



Understanding Mill Levies:

Purpose of this guide: The DNRC wants to be sure each Conservation District (CD) understands how their mill levy process works so you receive the maximum levy allowed to you. This may increase your operating budget and allow the district to put as much conservation on the ground as possible.

Background: CD Law Regarding Mill Levies:

Supervisors must submit a budget requesting the county commissioners to levy a tax on all real property within the CD district. Income generated from taxes will generally increase due to inflation and new developments within the district. Income should not go down because the CD is allowed to increase the mills levied if taxable values decrease.

CDs **must** submit an estimate of funding needed for operations to the county by the first Monday in July. However, your county may need this estimate sooner. (You don't legally have to submit your estimate in a budget format, but you need a budget anyway, so if your county requests it, you should have no problem supplying it.) If you are expecting the entire assessment allowed by law, make sure to request it that way. Otherwise, the county may reduce your levy if you have a carry over.

What is a Mill? A mill is one-thousandth (.001) of a dollar. You can determine the value of a mill by taking the total taxable value in a district (an amount provided to the district by the county assessor) and multiplying it by .001.

Taxable Value = \$13,000,000
\$13,000,000 x .001 = \$13,000
\$13,000 is the value of one mill

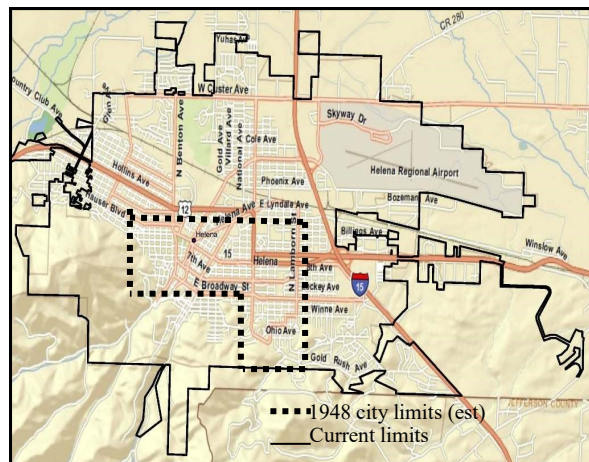
Use the form titled *Determination of Tax Revenue...* provided by the Department of Administration (DOA) to estimate your mill value. You will need three figures from your county, which they may not have until August. You will need last year's income, the taxable value of the previous year, and the taxable value of newly taxable property. This form can be found on the Department of

Administration website. The current forms are typically posted in May. Sometimes the county does this for you, but it is your responsibility.

Case Study: Be sure your getting what is due to you!

The Lewis and Clark CD became aware that the county was adjusting the boundaries of the CD each time the city of Helena annexed land. Chris Evans, the district administrator, was able to work with the county to determine the 1948 boundaries of the city (the time when the CD was formed) to begin properly taxing conservation district land that is now part of the new city limits. This made a difference (increase) in about \$5,000 to \$6,000 a year for their district.

Remember, your boundaries do not change when a city annexes land. Make sure that taxes are levied properly, as this is a common mistake made by county assessors. Also, LCCD requests "the full amount under state law" in their budget request to the county. This ensures they get everything coming to them that they should.



Understanding Mill Levies Cont'd:

Things to check:

- **What** is the value of one mill compared to the value of one mill the previous year? This can fluctuate up or down.
- **How** much income did your mill levy generate the previous year?
- **Total revenue** should not go down. However, the value of one mill can float up or down.
- **Be sure** to review your monthly statements from the county (tax collection and disbursements).
- **If** your communities are growing (annexing), Check the boundaries of the CD to be sure your levy includes all land within the CD.
- **Mistakes** can happen so keep a good record of your mill levy income. If something doesn't look right, call DNRC CDB for help.

DID You Know...?

- CD's only levy a tax on real property.
- Real property includes land and improvements affixed to the land.
- A CD must submit a budget to the county commissioners by the first Monday in July.
- The county levies a tax on all real property within the district based on the supervisors' request (budget).
- Historically, the 1.5 mill levy cap was eliminated in 2004, but due to a mistake, was not removed from CD law until the 2009 legislative session.
- Currently, the mill levied for CD's is a 'floating mill'. This means it can float up or down, pending total taxable valuations. However your total revenue should not go down.
- Mill levies can be raised many ways, but all require a vote of the people affected.
- That conservation district supervisors are responsible for every dollar spent and collected - no matter the source?
- County Commissioners do not have authority to spend or treat how CD funds are spent.
- All funds that pass through the CD coffers can only be used for lawful purposes outlined in CD law.
- April is a good time to start working on your budget for the next fiscal year.
- A permissive mill is a separate mill levied solely for group medical benefits.



Never hurts to double check calculations!!

*Prepared by the DNRC
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