240984	219.992824	6.791382	45.074061	120.485065	27.766903	4.088317
Forecast	2006	121.344418	219.772831	6.675929	44.172580	118.557304	27.766903	4.194695
Forecast	2007	125.591473	219.553058	6.562438	43.289128	116.660387	23.430450	4.307581

Legislative Fiscal Division

Revenue Estimate Profile

Property Tax: 1.5 Mill

Revenue Description: Beginning in fiscal 1997, statute requires the boards of county commissioners in the five counties where colleges of technology reside, to levy 1.5 mills for deposit in the state general fund. This revenue component used to include collections from "non-levy" sources that are distributed on the basis of mills levied by taxing jurisdictions. HB 124, passed during the 2001 legislative session, eliminated distribution of non-levy sources to the 1.5 mill levy.

Applicable Tax Rate(s): Each property class has its own tax rate which is applied to assessed value to produce a taxable value. For every $1,000 in taxable value,1.5 mills generates $1.50 in state property taxes.

Distribution: All property tax receipts are deposited into the general fund, except revenue associated with the 6-mill university levy.

Summary of Legislative Action: The 59th Legislature did not enact legislation that impacted this general fund revenue source.

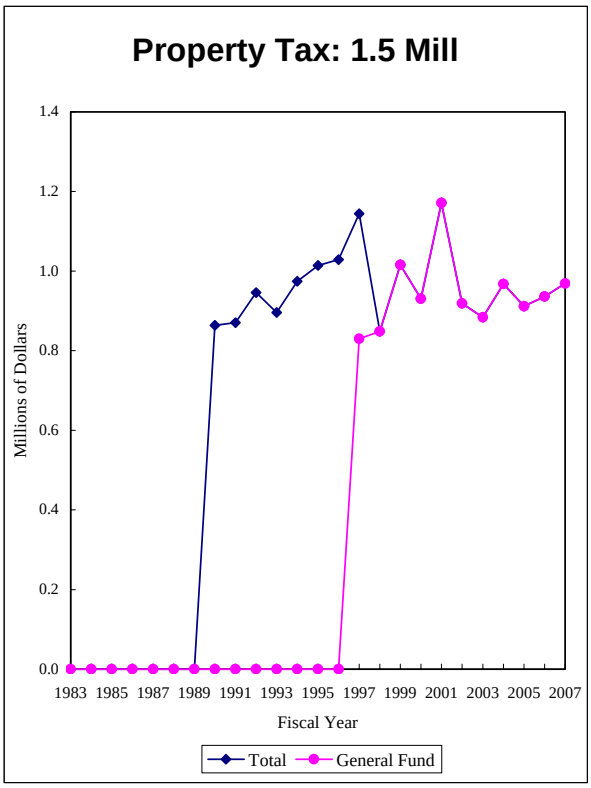
Statutory Reference:

Tax Rate (MCA) – 20-25-439(1)
Tax Distribution (MCA) – 20-25-439(2)
Date Due – one-half of taxes due November 30th and one-half due May 31st (15-16-102(1)), county treasurers must remit to the Department of Revenue within the first 20 days of each month money received in the previous month (15-1-504(1))

% of Total FY 2004 General Fund Revenue: 0.07 %

Revenue Projection:

	Fiscal Year	Total Collections Millions	General Fund Collections Millions	GF Percent Change
A	1983	0.000000	0.000000	Not App.
A	1984	0.000000	0.000000	Not App.
A	1985	0.000000	0.000000	Not App.
A	1986	0.000000	0.000000	Not App.
A	1987	0.000000	0.000000	Not App.
A	1988	0.000000	0.000000	Not App.
A	1989	0.000000	0.000000	Not App.
A	1990	0.863590	0.000000	Not App.
A	1991	0.870302	0.000000	Not App.
A	1992	0.945934	0.000000	Not App.
A	1993	0.895874	0.000000	Not App.
A	1994	0.974589	0.000000	Not App.
A	1995	1.013989	0.000000	Not App.
A	1996	1.028520	0.000000	Not App.
A	1997	1.144082	0.830174	Not App.
A	1998	0.848762	0.848762	2.24%
A	1999	1.015894	1.015894	19.69%
A	2000	0.930968	0.930968	-8.36%
A	2001	1.171643	1.171643	25.85%
A	2002	0.918612	0.918612	-21.60%
A	2003	0.883986	0.883986	-3.77%
A	2004	0.967988	0.967988	9.50%
F	2005	0.912000	0.912000	-5.78%
F	2006	0.936000	0.936000	2.63%
F	2007	0.969000	0.969000	3.53%

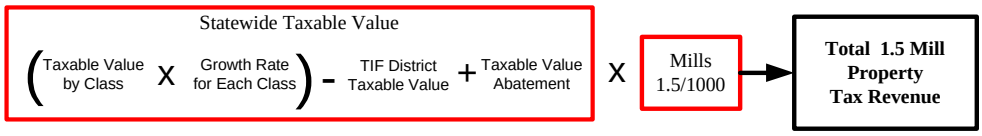


Legislative Fiscal Division

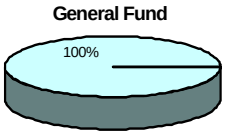
Revenue Estimate Profile

Property Tax: 1.5 Mill

Forecast Methodology



Distribution Methodology



Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2005 legislature that may affect future estimates of this revenue source.

	t Fiscal	Total Tax Millions	GF Tax Millions	Tax. Value Millions	Mills/1000 Applied	Non-Levy Millions	Adjustments Millions
Actual	2000	0.930968	0.930968	618.047161	0.001500	0.121110	0.000000
Actual	2001	1.171643	1.171643	552.853841	0.001500	0.126000	0.038500
Actual	2002	0.918612	0.918612	563.452494	0.001500	0.020000	0.033688
Actual	2003	0.883986	0.883986	586.588275	0.001500	0.000000	0.000000
Actual	2004	0.967988	0.967988	596.512999	0.001500	0.000000	0.000000
Forecast	2005	0.912000	0.912000	608.056452	0.001500	0.000000	0.000000
Forecast	2006	0.936000	0.936000	624.315431	0.001500	0.000000	0.000000
Forecast	2007	0.969000	0.969000	646.070061	0.001500	0.000000	0.000000

	t Fiscal	Class 1 Millions	Class 2 Millions	Class 3 Millions	Class 4 Millions	Class 5 Millions	Class 6 Millions	Class 7 Millions
Actual	2000	7.026572	8.282057	139.192024	894.188310	37.015035	22.570979	1.881621
Actual	2001	5.178965	8.460976	139.318879	920.536186	39.008611	15.695230	0.155867
Actual	2002	7.842501	11.014983	139.057406	954.102342	35.667858	12.459077	0.189041
Actual	2003	8.691402	10.669321	138.900095	1002.873942	35.382198	6.167237	0.216414
Actual	2004	7.808005	8.799575	140.240224	1034.656439	32.725014	0.000000	0.995149
Forecast	2005	8.032414	10.428300	139.901823	1076.984542	34.024275	0.000000	0.974316
Forecast	2006	9.080467	12.718855	139.901823	1118.986939	34.058299	0.000000	0.974316
Forecast	2007	9.080467	17.057981	139.901823	1162.627430	34.092357	0.000000	0.974316

	t Fiscal	Class 8 Millions	Class 9 Millions	Class 10 Millions	Class 12 Millions	Class 13 Millions	TIF's Millions	Abatement Millions
Actual	2000	215.748092	498.030237	8.520090	68.192588	0.000000	44.535577	7.874787
Actual	2001	112.782734	230.832978	8.708849	49.641444	147.142750	28.428840	7.874787
Actual	2002	116.605209	219.955767	8.198788	48.658380	144.488095	30.529563	3.879830
Actual	2003	118.348926	206.360123	7.170239	46.688479	137.184847	30.802832	3.870000
Actual	2004	118.296988	212.110930	6.789287	45.630257	125.622547	33.562140	3.188318
Forecast	2005	117.240984	219.992824	6.791382	45.074061	120.485065	27.766903	4.088317
Forecast	2006	121.344418	219.772831	6.675929	44.172580	118.557304	27.766903	4.194695
Forecast	2007	125.591473	219.553058	6.562438	43.289128	116.660387	23.430450	4.307581