

The background features abstract, overlapping green geometric shapes, primarily triangles and polygons, in various shades of green, creating a modern and dynamic visual effect.

Montana Association of Conservation Districts April 22, 2025

Mill Levies Presented by:



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Today's Discussion

- ▶ Permissive Medical Levy
- ▶ Levy calculation form



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)

2-9-212

(3) (a) For the purposes of this section, "group benefits" means group hospitalization, health, medical, surgical, life, and other similar and related group benefits provided to officers and employees of political subdivisions, including flexible spending account benefits and payments in lieu of group benefits.

(b) The term does not include casualty insurance as defined in [33-1-206](#), marine insurance as authorized in [33-1-209](#) and [33-1-221](#) through [33-1-229](#), property insurance as defined in [33-1-210](#), surety insurance as defined in [33-1-211](#), and title insurance as defined in [33-1-212](#).

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 MACo 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

1st 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



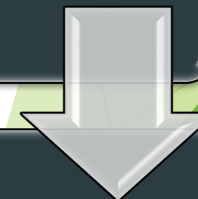


A Public Hearing must be held -

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 separate 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, 20XX

Entity Name:

Step A: Input in Yellow Cells			<i>Line 1:</i> BASE Year = Total <i>Actual</i> Annual Employer Contribution for Group Benefits in BASE Year <i>Line #2:</i> BUDGET Year: Total Annual Employer Contribution For Group Benefits for <i>Eligible</i> <i>Workers Employed</i> on July 1st	Average Monthly Employer Contribution per Employee	Actual # of Employees the Local Government Made (1) or Will Make (2) Employer Contributions to Group Benefits for on July 1st
(1)	BASE Year	2000	\$100,000.00	\$555.56	15
(2)	Budgeting For	2024	\$300,000.00	\$1,000.00	25
(3)	Increase from BASE Year (Decreases will be reported as zero)			\$444.44	10

Step B:		Fiscal Year	2024
		2023	Certified Taxable Valuation
(4)	Taxable Value less Incremental Taxable Value of General Fund	\$35,223,694.00	

Step C:			(6) Increase in Employer Contribution from BASE Year
Calculation of:		(5) BASE Contribution	
(5) BASE Contribution			
(6) Increase in Employer Contribution from BASE Year		\$166,666.67	\$133,333.33

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)	Value Per Mill	Fund 2372 Total Generated Tax Revenue
(7)	Choice #1 PER sec. 4, Ch 412, L.2009 - (1)(b)	2024	3.79	\$35,223.69	\$133,333.33



15-10-420-Current Statute

- ▶ 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.
- ▶ .



15-10-420-SB117

- ▶ 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 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 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.
- ▶ Newly Taxable Value- a % of the newly taxable value rather than 100%.



15-10-425-HB20

- ▶ "15-10-425. Mill levy election. (1) A county, consolidated government, incorporated city, incorporated town, school district, or other taxing entity may impose a new mill levy, increase a mill levy that is required to be submitted to the electors, or exceed the mill levy limit provided for in 15-10-420 by conducting an election as provided in this section.
- ▶ (2) An election pursuant to this section must be held in accordance with Title 13, chapter 1, part 4 or 5, or Title 20 for school elections, whichever is appropriate to the taxing entity. The governing body shall pass a resolution, shall amend its self-governing charter, or must 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. (a) (a)(i) (b) The resolution, charter amendment, or petition must include: the specific purpose for which the additional money will be used;
- ▶ (i)(ii) or and (ii) the specific amount of money to be raised and the approximate number of mills to be imposed and (c)(iii) (b) whether the levy is permanent or the durational limit on the levy

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

DOR-Certified Taxable Valuation Information

(usually received first week in August)

Use 2023 Certified Taxable Valuations to complete FY2024 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	\$	13,987,523
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
÷ 1,000

Taxable value per mill example: $13,987,523 / 1,000 = 13,987.52$

Determination of Tax Revenue and Mill Levy Limitations

Section 15-10-420, MCA

Aggregate of all Funds/or _____ Fund

FYE June 30, 2025

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 (from Prior Year's form Line 17)	\$ 1,000,000	\$ 1,000,000
(2)	Add: Current year inflation adjustment @ 2.80%		\$ 28,000
(3)	Subtract: Ad valorem tax revenue <u>ACTUALLY</u> assessed in the prior year for Class 1 and 2 property, (net and gross proceeds) (from Prior Year's form Line 20) (enter as negative)		\$ -
(3.5)	Subtract: Department of Revenue FY2025 All Class 8 Business Property Tax Reimbursement (15-1-123 MCA) <u>*This is a new line for FY2025 only; see the Instructions tab for additional information</u> (enter as negative)		\$ -
(4) = (1)+(2)+(3)+(3.5)	Adjusted ad valorem tax revenue		\$ 1,028,000
	<u>ENTERING TAXABLE VALUES</u>		
(5)	Enter 'Total Taxable Value' - from Department of Revenue <i>Certified Taxable Valuation Information</i> form, line # 2	\$ 20,000,000	\$ 20,000,000
(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 (enter as negative)		\$ -
(7) = (5) + (6)	Taxable value per mill (after adjustment for removal of TIF per mill incremental district value)		\$ 20,000,000
(8)	Subtract: 'Total Value of Newly Taxable Property' - from Department of Revenue <i>Certified Taxable Valuation Information</i> form, line # 3 (enter as negative)	\$ (100,000)	\$ (100,000)
(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 (enter as negative)		\$ -
(10) = (7) + (8) + (9)	Adjusted Taxable value per mill		\$ 19,900,000

(11) =(4) / (10)	CURRENT YEAR calculated mill levy		51.66
(12) = (7) x (11)	CURRENT YEAR calculated ad valorem tax revenue		\$ 1,033,200
	<u>CURRENT YEAR AUTHORIZED LEVY/ASSESSMENT</u>		
(13)	Enter total number of carry forward mills from prior year (from Prior Year's form Line 22)	0.00	0.00
(14) =(11) + (13)	Total current year authorized mill levy, including Prior Years' carry forward mills		51.66
(15) =(7) x (14)	Total current year authorized ad valorem tax revenue assessment		\$ 1,033,200
	<u>CURRENT YEAR ACTUALLY LEVIED/ASSESSED</u>		
(16)	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.)	51.66	51.66
(17) =(7) x (16)	Total ad valorem tax revenue actually assessed in current year		\$ 1,033,200
	<u>RECAPITULATION OF ACTUAL:</u>		
(18) =(10) x (16)	Ad valorem tax revenue actually assessed		\$ 1,028,034
(19)	Ad valorem tax revenue actually assessed for newly taxable property		\$ 5,166
(20)	Ad valorem tax revenue actually assessed for Class 1 & 2 properties (net-gross proceeds)		\$ -
(21) =(18) + (19) + (20)	Total ad valorem tax revenue actually assessed in current year		\$ 1,033,200
(22) =(14) - (16)	Total carry forward mills that may be levied in a subsequent year (Number should be equal to or greater than zero. A (negative) number indicates an over levy.)		0.00

(12) = (7) x (11)	CURRENT YEAR calculated ad valorem tax revenue		\$ 1,033,200
	<u>CURRENT YEAR AUTHORIZED LEVY/ASSESSMENT</u>		
(13)	Enter total number of carry forward mills from prior year (from Prior Year's form Line 22)	10.00	10.00
(14) =(11) + (13)	Total current year authorized mill levy, including Prior Years' carry forward mills		61.66
(15) =(7) x (14)	Total current year authorized ad valorem tax revenue assessment		\$ 1,233,200
	<u>CURRENT YEAR ACTUALLY LEVIED/ASSESSED</u>		
(16)	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.)	61.66	61.66
(17) =(7) x (16)	Total ad valorem tax revenue actually assessed in current year		\$ 1,233,200
	<u>RECAPITULATION OF ACTUAL:</u>		
(18) '= (10) x (16)	Ad valorem tax revenue actually assessed		\$ 1,227,034
(19)	Ad valorem tax revenue actually assessed for newly taxable property		\$ 6,166
(20)	Ad valorem tax revenue actually assessed for Class 1 & 2 properties (net-gross proceeds)		\$ -
(21) =(18) + (19) + (20)	Total ad valorem tax revenue actually assessed in current year		\$ 1,233,200
(22) =(14) - (16)	Total carry forward mills that may be levied in a subsequent year (Number should be equal to or greater than zero. A (negative) number indicates an over levy.)		0.00

	<u>CURRENT YEAR AUTHORIZED LEVY/ASSESSMENT</u>		
(13)	Enter total number of carry forward mills from prior year (from Prior Year's form Line 22)	0.00	0.00
(14) =(11) + (13)	Total current year authorized mill levy, including Prior Years' carry forward mills		51.66
(15) =(7) x (14)	Total current year authorized ad valorem tax revenue assessment		\$ 1,033,200
	<u>CURRENT YEAR ACTUALLY LEVIED/ASSESSED</u>		
(16)	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.)	40.00	40.00
(17) =(7) x (16)	Total ad valorem tax revenue actually assessed in current year		\$ 800,000
	<u>RECAPITULATION OF ACTUAL:</u>		
(18) =(10) x (16)	Ad valorem tax revenue actually assessed		\$ 796,000
(19)	Ad valorem tax revenue actually assessed for newly taxable property		\$ 4,000
(20)	Ad valorem tax revenue actually assessed for Class 1 & 2 properties (net-gross proceeds)		\$ -
(21) =(18) + (19) + (20)	Total ad valorem tax revenue actually assessed in current year		\$ 800,000
(22) =(14) - (16)	Total carry forward mills that may be levied in a subsequent year (Number should be equal to or greater than zero. A (negative) number indicates an over levy.)		11.66



Any
Questions?
Thank you!