

MONTANA VOTED LEVIES REQUIRE MAJORITY VOTE

Section [15-10-425](#) authorizes a taxing entity to:

- impose a new mill levy;
- increase a mill levy that is required to be submitted to voters; or
- exceed the limit provided for in [15-10-420](#) by conducting an election.

A majority vote of the qualified electors voting in the election is required for approval.

The governing body must pass a resolution, amend its self-governing charter, or receive a petition indicating the intent to impose a new mill levy, increase a mill levy, or exceed the limit provided in [15-10-420](#). The resolution, charter or petition must contain:

- the specific purpose for which the money will be used;
- the specific amount of money and approximate mills to be imposed or the specific number of mills and approximate amount of money to be imposed; and
- whether the levy is permanent or the durational limit.

The ballot must include the additional property taxes that would be imposed if the levy is approved on homes valued at \$100,000, \$300,000, and \$600,000, and a statement that “an increase in property taxes may lead to an increase in rental costs.”

A governing body may reduce a voted levy in a year without losing the authority to levy the full amount in a future year.

INFORMATION ON VOTED LEVIES LACKING

State law, in [15-16-101](#), requires property tax bills to indicate which levies are voted levies. However, data on voted levies is not collected at the state level.

The Legislative Fiscal Division is working with organizations that represent local governments to identify voted levies as a part of future property tax data collection.

SAMPLE MONTANA VOTED LEVIES

VOTED LEVY SPECIFYING NUMBER OF MILLS

LEVY ELECTION
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. ☐ FOR THE LEVY ☐ AGAINST THE LEVY This 2023 levy for the St. Ignatius Rural Fire District in Lake County asks voters to approve 6.19 mills for 7 years to support district operations.

BALLOT ISSUES
CITY OF LAUREL EMERGENCY SERVICES MILL LEVY ELECTION (VOTE IN ONE OVAL) Shall the City Council of the City of Laurel, Montana be authorized to impose a new mill levy of 50.06 mills (or approximately \$450,000 annually) to fund emergency services, including hiring an anticipated 2-3 additional EMS providers, increasing wages for existing EMS providers, paying EMS Volunteers additional compensation for their hours of service, and funding training and ancillary operational costs. The foregoing mill levy is permanent and in addition to any other mill levy authorized by Charter or law. The impact of the Levy on a residential home will be as follows: 1) for a home valued for property tax purposes at One Hundred Thousand Dollars (\$100,000), the additional property taxes that will be imposed are Five Dollars and Sixty Three Cents (\$5.63) per month, adjusted as permissible by law; 2) for a home valued for property tax purposes at Two Hundred Thousand Dollars (\$200,000), the additional property taxes that will be imposed are Eleven Dollars and Twenty-Six Cents (\$11.26) per month, adjusted as permissible by law; 3) for a home valued for property tax purposes at Three Hundred Thousand Dollars (\$300,000), the additional property taxes that will be imposed are Sixteen Dollars and Eighty-Nine Cents (\$16.89) per month, adjusted as permissible by law; and 4) for a home valued for property tax purposes at Six Hundred Thousand Dollars (\$600,000), the additional property taxes that will be imposed are Thirty-Three Dollars and Seventy-Eight Cents (\$33.78) per month, adjusted as permissible by law. An increase in property taxes may lead to an increase in rental costs.

☒ YES -- FOR AUTHORIZING THE CITY OF LAUREL TO EXCEED THE STATUTORY MILL LEVY PROVIDED FOR IN MONT. CODE ANN. § 15-10-420 BY PERMANENTLY AND ANNUALLY LEVYING UP TO 50.06 MILLS (APPROXIMATE CURRENT VALUE OF \$450,000 FOR CITY OF LAUREL EMERGENCY SERVICES) FOR THE PURPOSES OF IMPROVING EMS SERVICES

☐ NO -- AGAINST AUTHORIZING THE CITY OF LAUREL TO EXCEED THE STATUTORY MILL LEVY PROVIDED FOR IN MONT. CODE ANN. § 15-10-420 BY PERMANENTLY AND ANNUALLY LEVYING UP TO 50.06 MILLS (APPROXIMATE CURRENT VALUE OF \$450,000 FOR CITY OF LAUREL EMERGENCY SERVICES) FOR THE PURPOSES OF IMPROVING EMS SERVICES

This **2023 City of Laurel levy** requests 50.06 mills for a detailed list of emergency services purposes.

FIRE DISTRICT BALLOT ISSUES
CENTRAL VALLEY FIRE DISTRICT MILL LEVY ELECTION (VOTE IN ONE OVAL) Shall the Board of Trustees of the Central Valley Fire District (the "District") be authorized to levy up to 30 mills per year in perpetuity to raise approximately \$3,348,554 dollars per year based on current property valuations for the purposes of funding increased operating and staffing costs for emergency response? An increase in property taxes may lead to an increase in rental costs. Using current assessed values of taxable property in the District, property taxes on a home in the District valued at \$100,000 would be approximately \$40.50 per year, on a home in the District valued at \$300,000 would be approximately \$121.50 per year, and on a home in the District valued at \$600,000 would be approximately \$243.00 per year. ☐ Mill Levy - YES ☐ Mill Levy - NO This 2023 levy for the Central Valley Fire District in Gallatin County requests a permanent levy of up to 30 mills to fund operating and staff costs for emergency response.

VOTED LEVY SPECIFYING DOLLAR AMOUNT

BALLOT ISSUES
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. SHALL THE PROPOSITION TO RENEWAL OF SPECIAL DISTRICT NO. 1 BE ADOPTED AND SHALL THE SPECIAL ASSESSMENT BE LEVIED FOR FIVE YEARS UP TO A LIMIT OF \$50,000 PER YEAR? ☐ FOR ☐ AGAINST

This 2023 levy for the Town of Plains asks voters to approve up to \$50,000 annually for 5 years to fund street maintenance, construction, and reconstruction.

In 2017, Lewis and Clark County voters approved a levy for the operation and maintenance of the county detention center that referenced 15-10-420. The 15-year levy requested \$4 million in 2017 and annual inflationary and newly taxable growth under 15-10-420 in subsequent years.

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. ☐ MILL LEVY - YES ☐ MILL LEVY - NO

MOST STATES REQUIRE MAJORITY FOR MAXIMUM LEVY OVERRIDE

Using available data¹ on maximum levy override processes indicates that most states likely require a majority vote to enact a voted levy. Voter threshold requirements for the override of levy limits serve as a reasonable proxy for voted levy requirements. The thresholds are likely the same, otherwise voters could use a voted levy to fund the amount of revenue above the maximum levy amount.

Of the 36 states with levy limits, 24 provide for an override process that allows for a vote of the electorate.

19 states require a majority vote

- Arizona, Colorado, Connecticut, Illinois, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, Pennsylvania, Rhode Island, South Dakota, Texas, Washington, Wisconsin

3 states have vote requirements that vary

- Idaho allows a city or county to permanently override the maximum levy with a 66% vote, a county to exceed the maximum for up to 2 years with a majority vote, and a city to raise its levy to 4 mills with a 60% vote.
- Mississippi cities and counties may increase the maximum levy for up to 5 years with a majority vote and school districts may increase the levy limit with a 60% vote.
- North Dakota's vote requirement is based on the size of the school district: more than 4,000 people requires a majority, fewer than 4,000 requires a 55% vote.

2 states require a 60% vote

- New Jersey, New York (school districts)

PROPOSED CHANGES TO MONTANA VOTED LEVIES

The table on the next page shows proposed changes to voted levy laws in Montana in the 2023 legislative session.

Other possible changes mentioned during interim committee discussion or in public comment include:

1. Subjecting voted levies to the maximum mill levy calculation in 15-10-420
2. Requiring voted levies to be stated as a dollar amount (not a number of mills)
3. Requiring a supermajority to approve voted levies

¹ Significant Features of the Property Tax. <https://www.lincolinst.edu/research-data/data-toolkits/significant-features-property-tax/access-property-tax-database/tax-limits-truth-in-taxation> Lincoln Institute of Land Policy and George Washington Institute of Public Policy. (Tax Limits and Truth in Taxation; accessed: 11/27/2023 10:11:39 AM).

2023 VOTED LEVY LEGISLATION

Bill Number	Sponsor	Description	Outcome
HB 206	Rep. Ron Marshall	- Limit most voted levies to 5 years - Require 50% turnout and majority vote	Tabled - (H) State Administration
SB 125	Sen. Greg Hertz	Limit most voted levies to 5 years	Tabled - (S) Taxation
SB 251	Sen. Greg Hertz	Terminate most voted levies on 12/31/27 (subject to reapproval)	Tabled - (S) Taxation
SB 291	Sen. Greg Hertz	- Revise bond elections to require 60% approval for turnout of >30% and <40% and rejection of bond if turnout is <30% - Applies to cities, urban renewal general obligation bonds, smoke abatement, airport authorities, and conservation districts	Tabled - (S) Taxation
SB 292	Sen. Greg Hertz	Revise mill levy election requirements to require 60% approval for turnout of >30% and <40% and rejection of levy if turnout is <30%	Tabled - (S) Taxation