

# Property Tax 201

June 19, 2024  
Legislative Days

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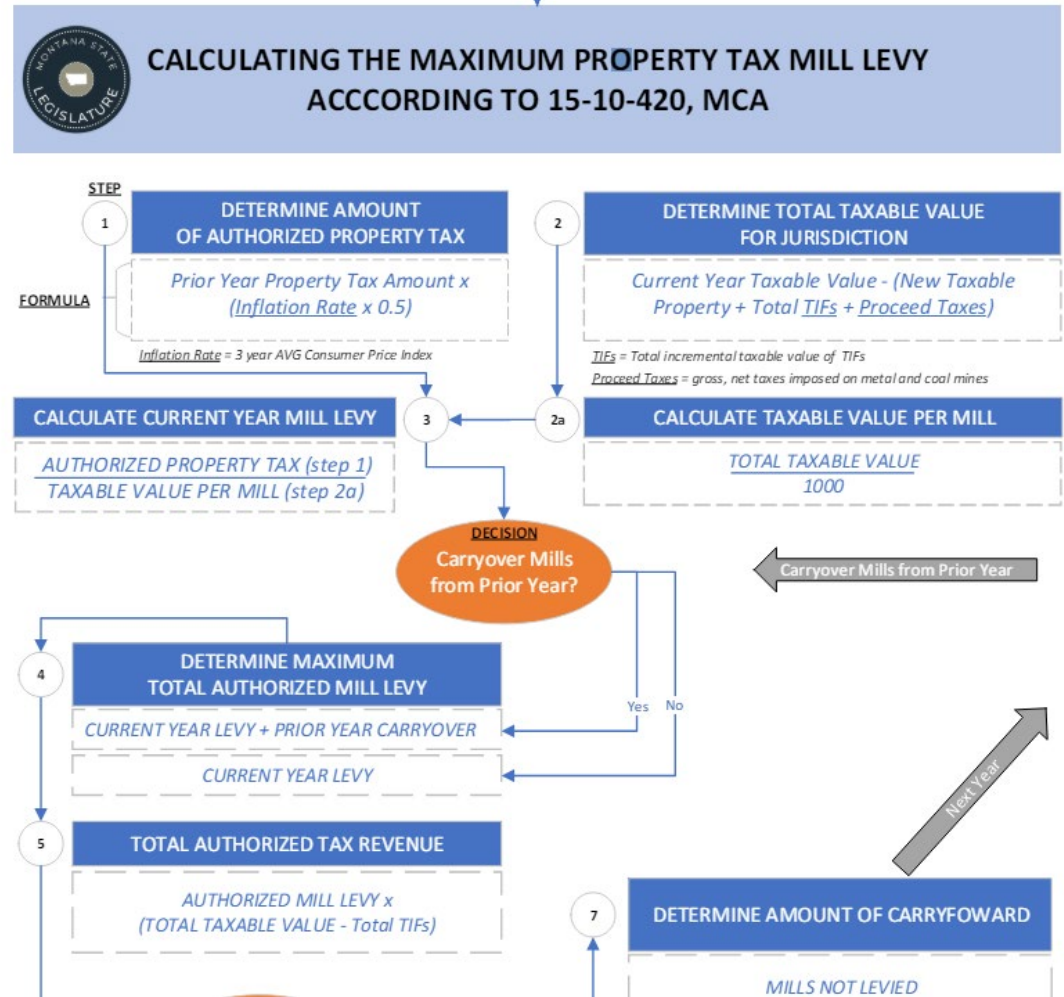
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# County and City Levy Limit

- 15-10-402:  
Limit to 1996 levels
- 15-10-420: Max mill levy calculation



# Determination of Tax Revenue and Mill Levy Limitations

Section 15-10-420, MCA

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

FYE June 30, 2024

Entity Name: \_\_\_\_\_

Reference Line	Enter amounts in yellow cells	Auto-Calculation (If completing manually enter amounts as instructed)
(1)	Enter Ad valorem tax revenue <u>ACTUALLY</u> assessed in the prior year <i>(from Prior Year's form Line 17)</i>	\$ -
(2)	Add: Current year inflation adjustment @ 2.46%	\$ -
(3)	Subtract: Ad valorem tax revenue <u>ACTUALLY</u> assessed in the prior year for Class 1 and 2 property, (net and gross proceeds) <i>(from Prior Year's form Line 20)- (enter as</i>	\$ -
(4)	Adjusted ad valorem tax revenue = (1) + (2) + (3)	\$ -
<b><u>ENTERING TAXABLE VALUES</u></b>		
(5)	Enter 'Total Taxable Value' - from Department of Revenue <i>Certified Taxable Valuation Information</i> form, line # 2	\$ -
(6)	Subtract: 'Total Incremental Value' of all tax increment financing districts (TIF Districts) from Department of Revenue <i>Certified Taxable Valuation Information</i> form, line # 6 <i>(enter as negative)</i>	\$ -
(7)	Taxable value per mill (after adjustment for removal of TIF per mill incremental district value) = (5) + (6)	\$ -
(8)	Subtract: 'Total Value of Newly Taxable Property' - from Department of Revenue <i>Certified Taxable Valuation Information</i> form, line # 3 <i>(enter as negative)</i>	\$ -
(9)	Subtract: 'Taxable Value of Net and Gross Proceeds, (Class 1 & 2 properties)' - from Department of Revenue <i>Certified Taxable Valuation Information</i> form, line # 5 <i>(enter as negative)</i>	\$ -
(10)	Adjusted Taxable value per mill = (7) + (8) + (9)	\$ -
(11)	CURRENT YEAR calculated mill levy =(4) / (10)	#DIV/0!
(12)	CURRENT YEAR calculated ad valorem tax revenue = (7) x (11)	#DIV/0!
<b><u>CURRENT YEAR AUTHORIZED LEVY/ASSESSMENT</u></b>		
(13)	Enter total number of carry forward mills from prior year <i>(from Prior Year's form Line 22)</i>	0.00
(14)	Total current year authorized mill levy, including Prior Years' carry forward mills =(11) + (13)	#DIV/0!
(15)	Total current year authorized ad valorem tax revenue assessment =(7) x (14)	#DIV/0!

# 15-10-420: Overview

- Maximum revenue from non-voted levies
- Inflationary adjustment
- Growth from newly taxable
- Carryforward of unused mills
- Certain levies exempt:
  - Judgement levy
  - Levy to repay taxes paid under protest
  - Emergency levy
  - Local government health insurance base contribution

# 15-10-420: In Practice

- Determination of revenue
  - Revenue/taxable value = mills
  - Changes in taxable value = changes in mills (floating mills)
  - Tax shifting
- 95 mills and 1.5 mills only float down
  - Carryforward

# 15-10-425: Voted Levies

## Purpose

- Impose new mill levy
- Increase a mill levy
- Exceed the limit in 15-10-420

## Method

- List specific purpose
- List amount of money or number of mills
- Durational limit

# Voted Levy Examples

## Number of Mills

### ST. IGNATIUS RURAL FIRE DISTRICT LEVY (VOTE IN ONE OVAL)

Shall the St. Ignatius Rural Fire District be authorized to levy **6.19 mills**, being approximately \$27,205.62 per year, for a **period of (7) years** to support all District operations? The fiscal impact on a home having a market value of \$100,000 is estimated to be \$8.36, \$25.07 on a home having a market value of \$300,000, and \$50.14 on a home having the market value of \$600,000 each year of the levy. Such an increase in property taxes may lead to an increase in rental costs.

## Amount of Money

### TOWN OF PLAINS STREET SPECIAL DISTRICT AND SPECIAL ASSESSMENT (VOTE IN ONE OVAL)

That the Town of Plains be authorized to renew Special District No. 1 for the purpose of maintenance, construction and reconstruction of streets and alleys within the Town limits. That the Town of Plains be authorized to levy an assessment upon all assessable property within the Town limits for the purpose of funding the Special District as authorized by Montana law at Sections 15-10-425, et seq. MCA. Such assessment to be budgeted and expended on an annual basis by the Town Council to not exceed **\$50,000 annually** for no more than **five taxable years** of assessment. All funds are to be expended in accordance with an adopted Plan of Street Improvement. For the current taxable fiscal year 2023-24, the dollar amount to be raised, if the maximum is assessed, is \$50,000. The number of mills levied to raise this amount is currently 43.63. The impact of the full assessment is approximately \$58.90 on a home valued at \$100,000.00, approximately \$176.70 on a home valued at \$300,000.00 and approximately \$353.40 on a home valued at \$600,000.00. The assessment levy will expire at the end of Fiscal Year 2028. An increase in property taxes may lead to an increase in rental costs.

## Subject to 15-10-420

### ANNUAL LEVY FOR FIFTEEN YEARS FOR OPERATION AND MAINTENANCE OF THE COUNTY'S PROPOSED REMODELED DETENTION CENTER FACILITY

Shall the Board of County Commissioners be authorized to establish a detention center facility annual mill levy for **15 years** of approximately 31.75 mills to raise **\$4,000,000 annually** for the operation and maintenance of the County's proposed remodeled detention center facility, including additional staff, services and programs, where the new levy of approximately 31.75 mills to raise \$4,000,000 annually will be subject to **Section 15-10-420(1)(a), MCA** after the first year allowing for inflationary growth and newly taxable growth?

It is estimated by the County that, using current assessed values of taxable property, for a home valued at \$100,000, taxes would be increased annually by the levy in the amount of \$42.86 and for a home valued at \$200,000, taxes would be increased annually by the levy in the amount of \$85.72.

The voters in the County, on November 8, 2016, approved \$6,500,000 general obligation bonds of the County to be issued for the remodeling of the county detention center facility. This is a companion mill levy to the November 8, 2016 county election approving issuance of \$6,500,000 general obligation bonds of the County, and passage of this companion mill levy will allow for the issuance of those bonds for the remodeling of the County's detention center.

# Voted Levy Mechanics

- Dollar amount levies: consistent dollars, mills adjust
- Number of mills levies: mills set, dollars fluctuate
- Both: Governing body may reduce voted levy without losing voted authority