



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.

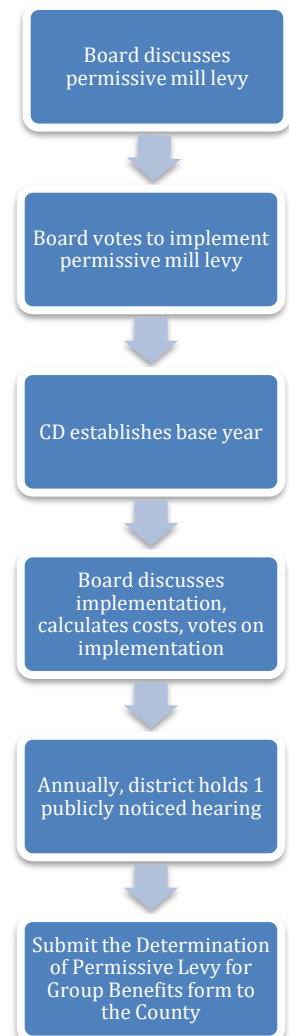
SUBSEQUENT YEARS

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 budget 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 published twice at least 6 days apart 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



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.

