




GOVERNOR GREG GIANFORTE
DIRECTOR BRENDAN BEATTY

MEMORANDUM

To: County Commissioners
County Treasurers
County Clerk and Recorders
Montana Association of Counties
Montana League of Cities and Towns

From: Ryan Osmundson, Director, Governor's Office Budget & Program Planning
Brendan Beatty, Director, Montana Department of Revenue 

Date: September 11, 2023

Subject: Statewide School Mill Levies for Fiscal Year 2024

The Department of Revenue has finished calculating the number of mills for fiscal year 2024 that the board of county commissioners and other authorized government entities may levy upon all property in the state. The maximum statewide school equalization levy remains at 95 mills. The ad valorem tax on each dollar of taxable valuation for fiscal year 2024 is as follows:

State Equalization Aid Levy	40.00 Mills
County Elementary Equalization Levy	33.00 Mills
High School Equalization Levy	22.00 Mills
University System Levy	6.00 Mills
Vocational –Technical Education Levy	1.50 Mills (for five counties) ¹

These calculations are in accordance with 15-10-109, 15-10-420, 20-9-331, 20-9-333, 20-9-360, and 20-25-439, MCA.

cc. Scott Mendenhall, Deputy Director
Kory Hofland, Administrator, Property Assessment Division
Eric Dale, Administrator, Tax Policy, and Research
Property Assessment Division Area and Regional Managers

¹ In Cascade, Butte-Silver Bow, Missoula, Yellowstone and Lewis and Clark counties only.

see Subsection 8

Montana Code Annotated 2021

TITLE 15. TAXATION

CHAPTER 10. PROPERTY TAX LEVIES

Part 4. Limitation on Property Taxes

Procedure For Calculating Levy

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.

(c) For the purposes of subsection (1)(a), the department shall calculate one-half of the average rate of inflation for the prior 3 years by using the consumer price index, U.S. city average, all urban consumers, using the 1982-84 base of 100, as published by the bureau of labor statistics of the United States department of labor.

(2) A governmental entity may apply the levy calculated pursuant to subsection (1)(a) plus any additional levies authorized by the voters, as provided in **15-10-425**, to all property in the governmental unit, including newly taxable property.

(3) (a) For purposes of this section, newly taxable property includes:

- (i) annexation of real property and improvements into a taxing unit;
- (ii) construction, expansion, or remodeling of improvements;
- (iii) transfer of property into a taxing unit;
- (iv) subdivision of real property; and
- (v) transfer of property from tax-exempt to taxable status.

(b) Newly taxable property does not include an increase in value:

- (i) that arises because of an increase in the incremental value within a tax increment financing district; or
- (ii) caused by the termination of an exemption that occurs due to the American Rescue Plan Act, Public Law 117-2, and section 14, Chapter 506, Laws of 2021.

(4) (a) For the purposes of subsection (1), the taxable value of newly taxable property includes the release of taxable value from the incremental taxable value of a tax increment financing district because of:

- (i) a change in the boundary of a tax increment financing district;

- (ii) an increase in the base value of the tax increment financing district pursuant to **7-15-4287**; or
- (iii) the termination of a tax increment financing district.

(b) If a tax increment financing district terminates prior to the certification of taxable values as required in **15-10-202**, the increment value is reported as newly taxable property in the year in which the tax increment financing district terminates. If a tax increment financing district terminates after the certification of taxable values as required in **15-10-202**, the increment value is reported as newly taxable property in the following tax year.

(c) For the purpose of subsection (3)(a)(ii), the value of newly taxable class four property that was constructed, expanded, or remodeled property since the completion of the last reappraisal cycle is the current year market value of that property less the previous year market value of that property.

(d) For the purpose of subsection (3)(a)(iv), the subdivision of real property includes the first sale of real property that results in the property being taxable as class four property under **15-6-134** or as nonqualified agricultural land as described in **15-6-133(1)(c)**.

(5) Subject to subsection (8), subsection (1)(a) does not apply to:

- (a) school district levies established in Title 20; or
- (b) a mill levy imposed for a newly created regional resource authority.

(6) For purposes of subsection (1)(a), taxes imposed do not include net or gross proceeds taxes received under **15-6-131** and **15-6-132**.

(7) In determining the maximum number of mills in subsection (1)(a), the governmental entity:

- (a) may increase the number of mills to account for a decrease in reimbursements; and
- (b) may not increase the number of mills to account for a loss of tax base because of legislative action that is reimbursed under the provisions of **15-1-121(7)**.

(8) The department shall calculate, on a statewide basis, the number of mills to be imposed for purposes of **15-10-109**, **20-9-331**, **20-9-333**, **20-9-360**, and **20-25-439**. However, the number of mills calculated by the department may not exceed the mill levy limits established in those sections. The mill calculation must be established in tenths of mills. If the mill levy calculation does not result in an even tenth of a mill, then the calculation must be rounded up to the nearest tenth of a mill.

(9) (a) The provisions of subsection (1) do not prevent or restrict:

- (i) a judgment levy under **2-9-316**, **7-6-4015**, or **7-7-2202**;
- (ii) a levy to repay taxes paid under protest as provided in **15-1-402**;
- (iii) an emergency levy authorized under **10-3-405**, **20-9-168**, or **20-15-326**;
- (iv) a levy for the support of a study commission under **7-3-184**;
- (v) a levy for the support of a newly established regional resource authority;
- (vi) the portion that is the amount in excess of the base contribution of a governmental entity's property tax levy for contributions for group benefits excluded under **2-9-212** or **2-18-703**;
- (vii) a levy for reimbursing a county for costs incurred in transferring property records to an adjoining county under **7-2-2807** upon relocation of a county boundary;
- (viii) a levy used to fund the sheriffs' retirement system under **19-7-404(2)(b)**; or

• (ix) a governmental entity from levying mills for the support of an airport authority in existence prior to May 7, 2019, regardless of the amount of the levy imposed for the support of the airport authority in the past. The levy under this subsection (9)(a)(ix) is limited to the amount in the resolution creating the authority.

(b) A levy authorized under subsection (9)(a) may not be included in the amount of property taxes actually assessed in a subsequent year.

(10) A governmental entity may levy mills for the support of airports as authorized in **67-10-402**, **67-11-301**, or **67-11-302** even though the governmental entity has not imposed a levy for the airport or the airport authority in either of the previous 2 years and the airport or airport authority has not been appropriated operating funds by a county or municipality during that time.

(11) The department may adopt rules to implement this section. The rules may include a method for calculating the percentage of change in valuation for purposes of determining the elimination of property, new improvements, or newly taxable value in a governmental unit. (*Subsection (3)(b)(ii) terminates December 31, 2025--sec. 13(5), Ch. 506, L. 2021.*)

History: En. Sec. 1, Ch. 584, L. 1999; amd. Secs. 6, 16(1), Ch. 11, Sp. L. May 2000; amd. Sec. 1, Ch. 191, L. 2001; amd. Sec. 1, Ch. 220, L. 2001; amd. Sec. 3, Ch. 361, L. 2001; amd. Sec. 3, Ch. 511, L. 2001; amd. Sec. 7, Ch. 571, L. 2001; amd. Sec. 94, Ch. 574, L. 2001; amd. Sec. 1, Ch. 115, L. 2003; amd. Sec. 1, Ch. 476, L. 2003; amd. Sec. 3, Ch. 376, L. 2005; amd. Sec. 3, Ch. 545, L. 2005; amd. Sec. 20, Ch. 521, L. 2007; amd. Sec. 26, Ch. 2, L. 2009; amd. Sec. 3, Ch. 57, L. 2009; amd. Sec. 27, Ch. 351, L. 2009; amd. Sec. 3, Ch. 412, L. 2009; amd. Sec. 9, Ch. 483, L. 2009; amd. Sec. 18, Ch. 347, L. 2011; amd. Sec. 2, Ch. 393, L. 2011; amd. Sec. 5, Ch. 411, L. 2011; amd. Sec. 22, Ch. 361, L. 2015; amd. Sec. 1, Ch. 328, L. 2017; amd. Sec. 7, Ch. 3, L. 2019; amd. Sec. 1, Ch. 332, L. 2019; amd. Sec. 9, Ch. 506, L. 2021.

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Montana Code Annotated 2021

TITLE 20. EDUCATION

CHAPTER 9. FINANCE

Part 3. Funding of Basic System of Quality Public Schools

Basic County Tax For Elementary Equalization And Other Revenue For County Equalization Of Elementary Base Funding Program

20-9-331. Basic county tax for elementary equalization and other revenue for county equalization of elementary BASE funding program. (1) Subject to **15-10-420**, the county commissioners of each county shall levy an annual basic county tax of 33 mills on the dollar of the taxable value of all taxable property within the county, except for property subject to a tax or fee under **61-3-321**(2) or (3), **61-3-529**, **61-3-537**, **61-3-562**, **61-3-570**, and **67-3-204**, for the purposes of elementary equalization and state BASE funding program support. The revenue collected from this levy must be apportioned to the support of the elementary BASE funding programs of the school districts in the county and to the state general fund in the following manner:

(a) In order to determine the amount of revenue raised by this levy that is retained by the county, the sum of the estimated revenue identified in subsection (2) must be subtracted from the total of the BASE funding programs of all elementary districts of the county.

(b) If the basic levy and other revenue prescribed by this section produce more revenue than is required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds to the department of revenue, as provided in **15-1-504**, for deposit to the state general fund immediately upon occurrence of a surplus balance and each subsequent month, with any final remittance due no later than June 20 of the fiscal year for which the levy has been set.

(2) The revenue realized from the county's portion of the levy prescribed by this section and the revenue from the following sources must be used for the equalization of the elementary BASE funding program of the county as prescribed in **20-9-335**, and a separate accounting must be kept of the revenue by the county treasurer in accordance with **20-9-212**(1):

(a) the portion of the federal Taylor Grazing Act funds designated for the elementary county equalization fund under the provisions of **17-3-222**;

(b) the portion of the federal flood control act funds distributed to a county and designated for expenditure for the benefit of the county common schools under the provisions of **17-3-232**;

(c) all money paid into the county treasury as a result of fines for violations of law, except money paid to a justice's court, and the use of which is not otherwise specified by law;

(d) any money remaining at the end of the immediately preceding school fiscal year in the county treasurer's accounts for the various sources of revenue established or referred to in this section;

(e) any federal or state money distributed to the county as payment in lieu of property taxation, including federal forest reserve funds allocated under the provisions of **17-3-213**;

- (f) gross proceeds taxes from coal under **15-23-703**; and
- (g) oil and natural gas production taxes.

History: En. 75-6912 by Sec. 262, Ch. 5, L. 1971; amd. Sec. 1, Ch. 355, L. 1973; R.C.M. 1947, 75-6912; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 2, Ch. 413, L. 1983; amd. Sec. 1, Ch. 418, L. 1983; amd. Sec. 2, Ch. 699, L. 1983; amd. Sec. 1, Ch. 50, L. 1985; amd. Sec. 2, Ch. 265, L. 1985; amd. Sec. 1, Ch. 552, L. 1985; amd. Sec. 13, Ch. 695, L. 1985; amd. Sec. 15, Ch. 557, L. 1987; amd. Sec. 16, Ch. 611, L. 1987; amd. Sec. 20, Ch. 655, L. 1987; amd. Secs. 35, 84, Ch. 11, Sp. L. June 1989; amd. Sec. 9, Ch. 267, L. 1991; amd. Sec. 4, Ch. 6, Sp. L. July 1992; amd. Sec. 55, Ch. 633, L. 1993; amd. Sec. 17, Ch. 9, Sp. L. November 1993; amd. Sec. 41, Ch. 451, L. 1995; amd. Sec. 33, Ch. 509, L. 1995; amd. Sec. 3, Ch. 580, L. 1995; amd. Sec. 20, Ch. 22, L. 1997; amd. Sec. 10, Ch. 496, L. 1997; amd. Sec. 15, Ch. 515, L. 1999; amd. Sec. 11, Ch. 554, L. 1999; amd. Sec. 111, Ch. 584, L. 1999; amd. Sec. 6, Ch. 191, L. 2001; amd. Sec. 10, Ch. 257, L. 2001; amd. Sec. 119, Ch. 574, L. 2001; amd. Sec. 5, Ch. 41, L. 2003; amd. Sec. 17, Ch. 542, L. 2005.

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