



Permissive Mill Levy FAQ

Overview

Montana counties use the permissive mill levy to assess annual property tax in amounts necessary to provide health insurance to their employees. As political subdivisions, conservation districts have the same authority to provide their employee(s) this benefit.

A permissive mill levy is restricted by purpose and use for group benefits such as 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. It is authorized to be levied without a taxpayer vote. However, taxpayers can participate and comment through required public meetings described below.

Authority

2-9-212, (2)(a) MCA, provides that if a political subdivision makes contributions for group benefits under 2-18-703, MCA, the amount in excess of the base contribution is not subject to the mill levy calculation limitation provided for in 15-10-420, MCA. Levies implemented must be calculated separately from the mill levies calculated under 15-10-420. The employer's contributions may exceed but may not be less than \$10 a month, 2-18-703, (4)(a).

Process & Background

Now that the board has made the decision to provide employee health benefits through a permissive mill levy, the following timeline must be considered:

BASE YEAR

- 1. A base year must be established.
- 2. How to set a base year: The conservation district pays employee(s) a medical stipend or benefit beginning July 1 for at least one year.
- 3. The amount may exceed but may not be less than \$10 a month.
- 4. Once established, the base year does not change.

SUBSEQUENT YEARS

- 1. Discussions held at a regular board meeting to determine the costs and estimate the tax implications.
- 2. Only include positions for those employees employed *on July 1*. You can <u>budget</u> for vacant positions; however, you can only calculate and submit the permissive levy for filled position(s).
- 3. Each year prior to implementing a permissive mill levy, the public is invited to attend a noticed public hearing.

Public Notice & Meetings

Each year prior to implementing a levy, notice of the hearing must be <u>published twice at least 6 days apart</u> in a newspaper of general circulation, published at least once a week, in the county where the hearing will take place. The meeting notice must include:

- Date, time, and place of meeting
- Brief statement of action to be taken
- Address and telephone number of person to be contacted.
- Maintain proof of publications¹





Board discusses implementation, calculates costs, votes on implementation



Submit the Determination of Permissive Levy for Group Benefits form to the County

Board discusses permissive mill levy

¹ Reference 7-1-2121, MCA Publication and Content of Notice, Proof of Publication





Each conservation district must provide adequate notice for public participation before a final action that is of a significant interest to the public is taken. Reference 2-3-103(1)(a), MCA Public Participation

A board meeting agenda should be published prior to the meeting.

Agenda Items:

- Date, time, and place of meeting
- Topic for discussion
- Public comments
- Vote on approval of agenda item.

Prior to June 1

• The county clerk and recorder <u>should</u> notify the conservation district that they are required to file preliminary budget proposal in July. Reach out to the clerk and recorder if you haven't received a notification.

June

• Have a discussion at a regular board meeting to determine the costs and estimate the tax implications for a permissive mill levy. This should be documented in the meeting minutes.

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- On or before the 1st Monday of July, provide an estimate in writing of the amount of money to be raised by assessment which is needed for the fiscal year. **Use MACo's Determination of Permissive Levy for Group Benefits Worksheet**: Go to: www.mtcounties.org/resources-data/. Scroll down to Budget Resources, Calculation Forms.
- Submit prepared documents to the County.
- Prepare preliminary mill levy determination, **permissive mill levies determination**, and letter requesting maximum mill levies documents for the County
- Hold a public hearing for public comments for the implementation of the permissive mill levy. The hearing must be noticed twice, six days apart.

August

- Make final adjustments to the mill levy determination with receipt of Certifiable Taxable Value from Department of Revenue (usually mailed by August 1)
- Submit mill levy and **permissive mill levy determination** forms to the County.
- Submit letter requesting maximum mills to the County.

Sept/Oct

• County submits a final budget to the department of administration by the later of October 1 or 60 days after receipt of taxable values from the department of revenue.

December

 Mill levy funds become available to the conservation district (this varies, please check with your county)