



# THE BUDGET PROCESS

PRESENTED BY  
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LOCAL GOVERNMENT  
SERVICES

AND  
HAROLD BLATTIE,  
MONTANA ASSOCIATION  
OF COUNTIES

# Topics covered



- Budgeting Basics
  - Why is it needed
  - What's the purpose
  - Tools & Best Practices
- All About Mills & Levy's
  - What's a mill
  - Types of mill levy's
- Forms
  - The Budget Document

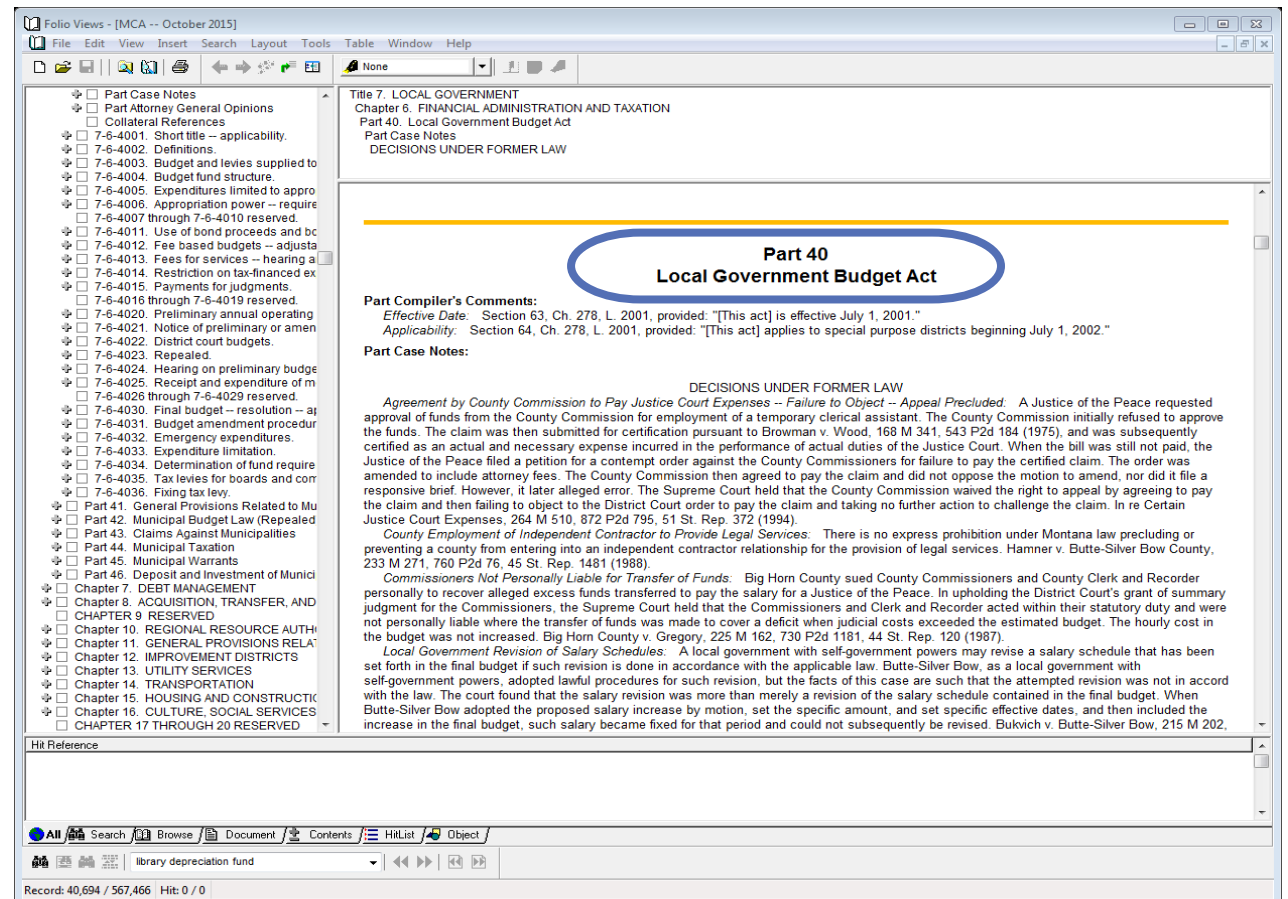
State Accounting Bureau / Local Government Services

# What is a budget? .....

- ✓ An Annual Budget is mandated and prepared pursuant to Title 7, Chapter 6, Part 40 MCA.
- ✓ A budget is the approved plan to finance the government's objectives and goals within a specific time period, one year.
- ✓ The budget is prepared and presented by fund to the governing body for adoption by resolution.
- ✓ The Budget Document is a permanent document of the local government.

# Why is it needed?

- ✓ The budget document will be available for public viewing on the LGS Local Government Entity Portal. <http://sfsd.mt.gov/LGSB>



# 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  
appropriations for  
a fund

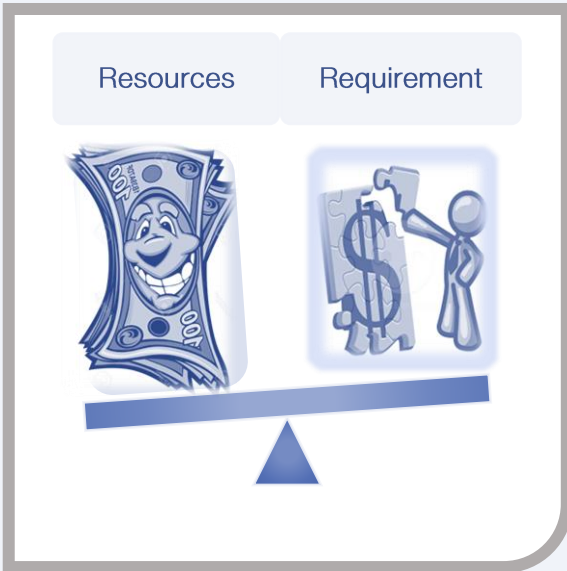
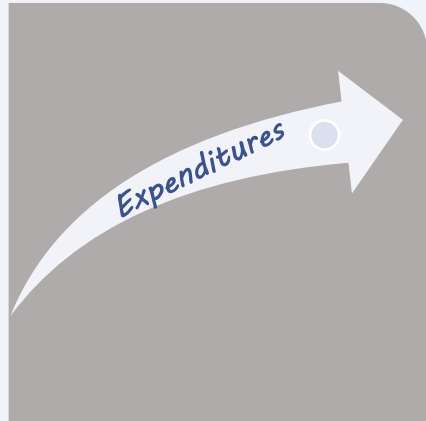
If an expenditure is to be  
financed from a tax levy  
required to be authorized  
and approved at an election,

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

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

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

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



# “Why are budgets important?”

- The *resources and requirements* must balance
- How can a local government pay for all their obligations in a year if they don't budget for them to know exactly what they add up to?
- A budget is a *plan* that says –
  - “Here is how much we need to spend this year”, “now do we have enough revenues coming in to cover all our expenses”?

# Who is responsible for County budget preparation?

## County Clerk & Recorder:

7-6-4020(3), MCA: Before June 1<sup>st</sup>, County Clerk & Recorder notifies the County Commission and each board, office, regional resource authority, or official that they are required to file preliminary budget proposals for their component of the total county budget

- Component budgets must be submitted to the clerk and recorder before June 10th or on a date designated by the County Commission 7-6-4020(3)(a) MCA
  - Submitted on forms provided by the Clerk and Recorder.
  - County commission shall submit road and bridge component budgets, construction or improvements to be made from new general obligation debt
  - County treasurer shall submit debt service component budgets

- The Clerk and Recorder shall prepare and submit the county's preliminary annual operating budget to the County Commission 7-6-4020(3)(c)

**"A budget  
is telling your money  
where to go  
instead of wondering  
where it went."**

Dave Ramsey

# Who is responsible for City/Town budget preparation?

## 7-3-113, MCA Statutory basis for municipal council-mayor government

7-3-201 Commission-executive form

(council –executive, the council mayor, or the commission-mayor form)

- Council members and Mayor(executive) - elected positions

### Mayor responsibilities:

7-3-203(10) executes the budget adopted by the commission

7-3-215 Preparation of budget. The executive may:

- (1) prepare the budget and present it to the commission for adoption; or
- (2) prepare the budget in consultation with the commission and department heads.

## 7-3-114, MCA Statutory basis for municipal commission-manager government

7-3-301 Commission-manager form (council-manager form)

- Council members – elected position
- Manager (chief administrative officer) – appointed by council

### Manager responsibilities:

7-3-304(12) prepare and present the budget to the commission for its approval and execute the budget adopted by the commission;

# Budget Timeline - Statutory Due Dates

One

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

Two

Certification of taxable values received 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...



# Steps of the budgetary process:

**Formulation:** Reflecting on the past, set goals for the future and reconcile the difference by reviewing prior year information & estimating future info



**Hearings:** Include departments, sections and the public to discuss changes in the budget



**Adoption:** Final approval by the Governing Body



**Execution:** Following the budget to actual comparisons throughout the fiscal year; amending the budget if necessary



# Terms used in the Budget

# Terms used in the budget:



## Appropriations

- Amount budgeted to spend (expenditures or expenses)

## Working Capital

- A fund's current assets minus current liabilities and designated reserves MCA 7-6-4002

## Cash available

- Cash on hand July 1<sup>st</sup> less any liabilities for claims/accounts payable from prior fiscal year

## Non-tax revenues

- All revenues including grants, state entitlements, charges for services, local option tax, penalty & interest on taxes and donations. Does not include the amount that will be collected from the mill levies for real, personal and mobile home property taxes.

## Property Tax Revenues

- The amount collected from ad valorem (property) taxes based on the mill levies. Does not include penalty and interest on delinquent taxes and local option taxes.

# Terms (cont.)

Non-Tax



Total  
Revenues



Property  
Tax

## Non-tax revenues

## Property Tax Revenues



All revenues including  
Grants,  
State entitlements,  
Charges for services,  
Local option tax,  
Penalty & interest on taxes  
and Donations.



Includes the amounts collected  
from Ad Valorem (Property) Taxes  
based on mill levies.

Does not include penalty & interest collected  
on delinquent taxes or local option taxes

# Terms used in the Budget cont.



## Total Requirements

- Appropriations + Cash Reserves

## Total Resources

- Cash Available + Total Revenues
  - Total Revenues = Non-Tax Revenues + Property Tax Revenues



Appropriations  
+ Cash Reserves

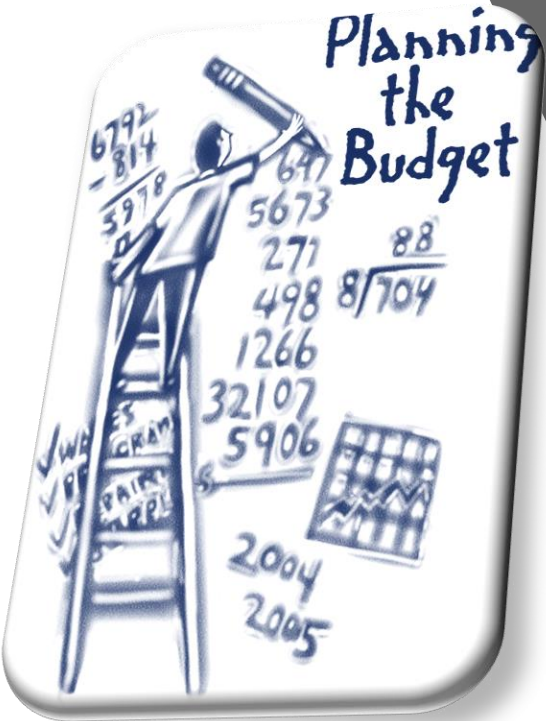
Cash Available  
+ Total Revenues

Total  
Requirements

=

Total  
Resources

Balanced  
Budget



# Example of the Tax Levy Requirement Schedule - Non-Voted Levies

The Schedule should present a balanced budget for each fund

## City of Somewhere TAX LEVY REQUIREMENTS SCHEDULE NON-VOTED LEVIES

Assessed/Market Valuation: <b>45,000,000</b>
Taxable Valuation Less
TIF Incremental Value: <b>2,000,000</b>
1 Mill Yields(10): <b>2,000</b>

Fiscal Year: <b>2018-2019</b>
-------------------------------

\*Column (3) Total Requirements must equal Column (8) Total Resources

Fund #	Fund Name	(1)	(2)	(3)=(1)+(2)	(4)	(5)	(6)=(9)X(10)	(7)=(5)+(6)	(8)=(4)+(7)	(9)=(6)÷(10)	(11)=(4)-(1)+(7)
		Appropriations	Budgeted Cash Reserve	<b>Total Requirements</b> *should equal column (8)	Cash Available (Less current liabilities)	Non-Tax Revenues	Property Tax Revenues	Total Revenues	<b>Total Resources</b> *should equal column (3)	Mill Levy	Estimated Ending Cash Balance
1000	General Fund	200,000	100,000	300,000	109,990	88,350	101,660	190,010	300,000	50.83	100,000
2220	Library	27,825	5,255	33,080	5,250	250	27,580	27,830	33,080	13.79	5,255
2320	Economic Development	24,926		24,926	0	3,946	20,980	24,926	24,926	10.49	0
	<b>TOTAL</b>	<b>252,751</b>	<b>105,255</b>	<b>358,006</b>	<b>115,240</b>	<b>92,546</b>	<b>150,220</b>	<b>242,766</b>	<b>358,006</b>	<b>75.11</b>	<b>105,255</b>

Column (3) Total Requirements..... must equal..... Column (8) Total Resources



Cash  
Reserves

Managing  
Cash  
Flows

- ❖ The majority of tax revenues are collected twice a year, when real taxes are due – November & May.
- ❖ When tax dollars are spent, local governments need to bridge the gap until the next major tax collection
  - ❖ Expenses are still being incurred.
- ❖ Local governments need cash flows to **prevent negative cash** situations and borrowing from other funds to cover those obligations short term.



# Cash Reserves Limits are set by 7-6-4034

Counties

- Limited to up to 1/3

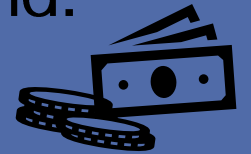


Municipalities

- Limited to up to 1/2



- Of the total amount appropriated to be spent in the fund.



Cash Reserves are used to meet expenditures/expenses made from that fund during the months of July to November



# What is a mill?

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



# TYPES OF MILL LEVIES

## Non-Voted

15-10-420, MCA

Mills authorized to be levied without a vote

- Unrestricted
- Determined annually by completing the *Determination of Tax Revenues and Mill Levy Limitation* form
- Funding source for statutes that say “Subject to 15-10-420...”

## Voted

15-10-425, MCA

Must adopt resolution to place question on ballot

- Restricted by purpose
- **Resolution** must state;
  - 1) specific purpose
  - 2) *EITHER* – specific revenue amount and approximate # of mills, *OR*, specific mills and approximate revenue amount
  - 3) Permanent or durational limit
  - 4) Impact on homes having a value of \$100,000 & \$200,000

## Permissive

Not subject to 15-10-420

Mills authorized to be levied without a vote

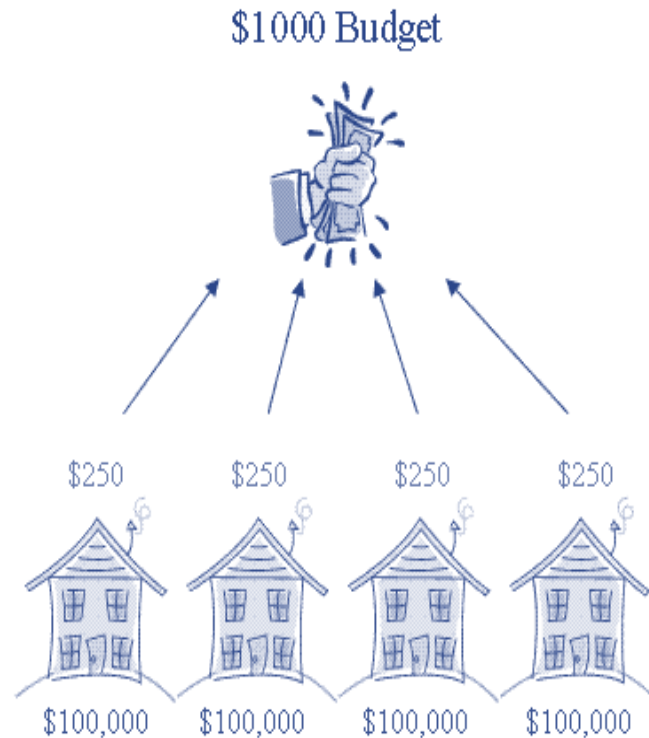
- Restricted by purpose
- Examples, 15-10-420(9)(a)(i) through (iv), MCA;
  - \*judgment levy
  - \*levy to repay taxes paid under protest
  - \*emergency levy
  - \*study commission levy
  - \*group health insurance levy



**GENERAL PURPOSE  
LEVY  
PER 15-10-420 MCA**

# Non-voted Levy per 15-10-420 MCA

Procedure for calculating levy



15-10-420, MCA

15-10-420 (1)(a) Impose a mill levy sufficient to generate the amount of the property taxes actually assessed in prior year **plus** 1/2 of average rate of inflation for prior 3 years

The maximum # of mills that a government may impose is established by calculating the # of mills to required to generate PY's property tax actually assessed based on the current year taxable value **minus** the current year's newly taxable value, **plus** 1/2 of the average rate of inflation for the prior 3 years.

Include Newly taxable property  
Levy may apply to all property in the governmental unit, including newly taxable property

# Determination of Tax Revenue & Mill Levy Limitation



Location: State of Montana – DOA - LGS

<http://sfsd.mt.gov/LGSB/Budgets-and-Mill-Levies>

Deliver services that support the transparency, accountability, and effective management of public funds

STATE FINANCIAL SERVICES DIVISION

HOME BUREAU WEBSITES WHAT WE DO CONTACT US RESOURCES

## WELCOME TO LOCAL GOVERNMENT SERVICES

Visit our [About Us Page](#) to learn about LGS!

**CONTACT US!!!**

(406) 444-9101 | [LGSPortalRegistration@mt.gov](mailto:LGSPortalRegistration@mt.gov)

### LGS Local Government Entity Portal

By law, local government entities must file their annual financial reports, budgets, and audit reports with Local Government Services.



PUBLIC  
USERS

Click the icon above to view and download local government reports.



REGISTERED  
USERS

Click the icon above to register and upload documents as a local government representative or independent auditor.



[New Resources & Upcoming Events](#)



[Budget & Mill Levy Resources](#)

### QUICK LINKS

- [Important Dates](#) - List of pertinent reporting dates
- [Notification of District Creations - Dissolutions - Alterations Form](#)
- [Region Map](#) - LGS Accounting & Financial Reporting Services

### LAWS & REGULATIONS

- [Current Laws & Regulations](#)

### DOA RESOURCES FOR LOCAL GOVERNMENTS

- [Dept of Administration's Services to Local Govts](#)
- [LG Cooperative Purchasing Resources](#)
- [MT SSA Section 218 Agreement Resources](#)

### ORGANIZATIONS & RESOURCES

- [Local Government Organizations](#)
- [Professional Organizations](#)
- [School Resources](#)
- [State Agency Resources](#)

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HOME BUREAU WEBSITE

## BUDGETS AND MILL LEVIES

### Important Note:

Cities, towns and counties must submit a complete Budget and Mill Levy Report to the Department of Administration by the later of October 1 or 60 days before the start of the fiscal year.

### BUDGET

- [Budget Document](#) (Last revised 4/2019)

### MILL LEVY

- [Permissive Mill Levy](#) (Last revised 5/2017)
- [Levycomp FYE 2019](#)

# Determination of Tax Revenue and Mill Levy Limitations

Section 15-10-420, MCA

Aggregate of all Funds/or \_\_\_\_\_ Fund

FYE June 30, 2020

Entity Name: Town of Today

**Preparer**

**Notes:**

(To print Preparer Notes highlight column and choose 'Print Selection'. To print Levy Comp form choose 'Print Active Sheet')

Click on links below to view Instructions


Reference Line	Enter amounts in yellow cells	Auto-Calculation (If completing manually enter amounts as instructed)
(1) <a href="#">Instructions</a> Enter Ad valorem tax revenue <u>ACTUALLY assessed in the prior year</u> (from Prior Year's form Line 17)		\$ -
(2) <a href="#">Instructions</a> Add: Current year inflation adjustment @ 1.02%		\$ -
(3) <a href="#">Instructions</a> Subtract: Ad valorem tax revenue <u>ACTUALLY assessed in the prior year</u> for Class 1 and 2 property, (net and gross proceeds) (from Prior Year's form Line 20)- (enter as negative)		\$ -
(4) <a href="#">Instructions</a> Adjusted ad valorem tax revenue = (1) + (2) + (3)		\$ -
<b><u>ENTERING TAXABLE VALUES</u></b>		
(5) <a href="#">Instructions</a> Enter 'Total Taxable Value' - from Department of Revenue <i>Certified Taxable Valuation Information</i> form, line # 2		\$ -
(6) <a href="#">Instructions</a> 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 (enter as negative)		\$ -
(7) <a href="#">Instructions</a> Taxable value per mill (after adjustment for removal of TIF per mill incremental district value) = (5) + (6)		\$ -
(8) <a href="#">Instructions</a> Subtract: 'Total Value of Newly Taxable Property' - from Department of Revenue <i>Certified Taxable Valuation Information</i> form, line # 3 (enter as negative)		\$ -
(9) <a href="#">Instructions</a> 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 (enter as negative)		\$ -
(10) <a href="#">Instructions</a> Adjusted Taxable value per mill = (7) + (8) + (9)		\$ -
(11) <a href="#">Instructions</a> CURRENT YEAR calculated mill levy =(4) / (10)		#DIV/0!
(12) <a href="#">Instructions</a> CURRENT YEAR calculated ad valorem tax revenue = (7) x (11)		#DIV/0!
<b><u>CURRENT YEAR AUTHORIZED LEVY/ASSESSMENT</u></b>		
(13) <a href="#">Instructions</a> Enter total number of carry forward mills from prior year (from Prior Year's form Line 22)		0.00
(14) <a href="#">Instructions</a> Total current year authorized mill levy, including Prior Years' carry forward mills =(11) + (13)		#DIV/0!
(15) <a href="#">Instructions</a> Total current year authorized ad valorem tax revenue assessment =(7) x (14)		#DIV/0!
<b><u>CURRENT YEAR ACTUALLY LEVIED/ASSESSED</u></b>		
(16) <a href="#">Instructions</a> 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.)		0.00



# DOR-Certified Taxable Valuation Information

(usually received first week in August)

Use 2019 Certified Taxable Valuations to complete FY2020 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	.....	\$	<b>13,987,523</b>
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	

**SAMPLE**

Total Incremental Value \$ 883,637

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:  $13,987,523 / 1,000 = 13,987.52$





15-10-420(9)(A)

# PERMISSIVE LEVIES

# Permissive Levies include:

- (i) Judgment Levy
- (ii) Repay Taxes Paid Under Protest
- (iii) Emergency Levy
- (iv) Study Commission Levy
- (v) 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

1<sup>st</sup> 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 proceeding 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



# Permissive Medical Levy



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 separately 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, 2020

Entity Name: **Town of Tomorrow**

**Preparer**

**Notes:**

(To print Preparer Notes highlight column and choose 'Print Selection'. To print Permissive Levy form choose 'Print Active Sheet')

**Step A** →

Click on links below to view Instructions

[\(1\) Instructions](#)

[\(2\) Instructions](#)

[\(3\) Instructions](#)

Step A: Input in Yellow Cells		Fiscal Year	<i>Line #1</i> : BASE Year = Total <i>Actual</i> Annual Employer Contribution for Group Benefits in BASE Year	Average Monthly Employer Contribution per Employee	Actual # of Employees the Local Government Made Employer Contributions to Group Benefits on July 1st
(1)	BASE Year	2010	\$1,000.00	\$8.33	10
(2)	Budgeting For	2020	\$2,100.00	\$11.67	15
(3)	Increase from BASE Year (Decreases will be reported as zero)			\$3.33	5

**Step B** →

[\(4\) Instructions](#)

Step B:	Fiscal Year	2020
	2019	Certified Taxable Valuation
(4)	Taxable Value less Incremental Taxable Value of General Fund	\$13,500,000.00

**Step C** →

[\(5\) Instructions](#)

[\(6\) Instructions](#)

Step C:	Calculation of:	(5) BASE Contribution	(6) Increase in Employer Contribution from BASE Year
(5)	BASE Contribution	\$1,500.00	\$600.00
(6)	Increase in Employer Contribution from BASE Year		

**Step D** →

[\(7\) Instructions](#)

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)	Fund 2372 Total Generated Tax Revenue
(7)	Choice #1 PER sec. 4, Ch 412, L.2009 - (1)(b)	2020	0.04	\$600.00





15-10-425, MCA

VOTED  
LEVIES



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;
  - (i) specific \$\$\$ to be **raised &** approximate # of mills to be **imposed**;  
or
  - (ii) specific # of mills to be **imposed &** approximate \$\$\$ to be **raised**;
- (b) 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: Fiscal Information for Counties

Scroll to bottom of page under Calculation Forms



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- ➔ FINANCIAL ASSISTANCE PROGRAMS  
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## CALCULATION FORMS

- ➔ DETERMINATION OF PERMISSIVE LEVY FOR GROUP BENEFITS  
– WORKSHEET FY-15 & THEREAFTER
- ➔ MILL LEVY COMPUTATION FORM (2000-2019)
- ➔ VOTED LEVY INFORMATION  
– SPECIAL MILL LEVY CALCULATION SPREADSHEET (ARCHIVE, FY-2008-2015)  
– SPECIAL MILL LEVY CALCULATION SPREADSHEET (EFFECTIVE, FY-2016)

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
\$2,000,000	\$2,000,000	\$2,000,000		Certified Taxable Value of the taxing jurisdiction - Use the most-recent available
\$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

**The  
Budget  
Document**

**MONTANA  
FINAL  
BUDGET DOCUMENT**



**Fiscal Year ended June 30, 2020**

**City/Town/County of Montana**

# Budget Document should Include...

## WEBSITE:

<http://sfsd.mt.gov/LGSB/Budgets-and-Mill-Levies>

## Official Documents

- Budget Certifications
- Approved Budget Resolution
- DOR Taxable Valuation Form

## General Information

- Statistical Information
- Elected Officials
- Schedule of Personnel Levels
- Org Chart

## Mill Levy Documents

- Mill Levy History & Analysis
- Mill Levy Determination Form for Current Fiscal Year
- Tax Levy Requirement Schedule:
  - (1) Non-Voted Levies
  - (2) Voted Levies
  - (3) Summary Schedules

# Ten-Year History and Analysis

Analyses contained in this report do not include voted or permissive levies. Voted and/or permissive mills levied in the current year are listed below.

- ❑ A consolidated record of how much is authorized and actually levied each year
- ❑ Historical or record keeping tool (helpful to new staff)
- ❑ Is your Certified Taxable Valuation increasing or is it decreasing?

FISCAL YEAR	ENTITY-WIDE TAXABLE VAUATION	%INCREASE (DECREASE) FROM PREVIOUS YEAR	TOTAL CURRENT YEAR AUTHORIZED MILL LEVY (Includes Prior Year Carry Forward Mills)	CURRENT YEAR ACTUAL MILL LEVY	CARRY FORWARD MILLS AVAILABLE (May be levied in a subsequent year)
2009-2010	4,436,861		272.29	233.39	
2010 - 2011	4,673,774	5.34%	276.74	233.17	
2011 - 2012	5,045,859	7.96%	264.90	232.98	
2012 - 2013	5,271,929	4.48%	266.27	229.06	
2013 - 2014	5,532,517	4.94%	270.26	231.15	
2014 - 2015	5,668,991	2.47%	273.15	229.26	
2015 - 2016	7,441,954	31.27%	218.58	190.46	
2016 - 2017	7,577,370	1.82%	222.01	183.00	
2017 - 2018	8,070,724	6.51%	214.88	177.63	37.25
2018 - 2019	8,196,667	1.56%	218.05	179.16	38.89

FY's 2009-2010 through 2016-2017 enter number of mills from prior year budget - page 9.  
 FY's 2017-2018 and forward enter number of mills from line (14) of the applicable Mill Levy Determination Form.  
 FY's 2009-2010 through 2016-2017 enter number of mills from prior year budget - page 9.  
 FY's 2017-2018 & forward enter number of mills from line (16) of the applicable Mill Levy Determination Form.  
 The Carry Forward in this column is not cumulative - the current fiscal year carry forward mills available are the full amount that may be levied in a subsequent year. These mills will be included in the next year's total authorized mill levy.

# Things to Consider

## Sources of Funding

- Revenue estimates

## Communicate with Areas to Determine Need

- So that “unexpected” needs don’t break your budget.
- Planning helps eliminate emergencies.
- It’s important to compromise, realizing that we are all pieces of the same pie and need to work together.

## New Services Being Offered?

- Add it to your budget
- Consider revenue source

# 7-6-4003. Budget and levies supplied to Department of Administration

- (1) A local government shall submit a complete copy of the final budget & statement of tax levies

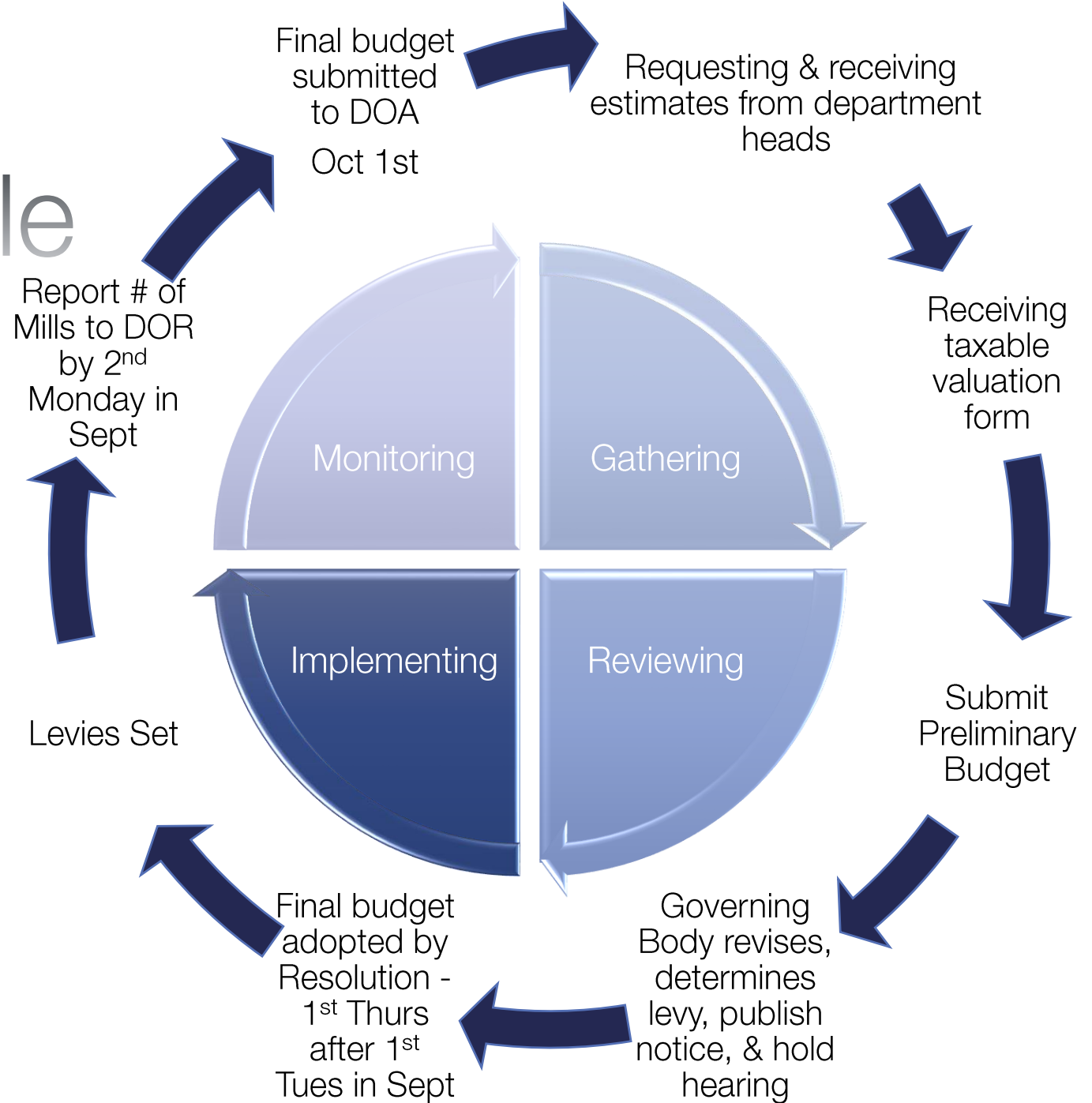


- (2) The local government shall use standard forms prescribed by the Department of Administration or may use an alternative budget format acceptable to the Department of Administration

# Recap of Budget Cycle



- Budgets should be analyzed at least quarterly.
- If unexpected obligations come up in the first two quarters of the year (through December 31<sup>st</sup>), it's important to plan for where you can cut spending in another area to cover the projected shortfall.





# Resources & Spreadsheets





<http://sfsd.mt.gov/LGSB/ImportantDates>



*accountability, and effective management of public funds*

# STATE FINANCIAL SERVICES DIVISION

HOME    BUREAU WEBSITES    WHAT WE DO    CONTACT US    RESOURCES

## IMPORTANT DATES

Local Government Services has compiled a list of pertinent reporting dates for local government entities to reference. Please click the links below to be directed to important dates based on your entity type. Use the Important Dates Calculator below to provide important dates based on the input of your entity's fiscal year end date.

### HELP DESK

- (406) 444-9101
- [LGSPortalRegistration@mt.gov](mailto:LGSPortalRegistration@mt.gov)

[Important Dates Calculator](#) (use for FYE dates)

### Local Government Important Dates Calculator

Enter Fiscal Year End Date  
Enter as xx/xx/xxxx

#### Budget Reports

(Counties/Cities/Towns Only)

September 5, 2019

October 1, 2019

November 1, 2019

- Budgets should be adopted by the governing body by the first Thursday after the first Tuesday in September (or 30 days after receipt of taxable values from DOR, whichever is later) – MCA 7-6-4024(3)
- Budgets due to LGS (or 60 days after receipt of taxable values from DOR, whichever is later) – MCA 7-6-4003
- Publicly noticed in Delinquent Budget Report on LGS's website if not received by LGS

#### Annual Financial Reports

All Local Governments, excluding School Districts & Special Ed Cooperatives

6 months after FYE

December 31, 2020

180 days after AFR due date

July 1, 2021

- Annual Financial Reports due to LGS – MCA 2-7-503
- Delinquent annual financial reports publicly noticed in newspaper and \$50 penalty assessed - MCA 2-7-517

#### Audit Reports-Federal

All Local Governments

9 months after FYE

March 31, 2021

30 days after receipt of audit (Federal)

April 30, 2021

180 days after Audit Report due date

September 30, 2021

- Audit Reports in Compliance w/ Federal Requirements (A-133/Uniform Guidance) – due to LGS and Single Audit Clearinghouse – Fed. Regs./ARM 2.4.411
- Response & Corrective Action due to LGS -MCA 2-7-515
- Mail copy of audit report to Newspaper - MCA 2-7-521
- Audit Statement Published in Newspaper – MCA 2-7-521
- Delinquent audit reports publicly noticed in newspaper and \$50 penalty assessed - MCA 2-7-517

#### Audit Reports-Non-Federal

All Local Governments

12 months after FYE

June 30, 2021

30 days after receipt of audit (Non-Federal)

July 31, 2021

180 days after Audit Report due date

December 31, 2021

- Audit Reports (Non-Federal) due to LGS - MCA 2-7-503
- Response & Corrective Action due to LGS -MCA 2-7-515
- Mail copy of audit report to Newspaper - MCA 2-7-521
- Audit Statement Published in Newspaper – MCA 2-7-521
- Delinquent audit reports publicly noticed in newspaper and \$50 penalty assessed - MCA 2-7-517



# Transparency in Local Gov't

## WEBSITE: <http://sfsd.mt.gov/LGSB>

STEP 1

Click on Public Viewer

New LGS Local Government Entity Portal!

By law, local government entities must file their annual financial reports, budgets, and audit reports with the Local Government Services Bureau. In order to improve efficiencies, the LGSB has implemented a new way to receive and share this information.



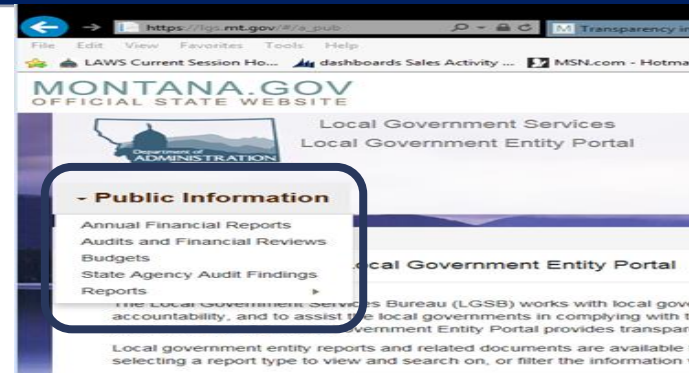
**PUBLIC VIEWERS**



**REGISTERED USERS**

STEP 3

Click on Document Type to be viewed



MONTANA.GOV  
OFFICIAL STATE WEBSITE

Local Government Services  
Local Government Entity Portal

**- Public Information**

- Annual Financial Reports
- Audits and Financial Reviews
- Budgets
- State Agency Audit Findings
- Reports

STEP 2

Click on Enter the Portal

STATE FINANCIAL DIVISION

HOME BUREAU WEBSITES WHAT WE DO CONTACT

TRANSPARENCY IN LOCAL GOVERNMENT



**ENTER THE PORTAL**

**New Local Government Reports Online!**

The Bullock Administration is committed to the transparency of government operations so that Montanians have fingertip access to how their tax dollars are being spent. We are expanding these efforts by encouraging local governments to be more transparent and accountable, to promote residents having the same access.

By law, local governments must file their annual financial reports, budgets, and audit reports with the Department of Administration. As local governments begin filing these reports electronically, this information will be available online for the public to view. Accountability to our citizens helps ensure that we are providing efficient and effective government services.

STEP 4

Scroll through reports

Home / Public Information / Budgets

**Budgets**

Public View

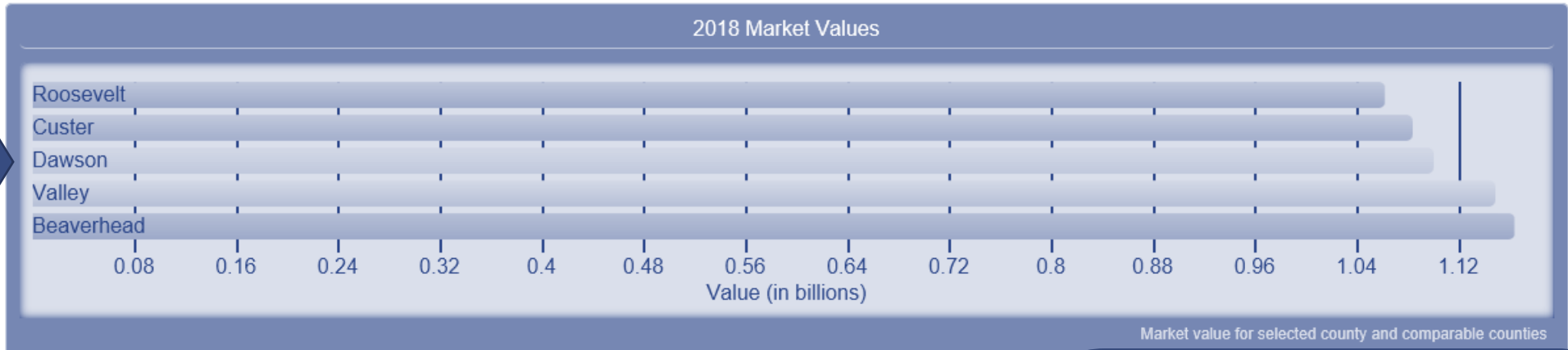
Rec'd Date	LGE	LGE #	FY
9/21/2016	Anaconda-Deer Lodge County	011201	FY2017
10/4/2016	Big Horn County	010201	FY2017
9/15/2016	Blaine County	010301	FY2017
10/4/2016	Butte-Silver Bow County	014701	FY2017
9/27/2016	Carbon County	010501	FY2017
10/4/2016	Carter County	010601	FY2017
9/26/2016	Cascade County	010701	FY2017
9/21/2016	Chouteau County	010801	FY2017



# Montana Certified Values

**WEBSITE:** <http://svc.mt.gov/dor/property/cov#>

Comparison



County Year Levies

Download CSV

- Bloomfield Elementary District
- City Of Glendive
- County Road Fund
- County Wide Levies
- Dawson College
- Dawson County High School
- Dcc Retirement
- Deer Creek Elementary District
- Elementary School District #1
- Glendive Fire
- Lindsay Elementary District
- Mosquito District
- Richey Elementary District
- Richey High School District
- Rural Fire Control
- Savage Elementary District
- Soil
- State School Levies
- Town Of Richey
- Transportation And Retirement
- Urban Transportation
- Weed
- West Glendive Fire District

Select a county, year and taxing jurisdiction to view total market and taxable taxing authority. On a touchscreen you can navigate between taxing jurisdictions table.

\*The sum of all property types may not add up to the Total due to corrections jurisdictions, the total value may not be divided into all property types. In this shown.

More information on the certification of values process can be found on the D

County Wide Levies		
Property Type	Market Value	Taxable Value
Special Mobile	\$1,716,245	\$24,217
Manufactured Homes	\$10,948,542	\$145,293
Personal Property	\$37,194,491	\$638,169
Real Property	\$840,483,932	\$13,251,253
Centrally Assessed	\$212,531,422	\$12,252,778
Net & Gross Proceeds	NA	\$0
<b>Total*</b>	<b>\$1,101,158,387</b>	<b>\$26,311,710</b>
Other Information		
Newly Taxable	NA	\$854,819
TIF Increment	NA	\$0



**Any  
Questions?**

