

# Residential Property Taxes

MARA Committee  
October 16, 2023

# Key Takeaways

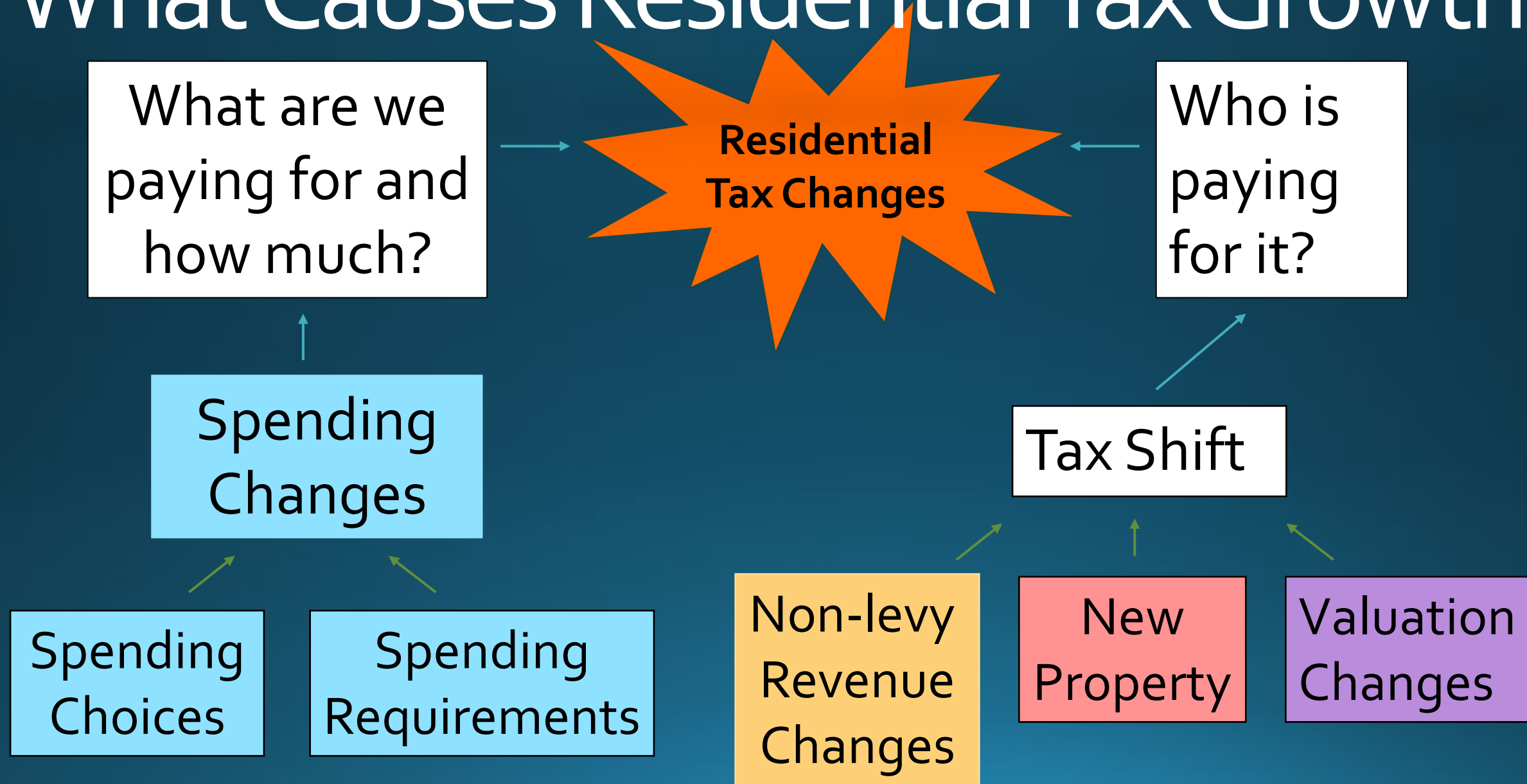
## Big Picture Questions:

- Spending differences: Where does variability come from?
- Spending changes: What's been growing?
- Tax shifts: Who is paying?
- Local decisions: Is it a choice? Need?
- Is it more important to pay the same amount or the same rate?

## Bottom Line Up Front:

- FY 2024 has unusually large residential taxable value growth
- Effective tax rates and the number of mills levied vary due to differences in the tax base, local decisions, and other sources of revenue
- Growth is generally a function of formulaic budget growth, new property, school funding needs, and local decisions
- Tax shifts to residential property in FY 2024 are partially due to static mills and taxable value changes in other tax classes
- Not one story

# What Causes Residential Tax Growth?



## FY 2023 Residential Effective Tax Rate by Levy District

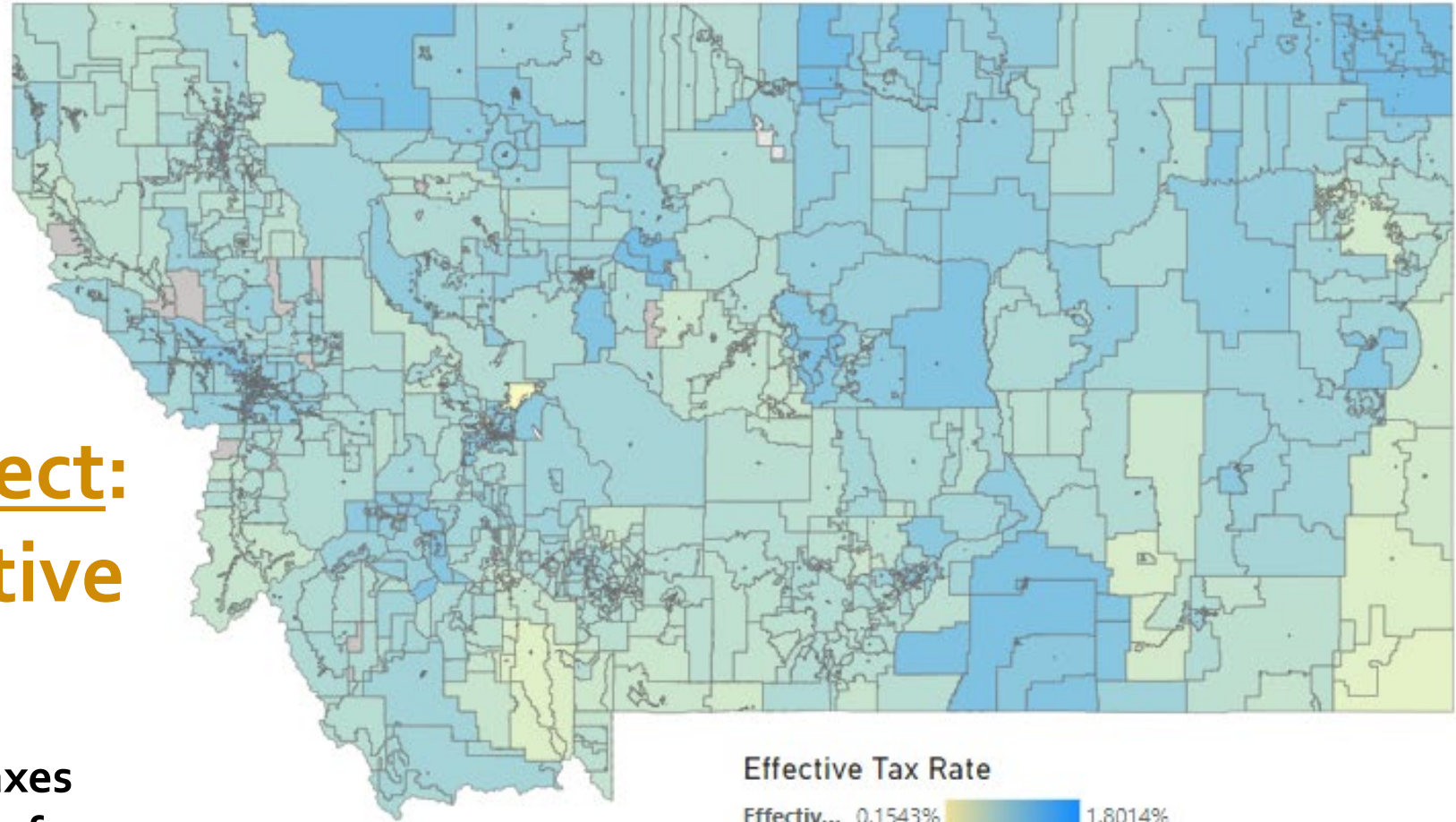
Statewide Average

**0.7852%**

Effective Tax Rate

**Cause and Effect:  
Varying effective  
tax rates**

Effective Tax Rate – taxes  
paid as a proportion of  
property value





# Mills vs. Effective Tax Rate (ETR)

- 1 mill is equal to \$1 in property tax levied per \$1,000 of a property's **taxable value**
- The **effective tax rate** measures taxes paid against the **assessed value** of a property

## Taxpayer

\$375,000  
assessed  
home

\$506 taxes  
paid

## Mills

Assessed Value  $\times$  Tax Rate = Taxable Value  
 $\$375,000 \times 0.0135 = \$5,062.5$

Taxes Paid  $\div$  Taxable Value  $\times 1000$  = Mills  
 $\$506 \div \$5,062.5 \times 1000 = 100$

**Mills = 100**

## ETR

Taxes Paid  $\div$  Assessed Value =  
ETR

$\$506 \div \$375,000 = 0.135\%$

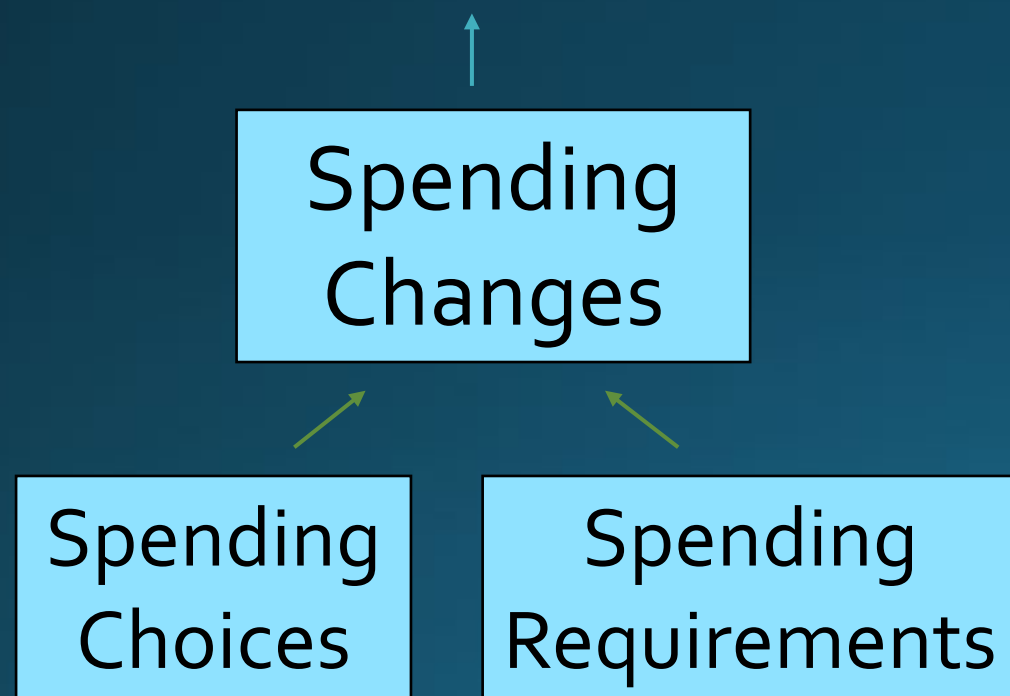
**ETR = 0.135%**

# Causes of Differences between County Effective Tax Rates (ETRs)

	Low Values	High Values
Low Spending	Mid ETR	Low ETR
High Spending	High ETR	Mid ETR

# What Causes Residential Tax Growth?

What are we paying for and how much?



# Non-voted vs. Voted Mills

## Non-voted Mills

➤ These mills can be adjusted to meet budgets without requiring a vote

- **Most mills are subject to 15-10-420, MCA**

- General government, solid waste, parks, retirement, sheriff, insurance, etc.
- Budgets before 2000 (when 15-10-420, MCA took effect) were grandfathered in
- Existing budget increases by half of the rate of inflation and mills are adjusted accordingly to meet that budget

- **Other mills are NOT subject to 15-10-420, MCA**

- Required school mills
  - ex: school district general fund BASE budget, countywide retirement and transportation, school district transportation
- Permissive school mills
  - ex: school district bus deprecation, adult education tuition, flexibility (transformational learning aid), and building reserve (some voted, some non-voted mills) funds

# Non-voted vs. Voted Mills

## Voted Mills

- Levies approved by the voters to provide additional services or pay off debts
  - Local government mills
    - ex: building bonds, public safety, land maintenance
  - Voted school mills
    - ex: general fund over-BASE budget, technology funds, building reserve funds
    - Hybrid of voted and permissive mills
  - MCA 15-10-425 allows mill levies to exceed the statutory limits set in 15-10-420
  - **Some voted levies are for a specific number of mills**
    - ex: 6 mill levy for the MUS, voted on every 10 years
  - **Some voted levies are for a fixed dollar amount**
    - ex: school district debt service fund for \$35,000
  - **Difficult to track on a statewide basis**

# Non-voted Mills

➤ Can be adjusted to meet budgets without requiring a vote

## Park County



- 70.03 non-voted levies in FY 2023
  - General, bridges, fair, airport, etc.

## Dawson County



- 132.53 non-voted levies in FY 2023 for both city and county residents
  - General, bridges, airport, insurance, libraries, etc.



\$375,000 assessed home: ~\$355  
Median assessed home  
(\$297,000, FY23): ~\$265



\$375,000 assessed home: ~\$670  
Median assessed home  
(\$123,000, FY23): ~\$220



# Voted Mills

➤ Previously approved in an election

## Park County



- 24.32 voted mills in FY 2023
- Library, Ambulance, Search and Rescue, and Transportation

## Dawson County



- 21.7 voted levies in FY 2023
- Weed, Mosquito, Library, Sr. Citizens, and Economic Development

**Local decisions play a large role here. Jurisdictions typically pay for new buildings or services through voted mills**

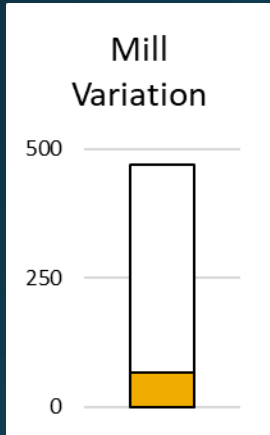


\$375,000 assessed home: ~\$120  
Median assessed home  
(\$297,000, FY23): ~\$100



\$375,000 assessed home: ~\$110  
Median assessed home  
(\$123,000, FY23): ~\$35

## School District General Fund BASE Mills

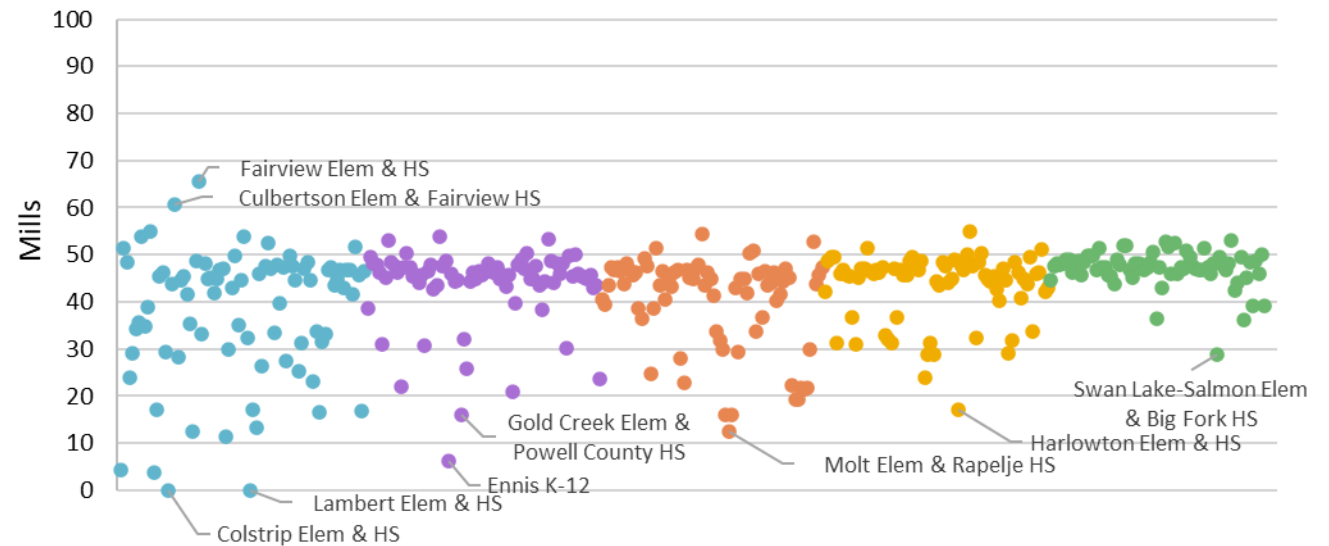


In general, fewer mills are required for counties with high taxable value, low numbers of students, or other funding sources

- School district general fund mills for the BASE budget are required mills (non-voted) levied at the school district level



School district general fund BASE mills by region for FY 2023:  
eastern, southwest, south central, north central, & northwest



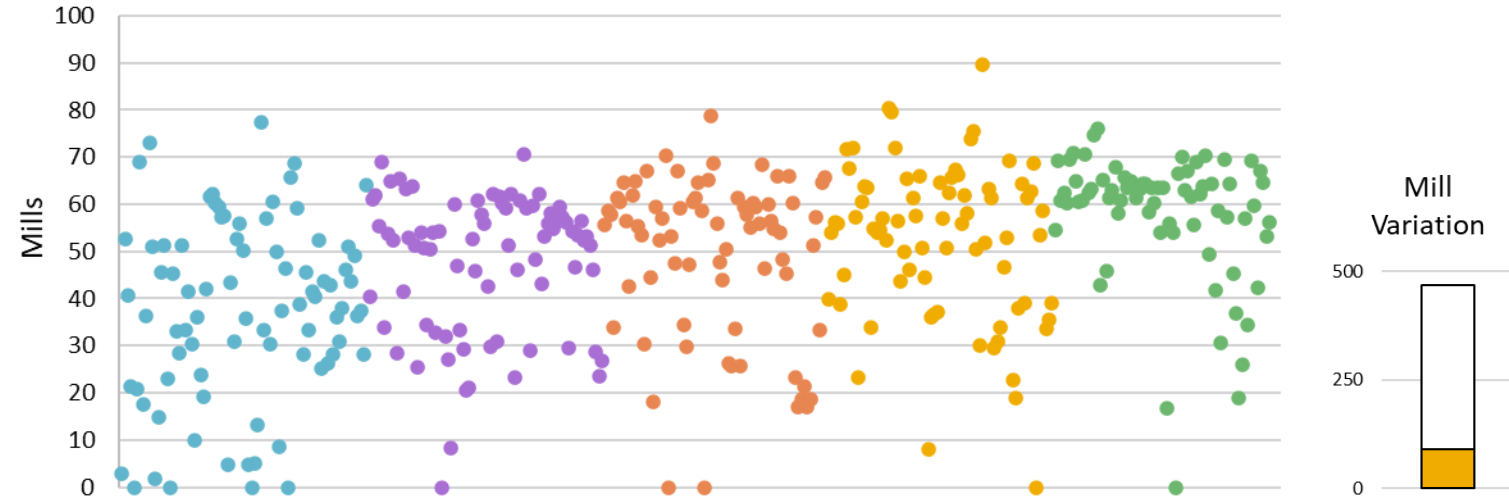
Each point on the scatterplot represents the total school district general fund BASE mills for an overlapped elementary & high school district or a K-12 district.

## School District General Fund BASE Mills

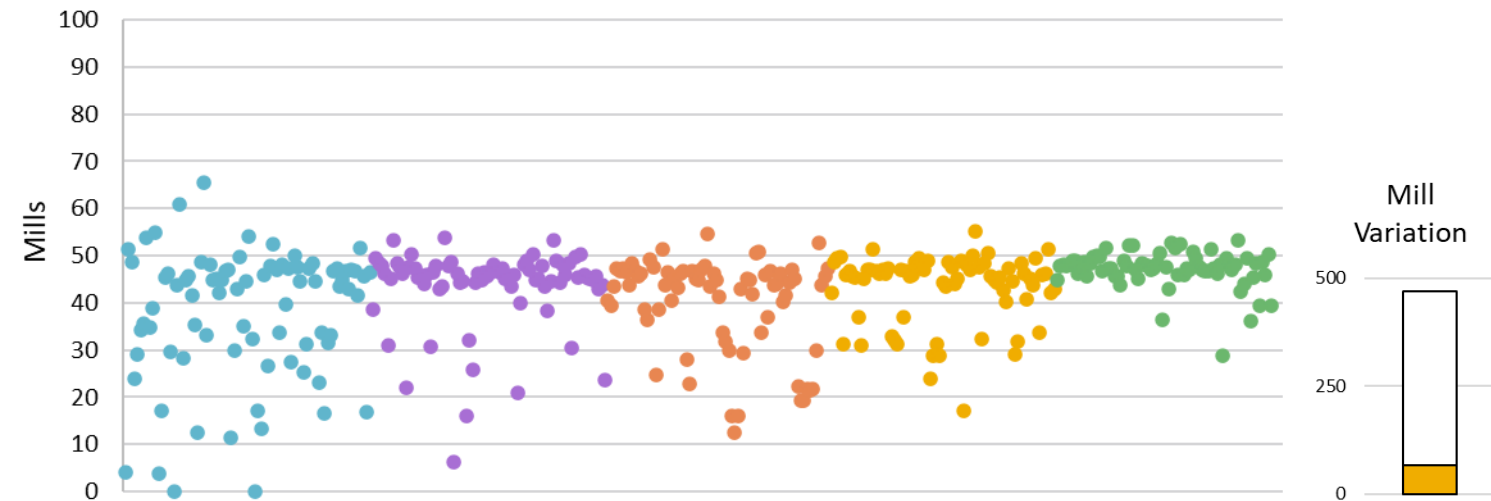
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- School district general fund mills for the BASE budget are required mills (non-voted) levied at the school district level
- **Increased school equalization funding from the state has decreased the overall variability of these mills**

School district general fund BASE mills by region for FY 2017:  
eastern, southwest, south central, north central, & northwest



School district general fund BASE mills by region for FY 2023:  
eastern, southwest, south central, north central, & northwest



Each point on the scatterplot represents the total school district general fund BASE mills for an overlapped elementary & high school district or a K-12 district.

# School District General Fund BASE Mills

- School district general fund BASE budget mills vary based on taxable value and number of students, but **increased school equalization funding from the state has decreased the overall variability of these mills**

## Blaine County



- Chinook Elem District & Chinook HS District
- **46.63** combined district general fund BASE budget mills in FY 2023

**Very similar mills  
despite differing  
tax bases**



\$375,000 assessed home: ~\$235  
Median assessed home  
(\$83,000, FY23): ~\$50

## Missoula County



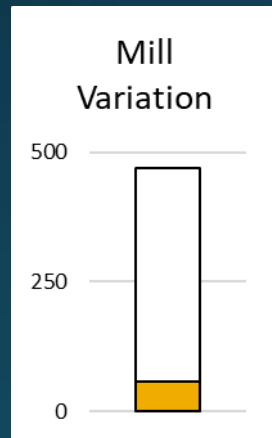
- Missoula Elem District & Missoula HS District
- **47.47** combined district general fund BASE budget mills in FY 2023



\$375,000 assessed home: ~\$240  
Median assessed home  
(\$316,000, FY23): ~\$200

# Countywide School Retirement Mills

These mills depend on taxable value and student enrollment

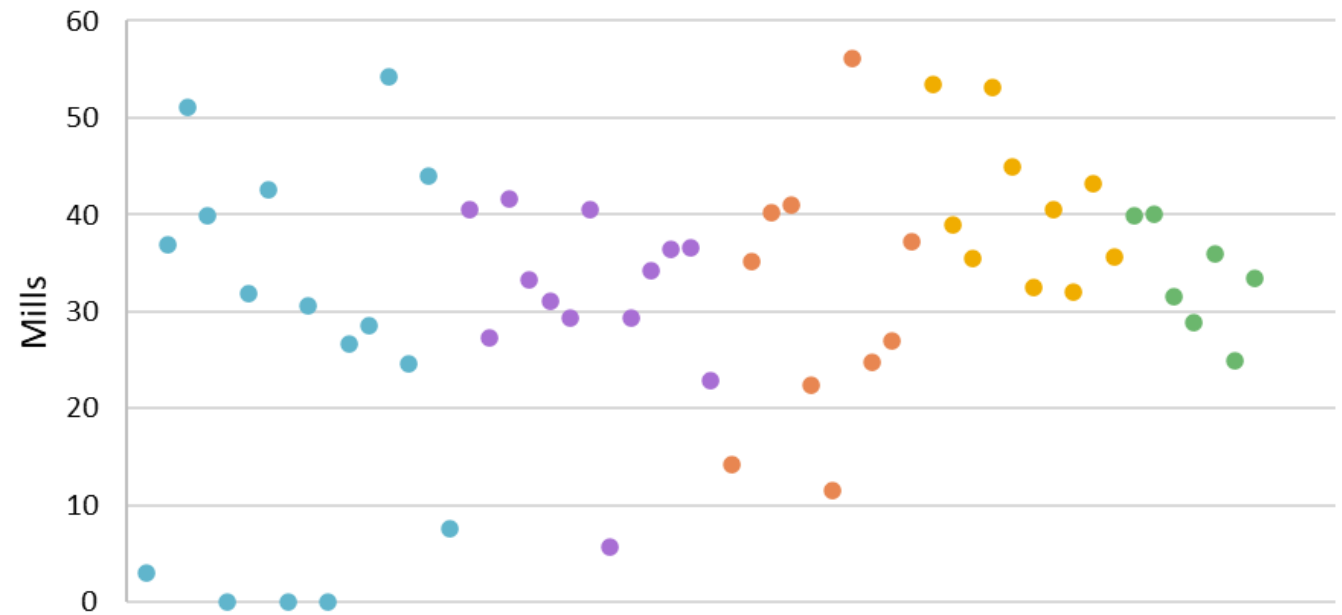


- School retirement mills are required mills (non-voted) levied at the countywide level



Countywide school retirement mills by region for FY 2023:

eastern, southwest, south central, north central, & northwest



### Mill Variation

Category	Value
Mill Variation	~50

- 
- A map of Montana showing its 56 counties, color-coded into five regions. The Northwest region (green) includes Lincoln, Flathead, Sanders, Lake, Mineral, and Missoula. The North Central region (yellow) includes Glacier, Toole, Liberty, Hill, Blaine, Phillips, Pondera, Teton, Cascade, Chouteau, Judith Basin, Fergus, Petroleum, and Garfield. The Northeast region (light blue) includes Daniels, Sheridan, Valley, Roosevelt, McCone, Richland, Dawson, Prairie, Wibaux, Rosebud, Treasure, Custer, Fallon, Powder River, and Carter. The South Central region (orange) includes Meagher, Wheatland, Golden Valley, Musselshell, Yellowstone, Stillwater, Sweet Grass, Carbon, Big Horn, and Beaverhead. The Southwest region (purple) includes Granite, Powell, Lewis and Clark, Broadwater, Jefferson, Gallatin, Deer Lodge, Silver Bow, Madison, Park, and Ravalli.

Scatter plot showing the number of mills (Y-axis, 0 to 60) for various Montana counties (X-axis). The data points are colored by county group: blue for Daniels, Sheridan, Dawson, Custer, Garfield, Prairie, Rosebud, Roosevelt, Treasure, and Richland; purple for Valley, Beaverhead, Granite, Broadwater, Jefferson, Madison, and Powell Park; orange for Petroleum, Blaine, Glacier, Golden Valley, Hill, Teton, Phillips, Flathead Lake, Missoula, Sanders, Fergus, Carbon, Chouteau, Yellowstone, Toole, Lincoln, Mineral, Ravalli, Stillwater, Judith Basin, Sweet Grass, Musselshell, Big Horn, and Wibaux. The plot shows a wide distribution of millage rates across the state, with some counties like Petroleum and Blaine having very high rates (around 55-56 mills) and others like Richland having very low rates (around 1 mill).



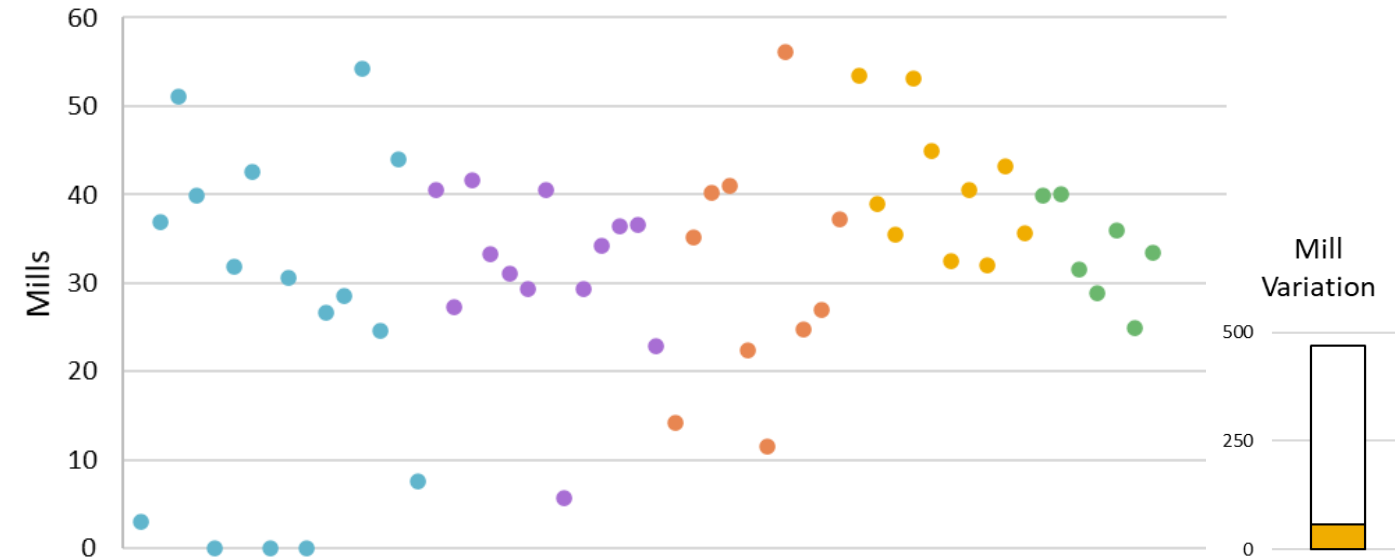
# Countywide School Retirement Mills

These mills depend on taxable value and student enrollment

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- **State retirement GTB aid will increase beginning in FY 2025 (HB 587), which should decrease the variability in these mills**

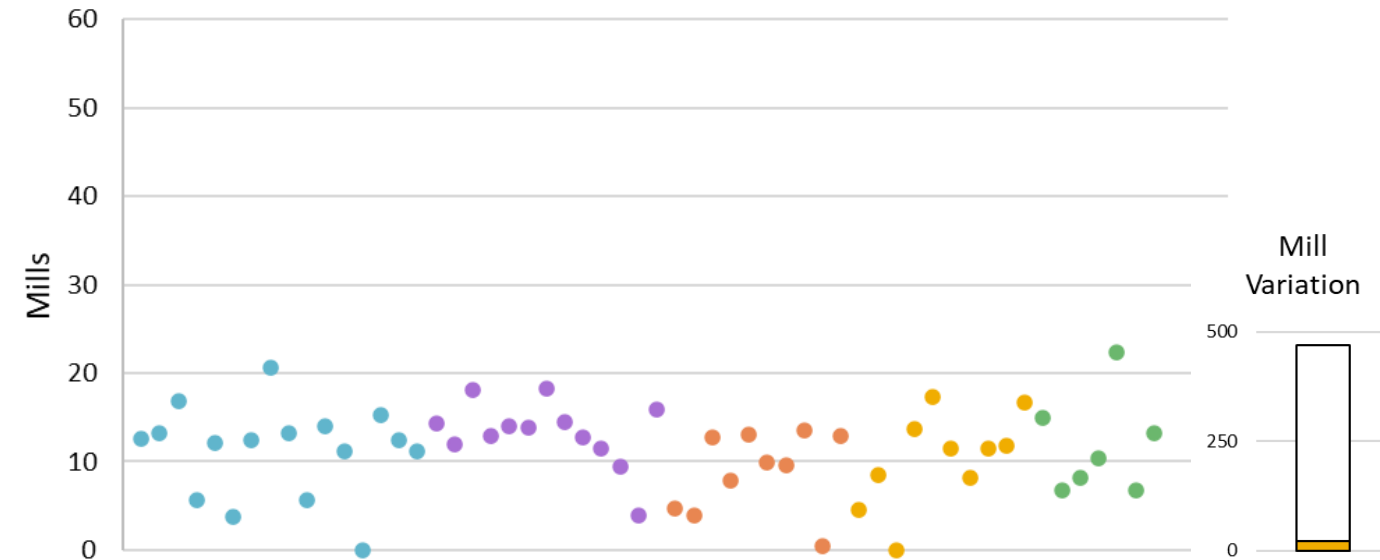
Countywide school retirement mills by region for FY 2023:

eastern, southwest, south central, north central, & northwest



Projected countywide school retirement mills by region for FY 2027:

eastern, southwest, south central, north central, & northwest



# Countywide School Retirement Mills

➤ These mills depend on taxable value and student enrollment.

## Blaine County



- 53.39 Mills in FY 2023
- 1,420 ANB (enrollment) for FY 2023
- Less taxable value means more mills

Statewide Median	Statewide Average	Selected County Mills
33.34 <small>Median Mills 2023</small>	31.79 <small>Avg. Mills 2023</small>	53.39 <small>Retirement Mills 2023</small>
27.04 <small>Median Mills 2024 1.21</small>	24.85 <small>Avg. Mills 2024 1.21</small>	35.68 <small>Est. Mills 2024 1.21</small>
18.84 <small>Median Mills 2025 1.89</small>	17.03 <small>Avg. Mills 2025 1.89</small>	23.33 <small>Est. Mills 2025 1.89</small>



\$375,000 assessed home: ~\$270  
Median assessed home  
(\$83,000, FY 2023): ~\$60

## Missoula County



- 35.99 Mills in FY 2023
- 15,215 ANB (enrollment) for FY 2023
- Even with more students, more taxable value overall spreads costs out

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18.84 <small>Median Mills 2025 1.89</small>	17.03 <small>Avg. Mills 2025 1.89</small>	19.60 <small>Est. Mills 2025 1.89</small>



\$375,000 assessed home: ~\$180  
Median assessed home  
(\$316,000, FY 2023): ~\$155

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The variation in these mills should decrease with the increased retirement GTB ratio in FY 2025 (HB 587)

## Other Non-voted School District Mills

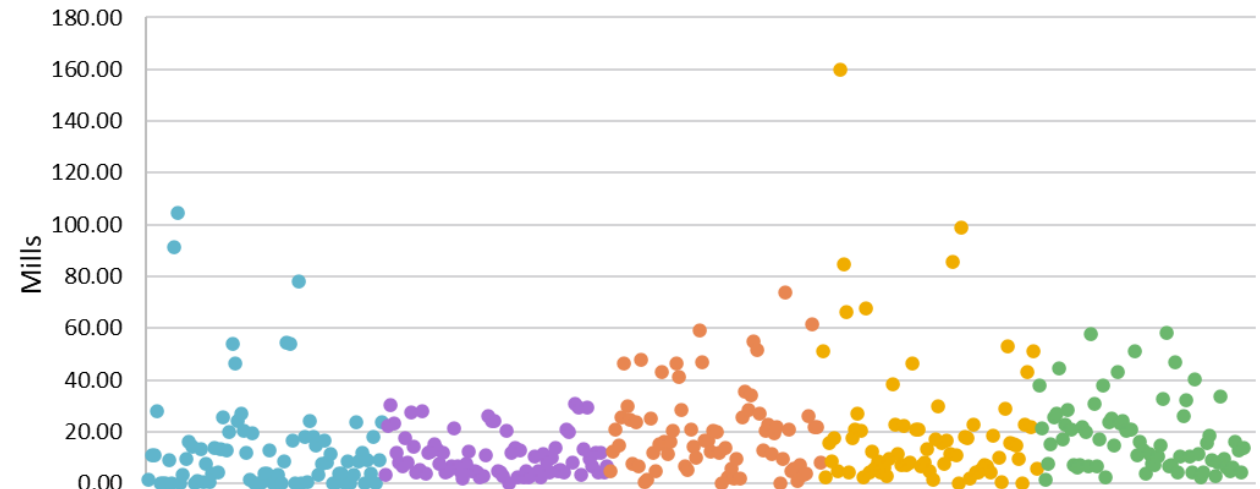
These mills are less varied because they are permissive mills

- Bus depreciation, adult education, and tuition are funded with district levies only
- The flexibility account is funded with transfers, grants, and a limited district levy to supplement transformational learning aid



School district permissive mills by region for FY 2023:

eastern, southwest, south central, north central, & northwest



Each point on the scatterplot represents the total permissive school district mills for an overlapped elementary & high school district or a K-12 district. Permissive mills on this chart include those for bus depreciation, adult education, tuition, and flexibility. Building reserve has both permissive and voted mills, but is included with voted mills for this presentation.

The combined mills for Rocky Boy Elem & Rocky Boy HS are excluded from this plot as an outlier which levied 742 mills

## Other Non-voted School District Mills

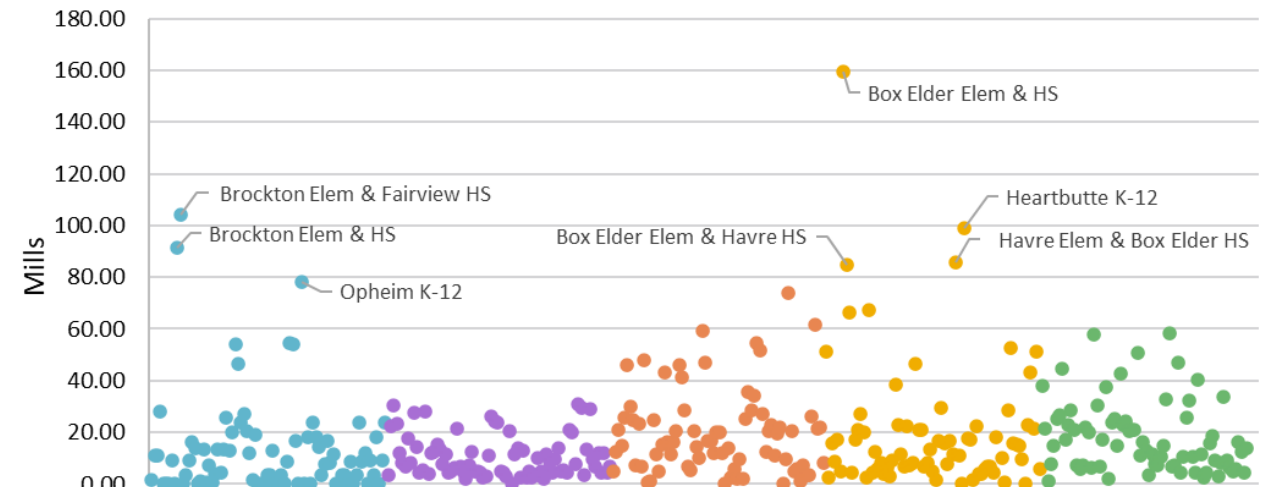
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# Other Non-voted School District Mills

- Non-voted school district mills (other than the school district general fund BASE mills) vary based on the needs of individual school districts and the taxable base (taxable value) available to support those needs

## Pondera County



- Heartbutte K-12 District
- 98.80 district mills (all for bus depreciation) in FY 2023



\$375,000 assessed home: ~\$500  
Median assessed home  
(\$114,000, FY23): ~\$150

## Missoula County



- Missoula Elem District & Missoula HS District
- 13.00 combined district mills (10.44 for tuition and 2.56 for adult education) in FY 2023



\$375,000 assessed home: ~\$65  
The median assessed home  
(\$316,000, FY23) : ~\$55

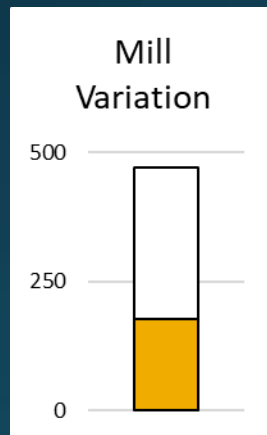


## Other Voted School District Mills

These mills have some variability due to being voted mills.

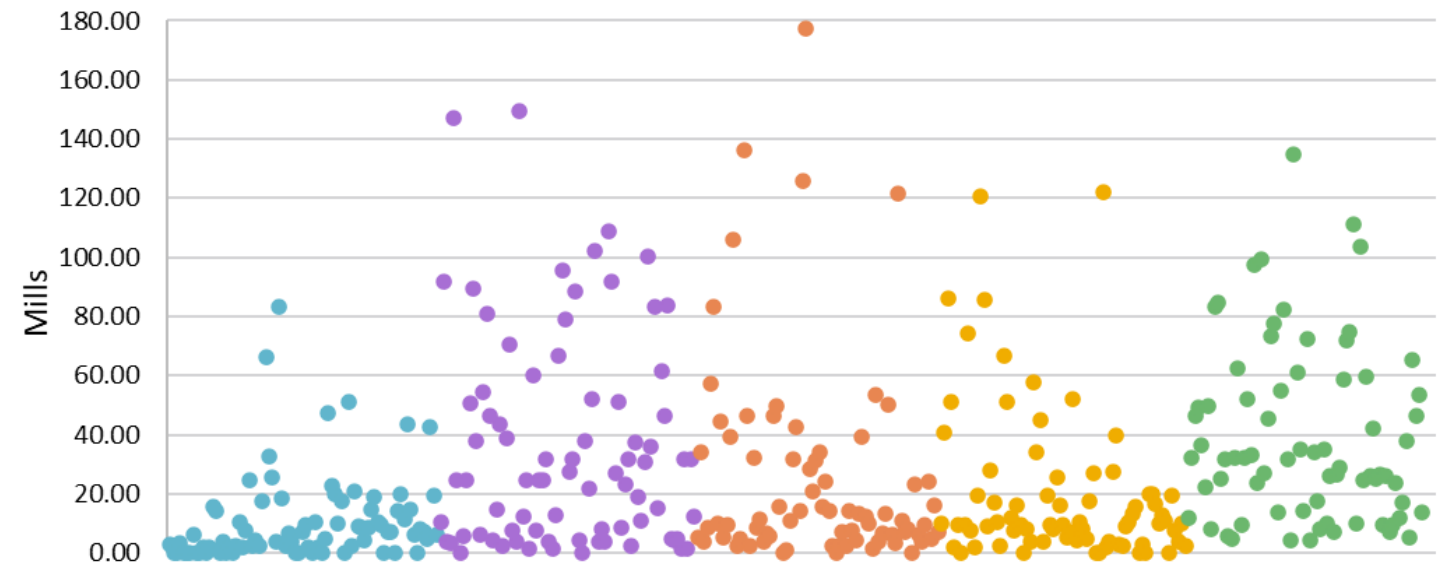
Despite being voted levies, there are some state funding mechanisms available

- Debt service is funded with district levies and state debt service assistance
- Building reserve (which also includes some non-voted levies) is funded with district levies and state major maintenance aid
- The technology account is funded with district levies and the state tech payment



School district voted mills by region for FY 2023:

eastern, southwest, south central, north central, & northwest



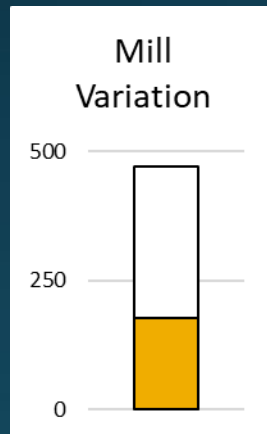
Each point on the scatterplot represents the total voted school district mills for an overlapped elementary & high school district or a K-12 district. Voted mills on this chart include those for debt service, technology, and building reserve (which has permissive mills as well).

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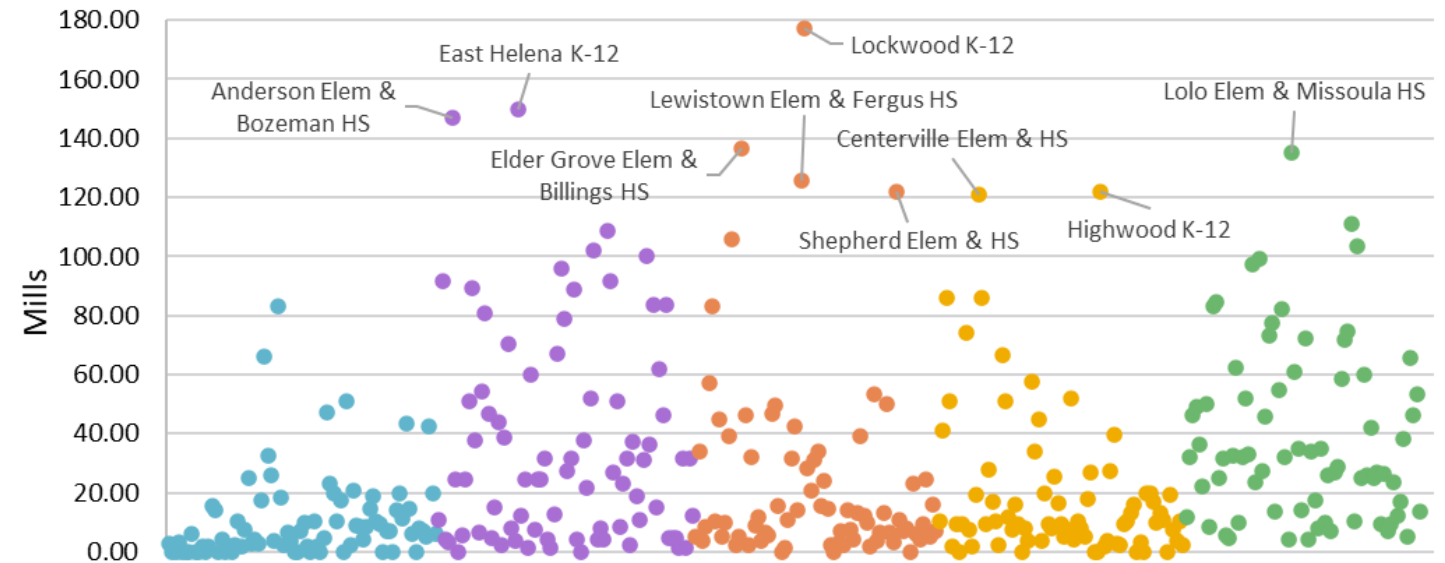
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# Other Voted School District Mills

- Local decisions (especially for large bonds such as one for a new school building) are a large source of variation in local mills

## Jefferson County



- Cardwell Elem District & Whitehall HS District
- No new school building
- 4.49 combined district voted mills in FY 2023
  - 1.94 for technology, **0.00 for debt service**, and 2.55 building reserve

## Lewis & Clark County



- East Helena K-12 District
- Built a new high school in 2019
- 149.69 district voted mills in FY 2023
  - 4.10 for technology, **141.39 for debt service**, and 4.20 for building reserve



\$375,000 assessed home: ~\$20  
Median assessed home  
(\$270,000, FY23): ~\$15



\$375,000 assessed home: ~\$760  
Median assessed home  
(\$248,000, FY23): ~\$500

# Other Voted School District Mills

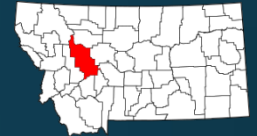
- Local decisions (especially for large bonds such as one for a new school building) are a large source of variation in local mills

## Gallatin County



- Monforton Elem District & Bozeman HS District
- Built a new high school in 2020
- 92.78 local school mills for debt service in FY 2023

## Lewis & Clark County



- East Helena K-12 District
- Built a new high school in 2019
- 141.39 local school mills for debt service in FY 2023



\$375,000 assessed home: ~\$470  
Median assessed home  
(\$420,000, FY23): ~\$525



\$375,000 assessed home: ~\$715  
Median assessed home  
(\$248,000, FY23): ~\$475

# Other Voted School District Mills

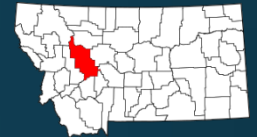
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### Local decisions: need or choice?

- **Bozeman is experiencing high population growth. Is a new high school a need or a choice?**
- **East Helena is not experiencing the same high growth as Bozeman. Is a new high school a need or a choice?**



# How do local government mills vary, and what is the source of that variability?

- Local decisions:  
What is a local need  
vs. a local choice?





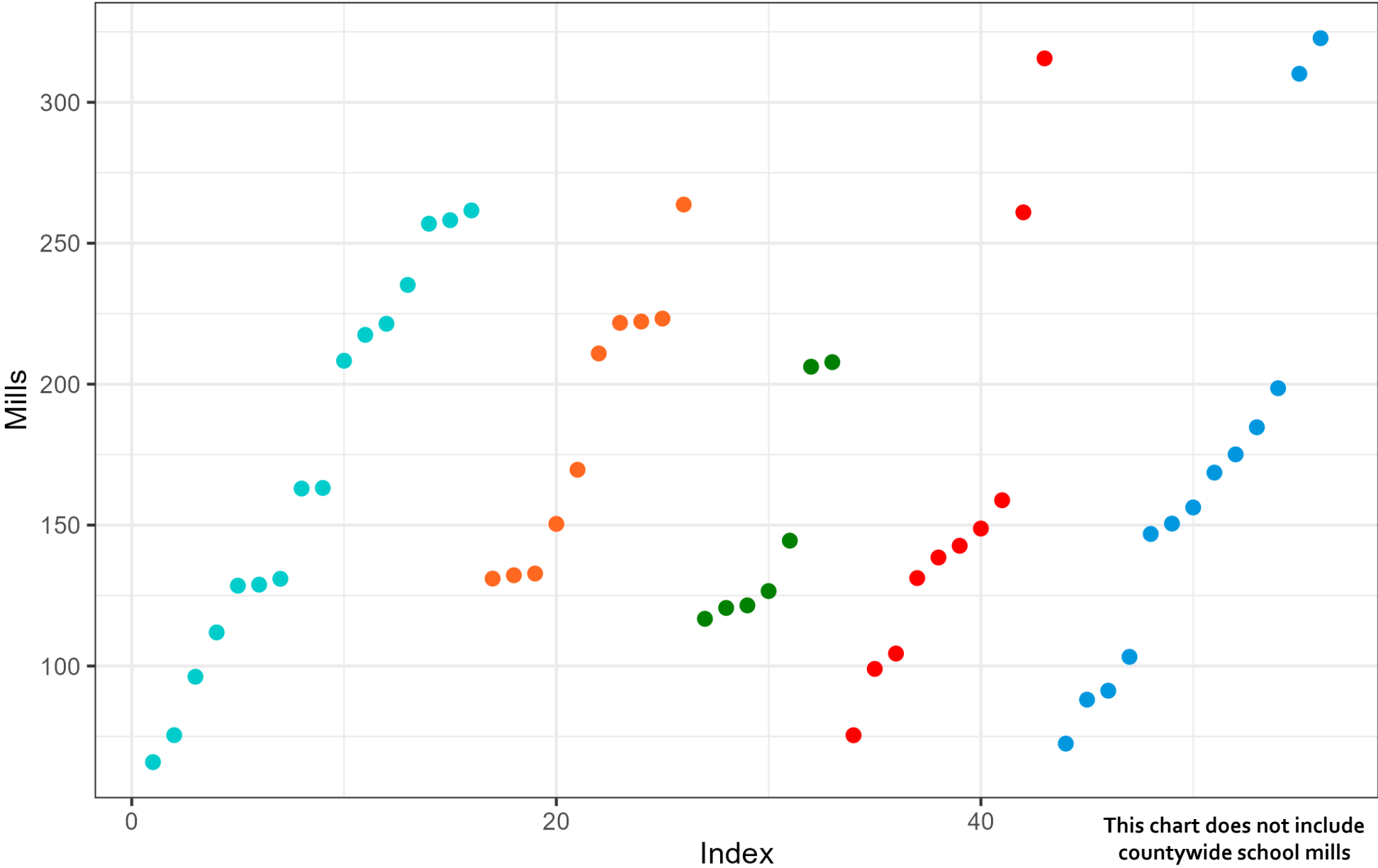
# Countywide Mills & Taxes

## Local decisions: need or choice?

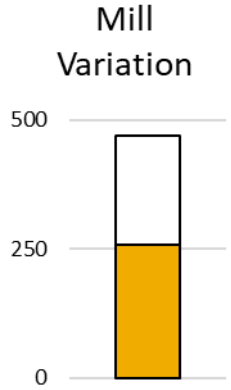
- Countywide mills fund many functions such as courts, bridges, libraries, health & sanitation, weed control, etc.
- Counties may fund non-essential functions such as public transportation and economic development

Total Countywide Mills by County and Economic Region

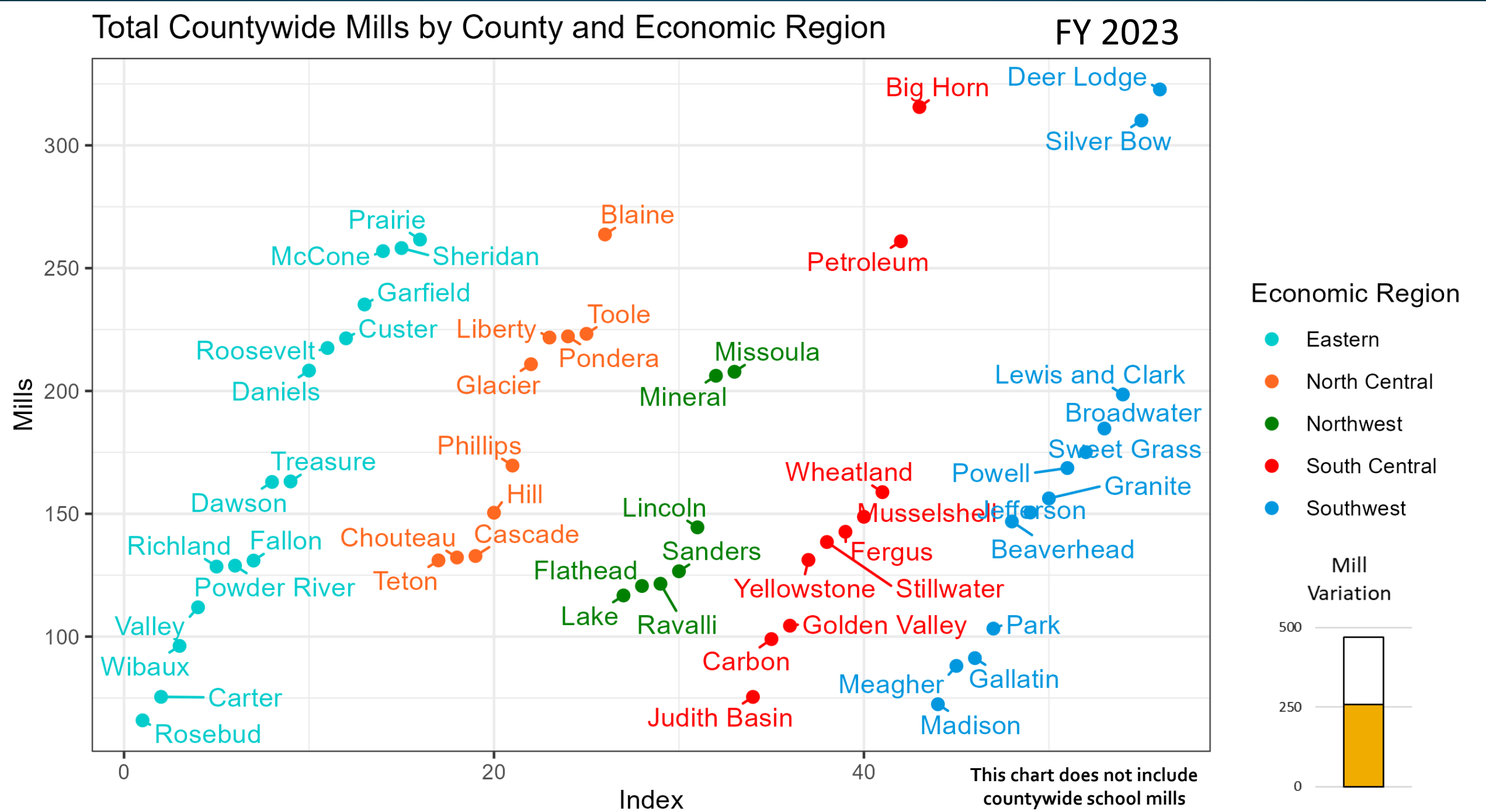
FY 2023

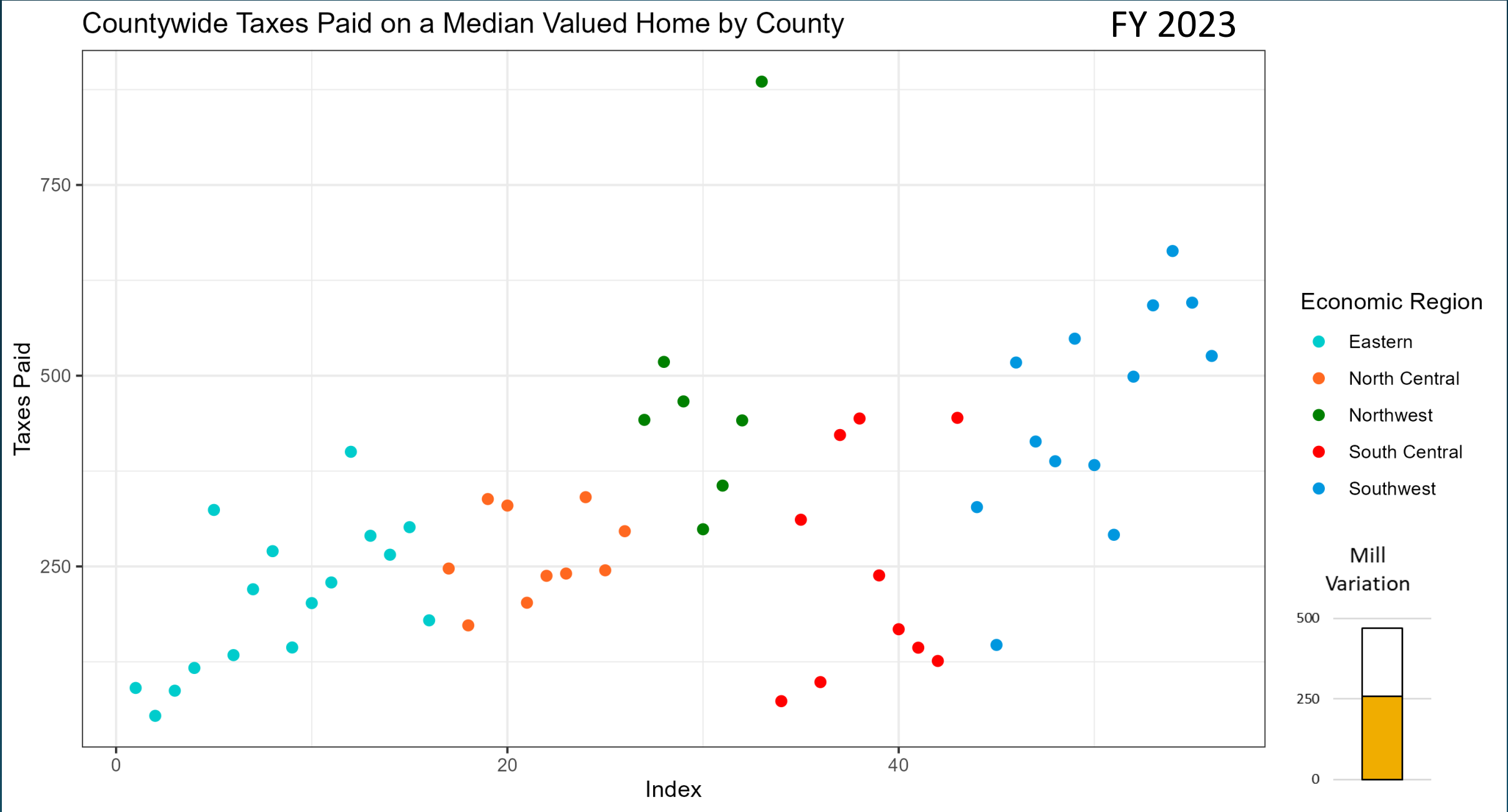


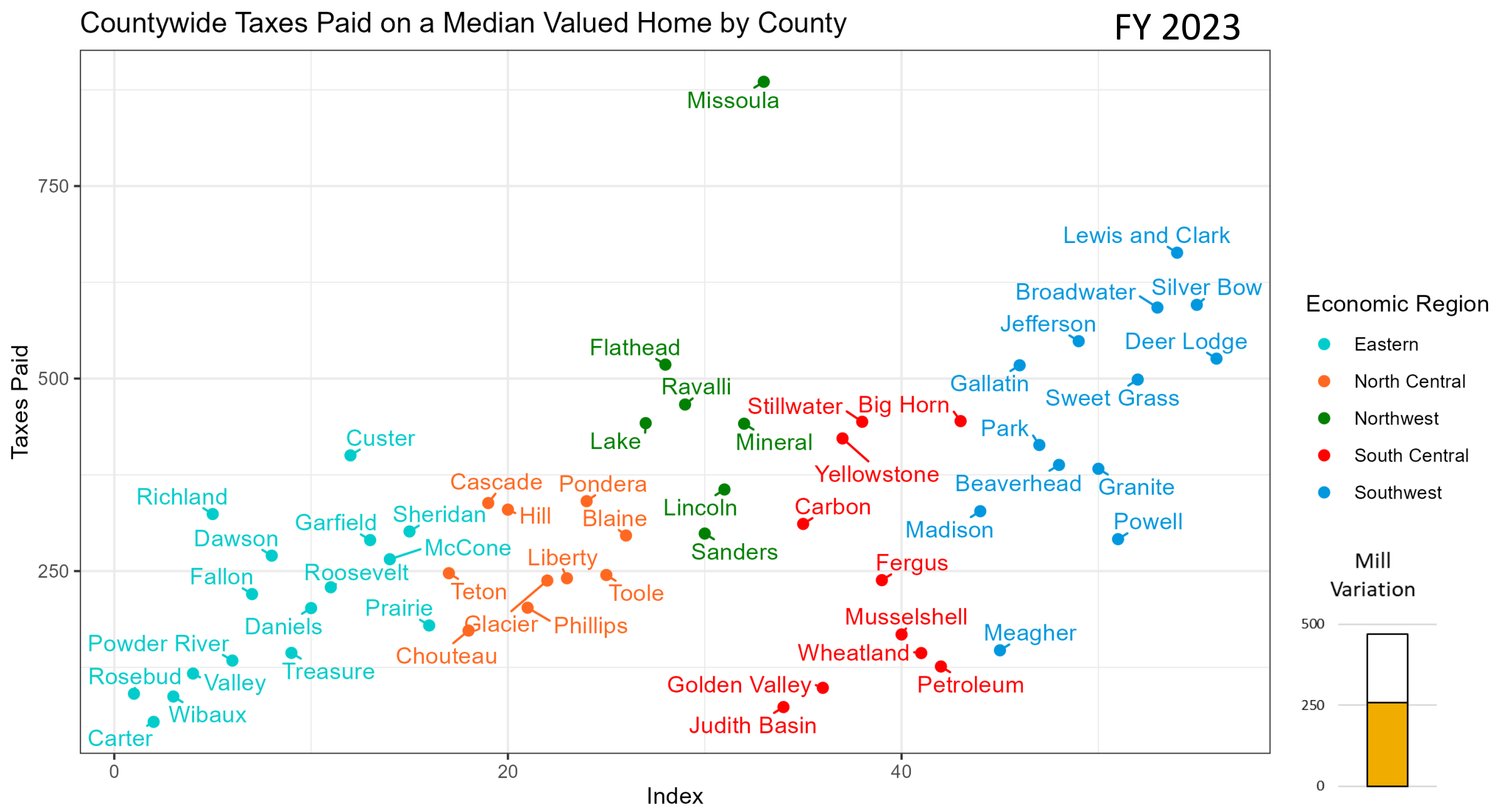
- Economic Region
- Eastern
  - North Central
  - Northwest
  - South Central
  - Southwest



This chart does not include  
countywide school mills



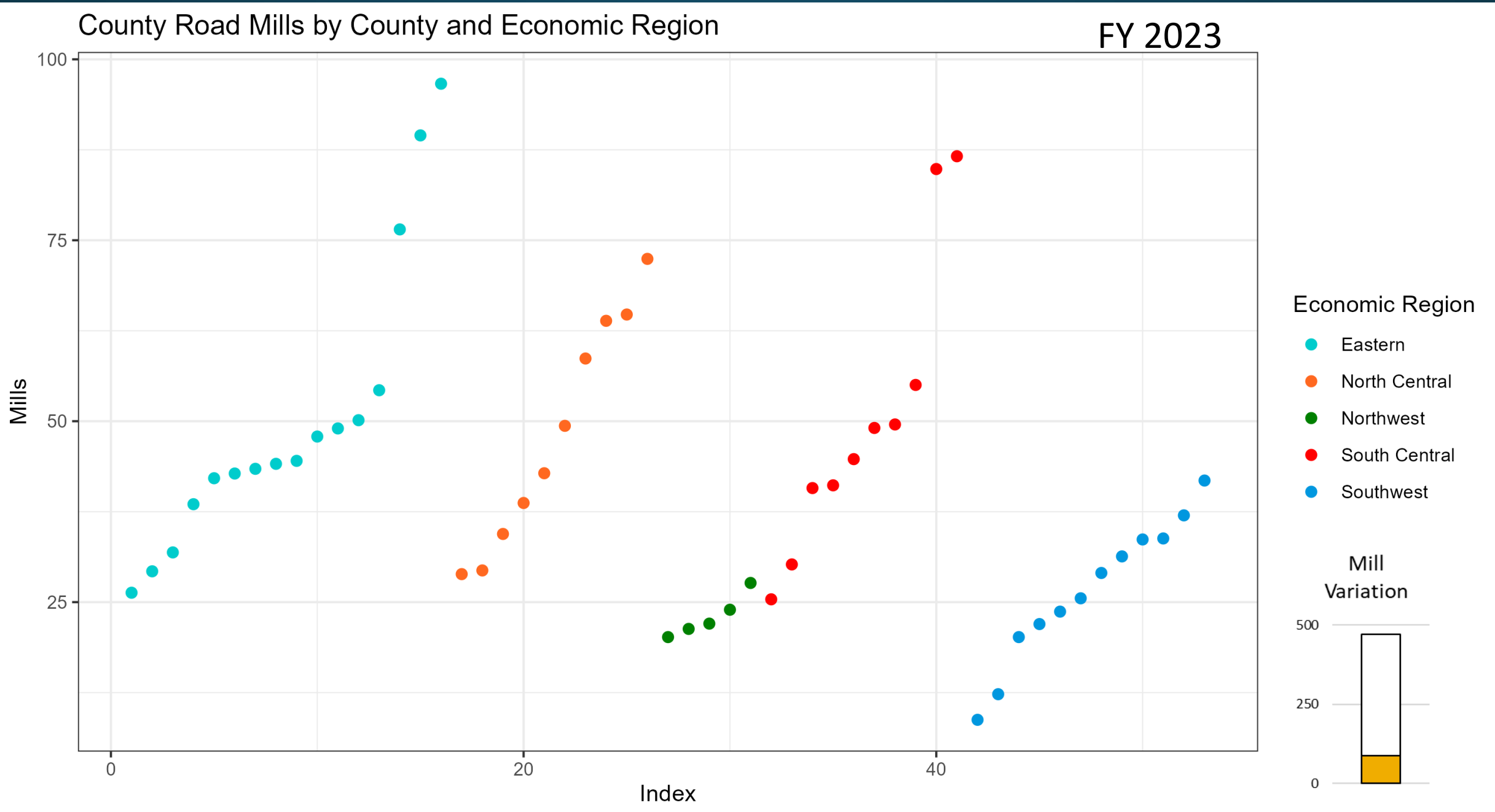




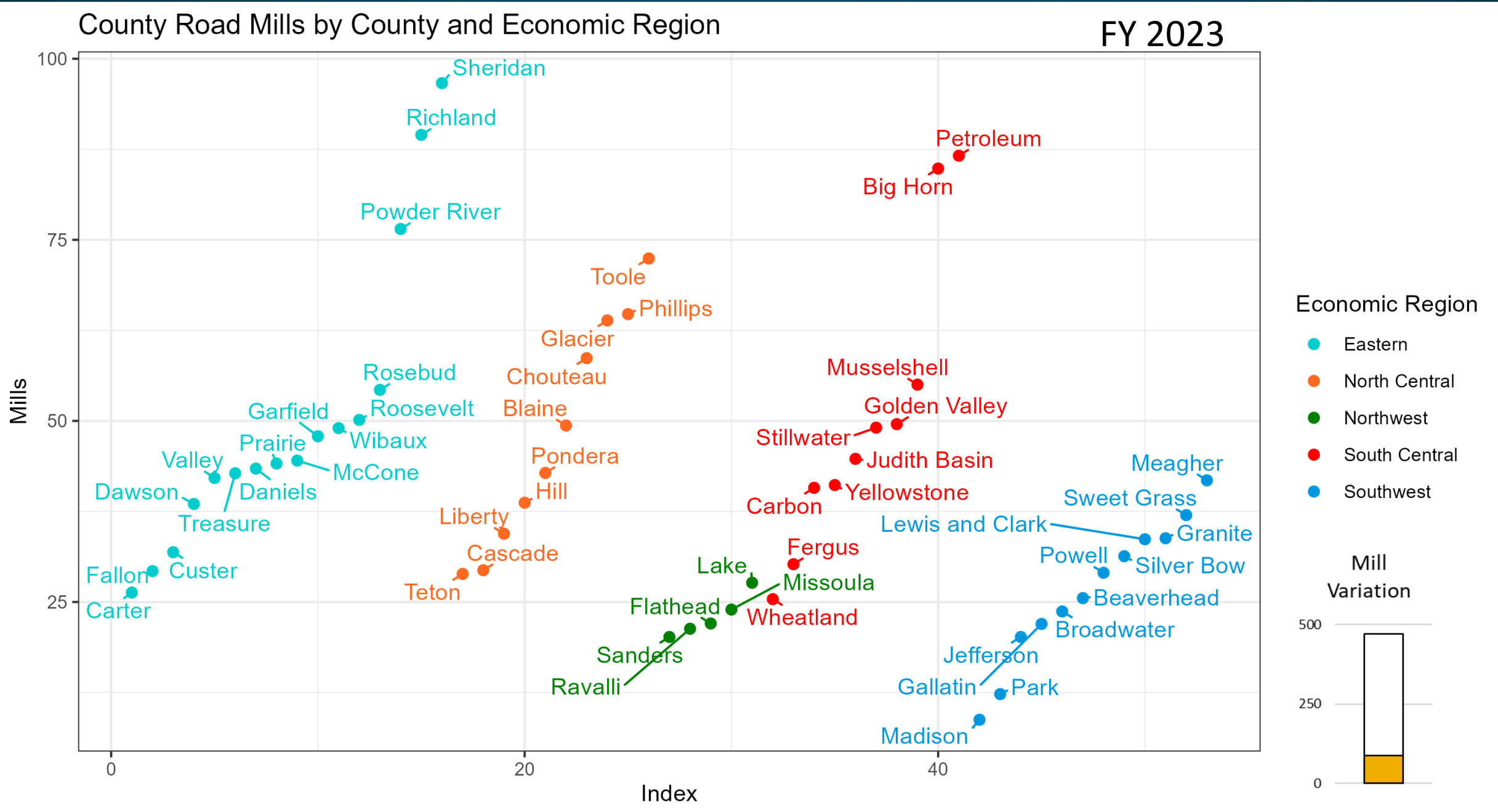
# County Road Mills

## Local decisions: need or choice?

- Counties maintain different amounts of roads throughout the state. More rural counties may take on more of a burden than urban ones.







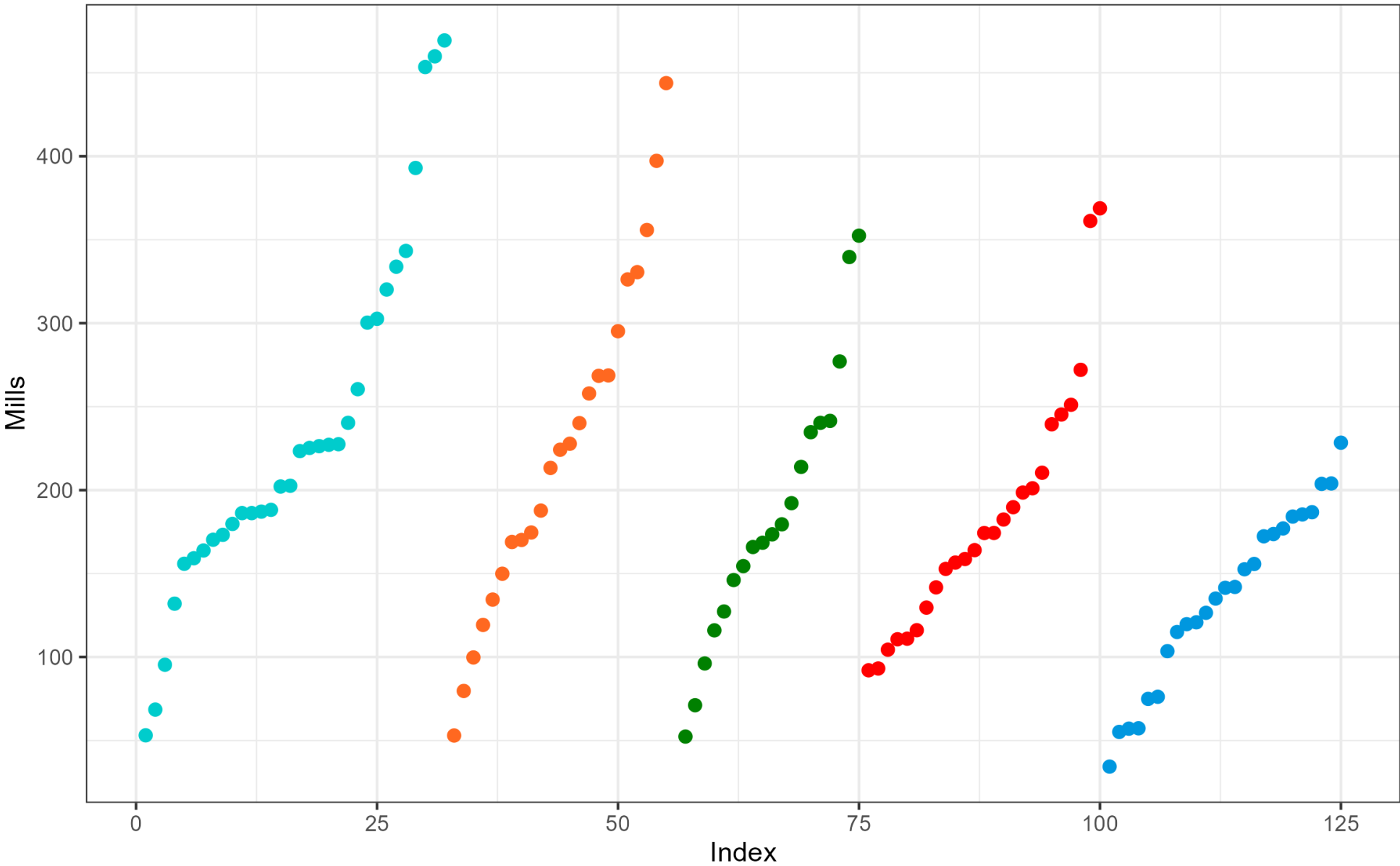
# City and Town Mills

## Local decisions: need or choice?

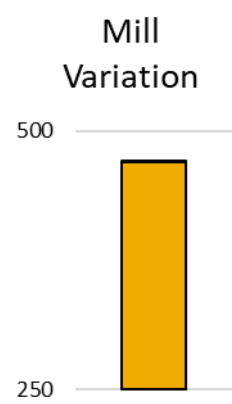
- Cities often levy mills for non-essential purposes (such as economic development)
- Some cities have alternate sources of revenue, such as special assessments or a resort tax

City Mills by County Economic Region

FY 2023



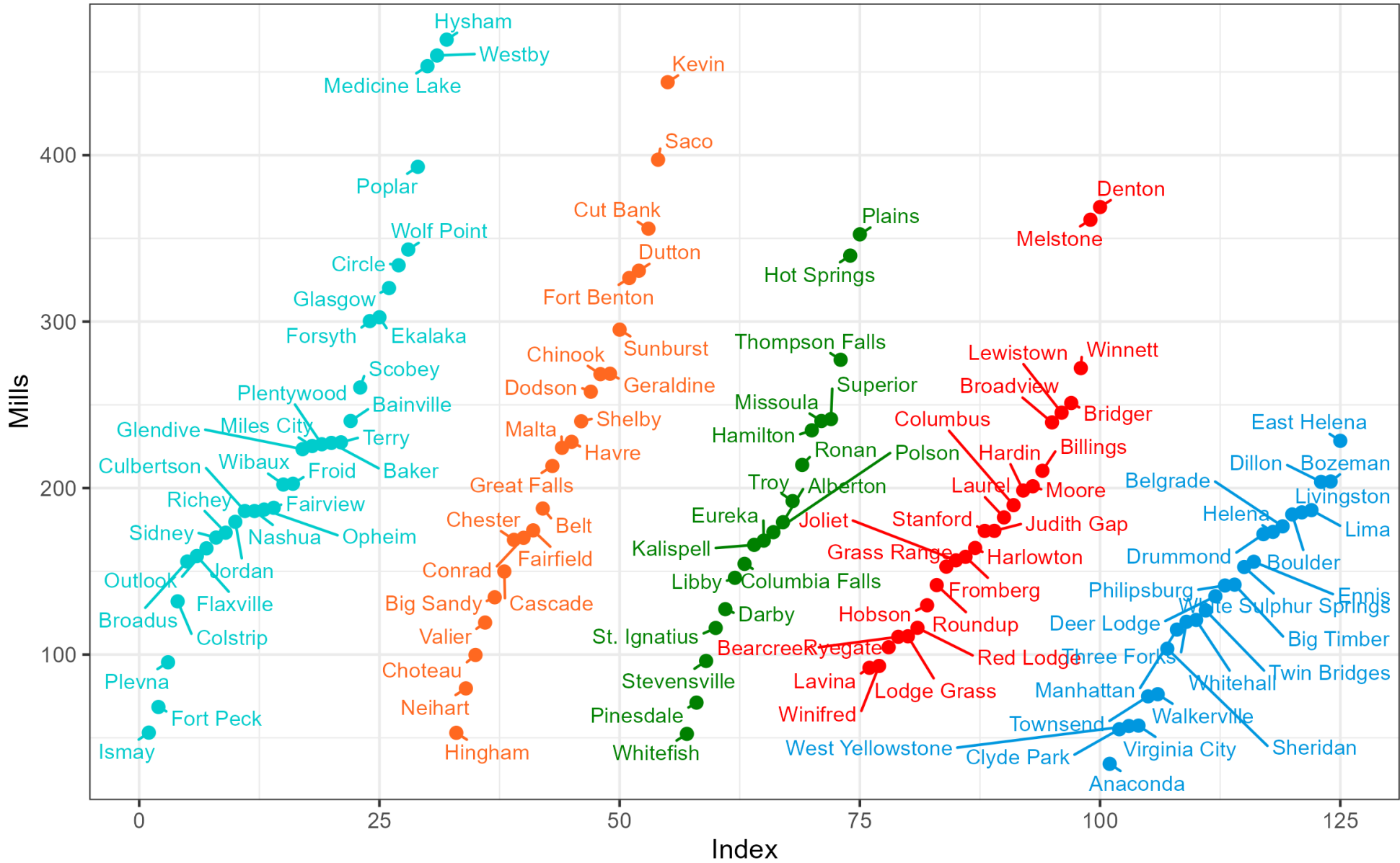
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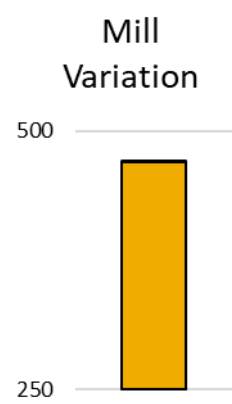
Note: Harlem was excluded from this plot as an outlier which levied 816 mills

City Mills by County Economic Region

FY 2023



- Economic Region
- Eastern
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  - Northwest
  - South Central
  - Southwest

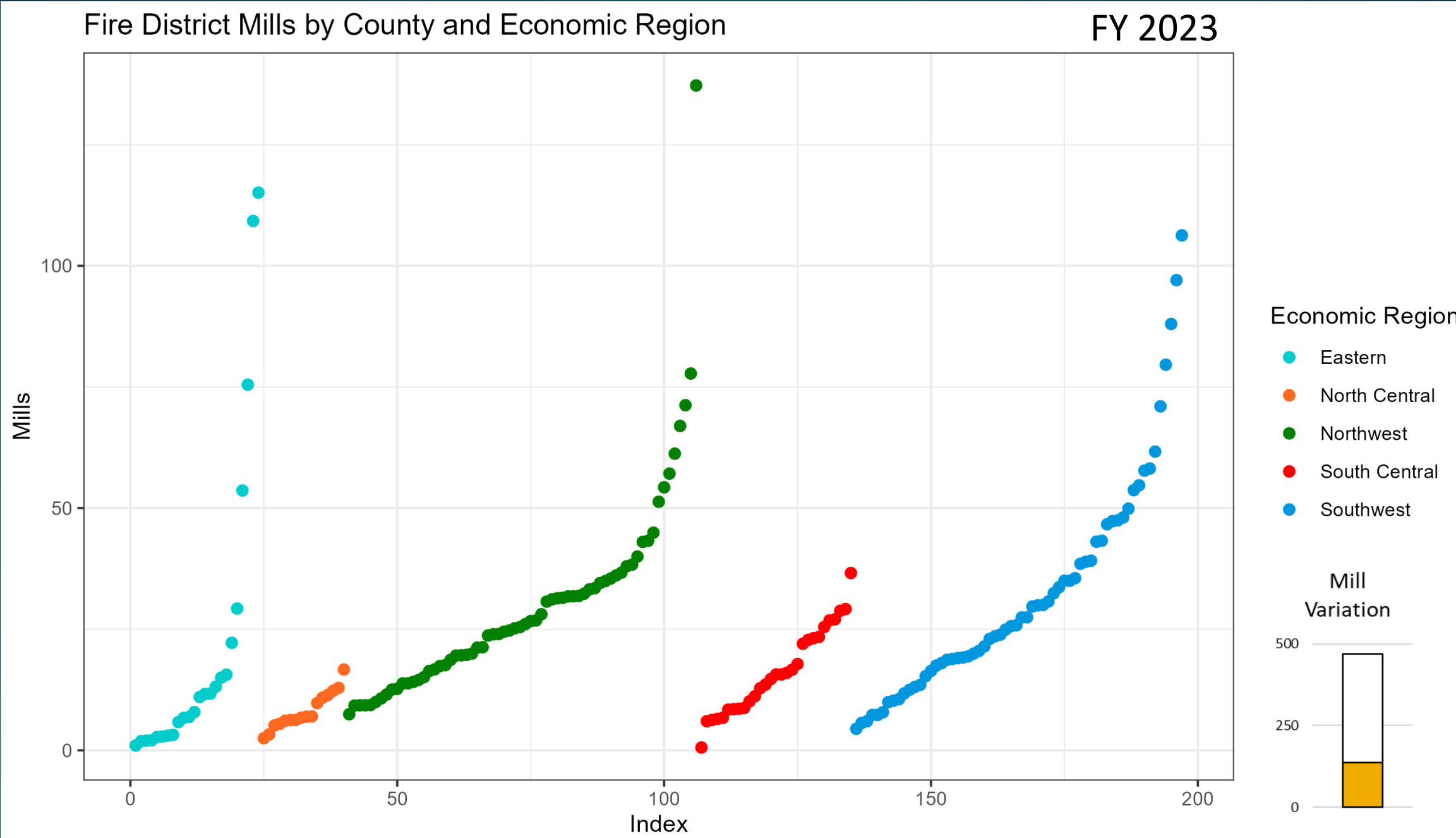


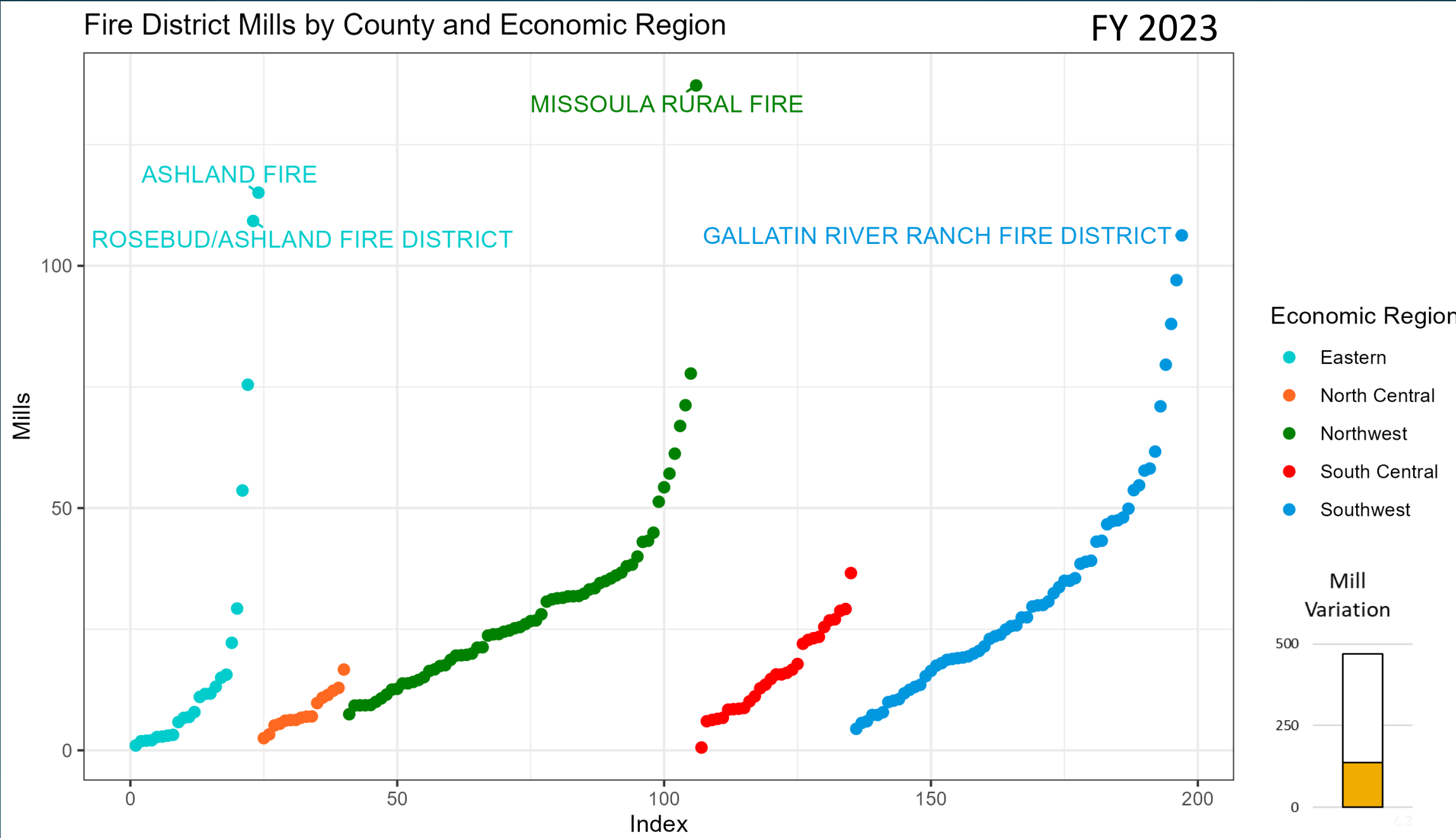
Note: Harlem was excluded from this plot as an outlier which levied 816 mills

# Fire District Mills

## Local decisions: need or choice?

- Western counties typically levies more mills since there is more timber and more homes near the wildland urban interface
- Some north-central counties don't have specific fire district funds







# Fire District Mills

➤ Local decisions are a large source of variation in local mills

## Missoula County



- Missoula Rural Fire District
- 137.22 mills

## Choteau County



- Fort Benton Fire District
- 5.49 mills



\$375,000 assessed home: ~\$695  
Median assessed home  
(\$316,000, FY23): ~\$585

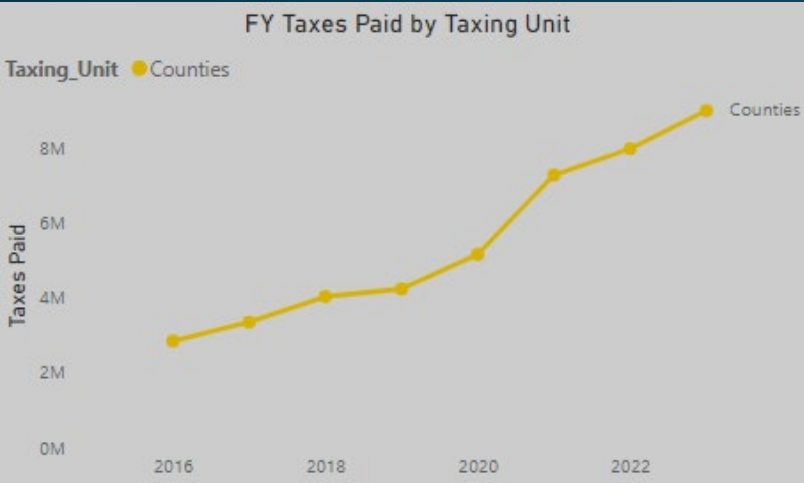


\$375,000 assessed home: ~\$30  
Median assessed home  
(\$97,000, FY23): ~\$5

# High Growth Counties



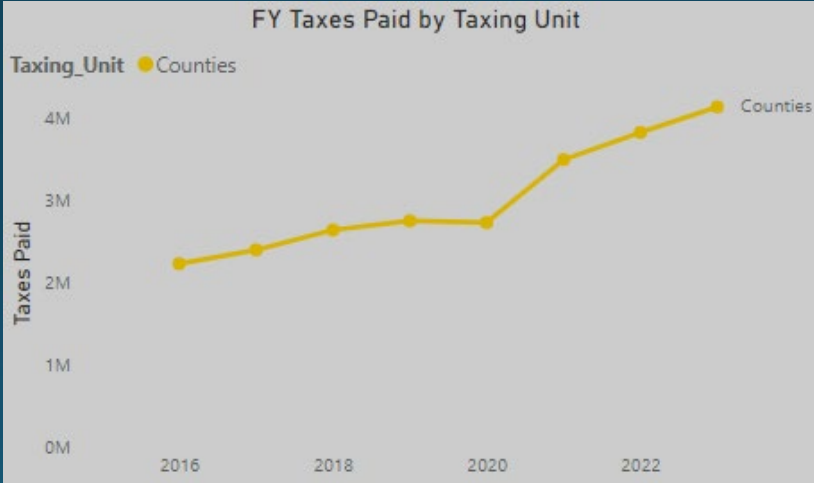
Big Horn County



Compound Annual  
Growth Rate: 17.88%



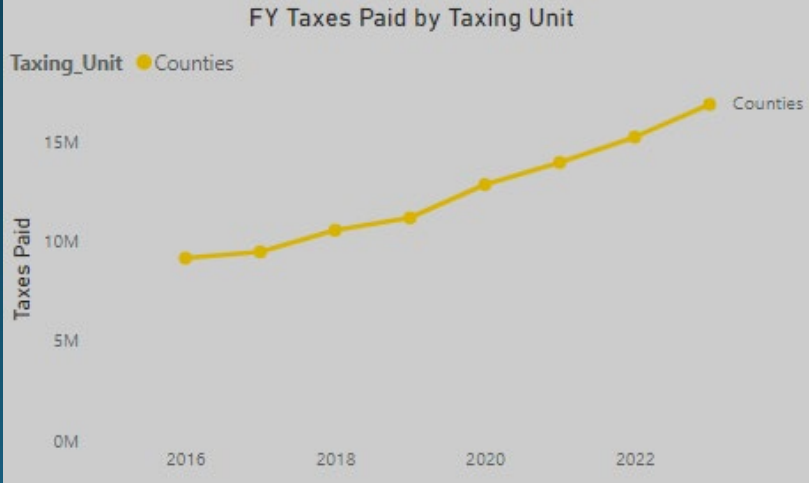
Broadwater County



Compound Annual  
Growth Rate: 9.26%



Madison County



Compound Annual  
Growth Rate: 9.14%

# High Growth Counties



Big Horn County



Broadwater County



Madison County

Questions

How much?

County property tax collections increased from \$4.2M to \$9M between FY 2020 to FY 2023

County budget increased from \$2.1M to \$4.2M from FY 2020 to FY 2023

County budget increased from \$12.8M to \$16.9M from FY 2020 to FY 2023

Why?

Non-levy revenue reduction

High population growth  
Newly taxable property

Big Sky and Yellowstone Club growth  
High reappraisal values

Impact?

Higher taxes on existing property

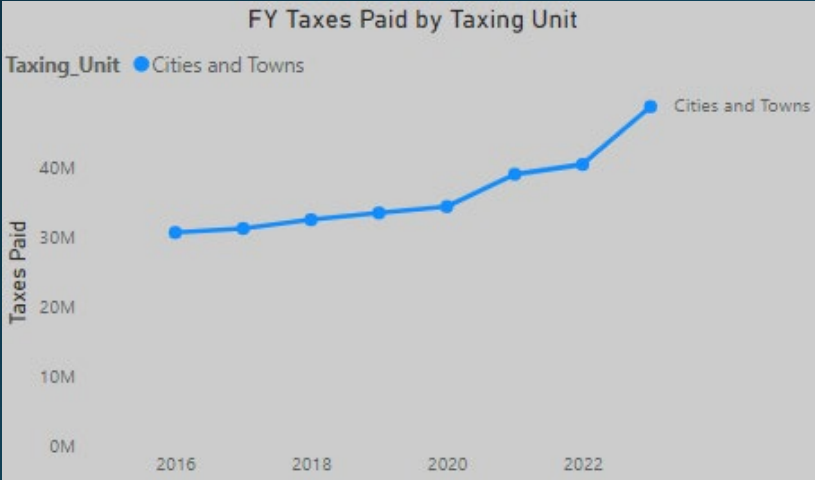
Higher taxes on both existing property and newly taxable

Lower property taxes for small towns outside of the area but still in the county

# High Growth Cities & Towns



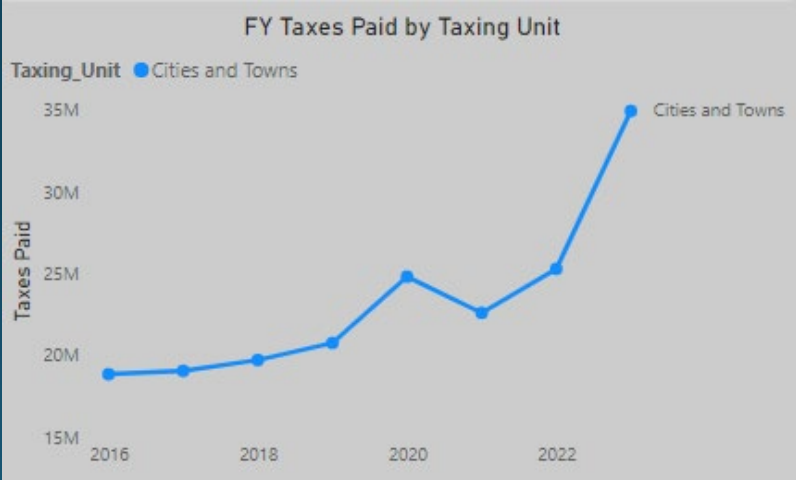
Yellowstone County:  
Billings



Compound Annual  
Growth Rate: 6.87%



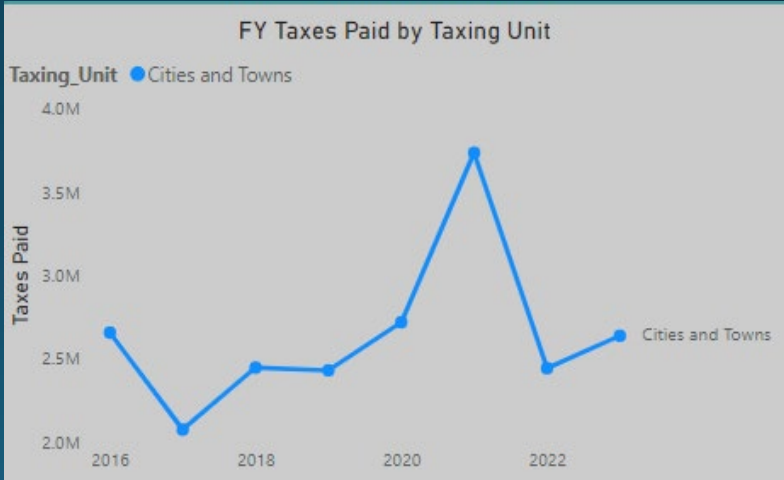
Gallatin County:  
Bozeman



Compound Annual  
Growth Rate: 9.22%



Flathead County:  
Whitefish



Compound Annual  
Growth Rate: -0.10%

# High Growth Cities & Towns



Yellowstone County:  
Billings



Gallatin County:  
Bozeman



Flathead County:  
Whitefish

Questions

How much?

City budget increased from \$34.3M to \$48.7M between FY 2020 and FY 2023

City budget increased from \$24.8M to \$35M between FY 2020 and FY 2023

City budget revenue spiked in FY 2021 from \$2.7M to \$3.7M, then dropped back to normal level

Why?

More funding to city programs like public safety, public works, solid waste, etc.

Voted levies in FY 2023 election funded \$35M in capital projects

City reduced mills in FY 2022, using the resort tax for property tax relief. Large amount of newly taxable property in FY 2022

Impact?

Higher property taxes in city

Higher property taxes in city

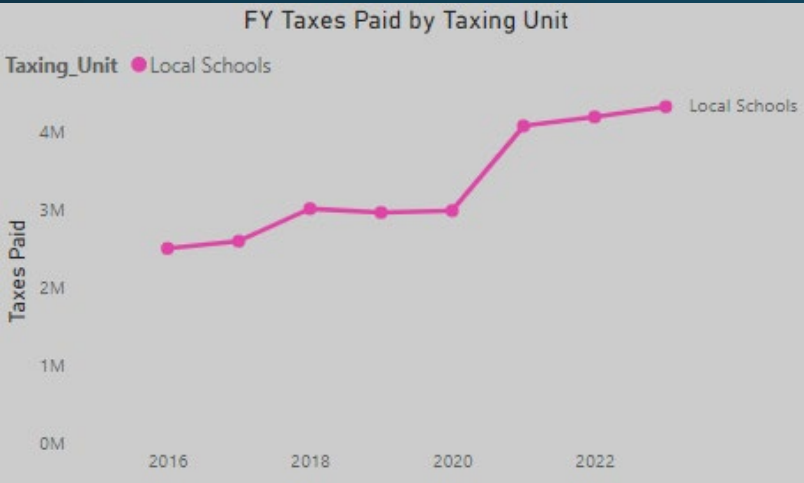
Lower taxes to existing property from FY 2022 onwards

**Note: Billings and Bozeman both levy special assessments for additional revenue. Whitefish has a resort sales tax.**

# High Growth School Districts



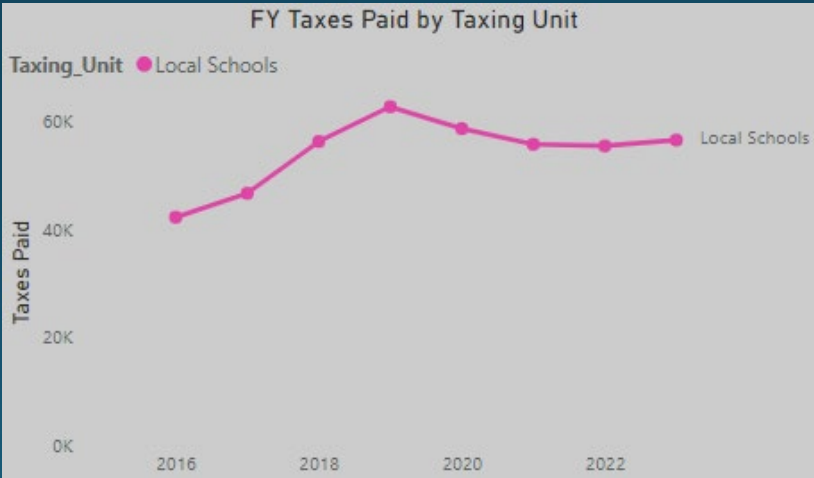
Broadwater County:  
Townsend K-12 District



Compound Annual  
Growth Rate: 6.54%



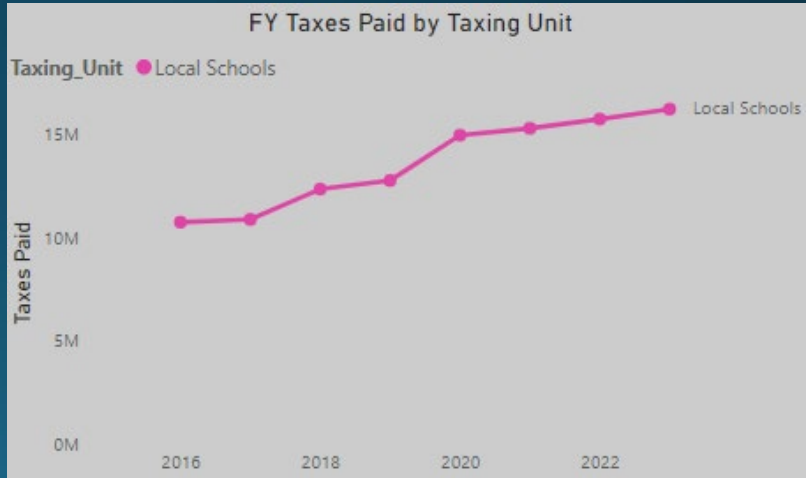
Madison County:  
Ennis K-12 District



Compound Annual  
Growth Rate: 12.29%



Ravalli County:  
Corvallis K-12 District



Compound Annual  
Growth Rate: 6.75%



# High Growth School Districts



Broadwater County:  
Townsend K-12 District



Madison County:  
Ennis K-12 District



Ravalli County:  
Corvallis K-12 District

Questions

How much?

\$18.8M school debt service bond took effect in FY 2021

Reduction of \$0.2M of state-funded school district general fund block grants for Ennis K-12 in FY 2017

\$1.7M school building reserve levy (authorized for 5 years) took effect in FY 2019

Why?

Used to replace an elementary school building and to renovate the middle school building

Block grants were eliminated in 2017 (HB 647) and the GTB ratio for the district general fund was increased from FY 2018-2021 to offset the reductions from the elimination of school district general fund block grants

Used to purchase playground and office space property for the middle school

Impact?

Increased property taxes paid to local schools

Ennis K-12 is not eligible for GTB, so the lost state funding was replaced by an increase in local school property taxes

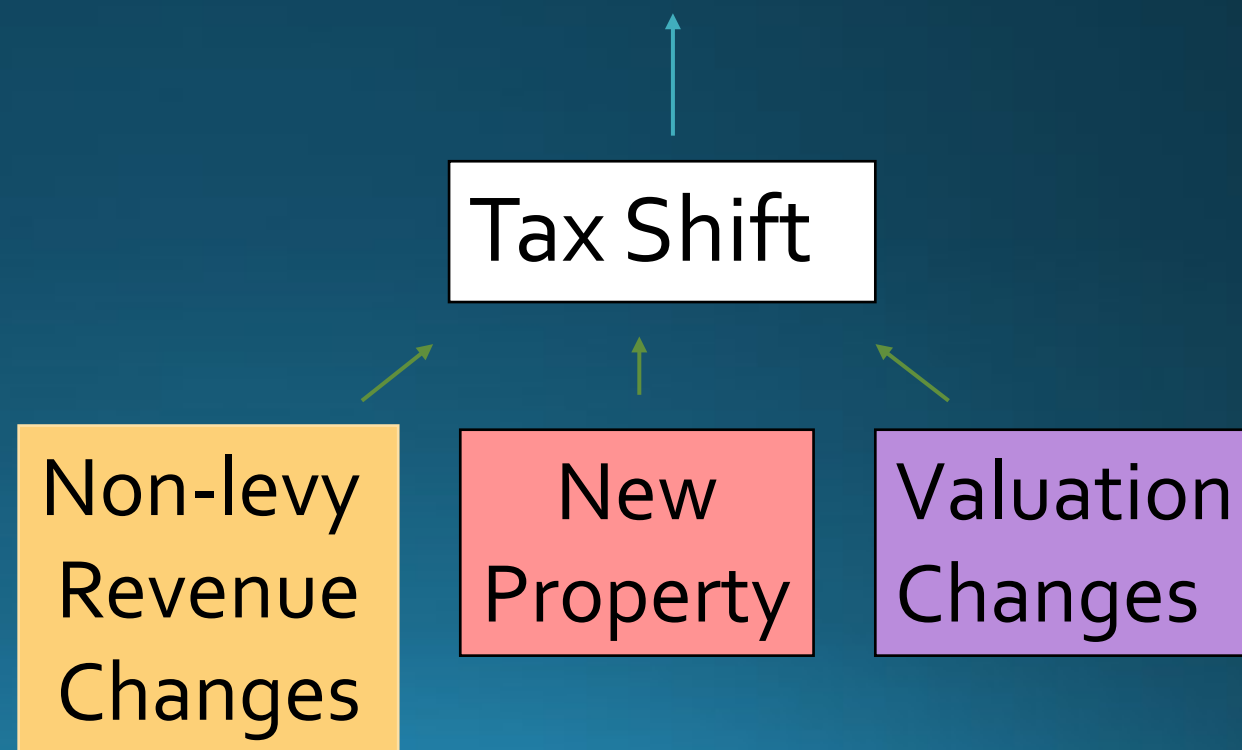
Increased property taxes paid to local schools

Source: <https://www.ktvh.com/news/townsend-students-educators-settling-into-new-elementary-school-building>

Source: <https://nbcmontana.com/news/local/turnout-heavy-in-corvallis-levy-question>

# What Causes Residential Tax Growth?

Who is paying for it?



# Non-levy Revenues

➤ Alternate revenues can offset local property taxes

## Federal Payments

- Federal forest receipts – payments from the federal government in lieu of revenues from the sale of forest products of federal land. The federal government authorizes logging operations on forest lands located within the borders of Montana. The sale of timber generates revenue that the federal government shares with the state in the following year.
- Federal Payments in Lieu of Taxes (PILT) – federal payments to local governments to partially offset lost property tax revenue from nontaxable federal lands
- Impact Aid – payments to local school districts that have lost property tax revenue due to the presence of tax-exempt federal property, or to local school districts that have increased expenditures due to the enrollment of federally connected children (including children living on tribal lands)

## Local Non-levy Revenue

- Natural resources payments within counties (coal, oil, gas)

# School District Non-levy Revenue

- Counties with higher NLR can levy fewer local school mills or no local school mills at all to receive the same amount of revenue per kid

## McCone County



- Vida Elem District & Circle HS District
  - Total ANB (enrollment): 110
  - 172.40 local school district mills for FY 2023
- \$7,950 in district property tax per ANB and \$65 in district NLR per ANB

## Richland County



- Lambert Elem District & Lambert HS District
  - Total ANB (enrollment): 130
  - 0.00 local school district mills for FY 2023
- \$0 in district property tax per ANB and \$8,895 in district NLR per ANB

# School District Non-levy Revenue

- Counties with higher NLR can levy fewer local school mills or no local school mills at all to receive the same amount of revenue per kid

## McCone County



- Vida Elem District & Circle HS District
- Total ANB (enrollment): 110
- 172.40 local school district mills for FY 2023

- \$7,950 in district property tax per ANB and \$65 in district NLR per ANB



\$375,000 assessed home: ~\$870  
Median assessed home  
(\$77,000, FY23): ~\$180

## Richland County



- Lambert Elem District & Lambert HS District
- Total ANB (enrollment): 130
- 0.00 local school district mills for FY 2023

- \$0 in district property tax per ANB and \$8,895 in district NLR per ANB

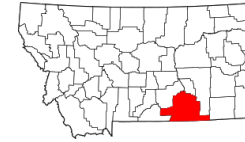


\$375,000 assessed home: \$0  
The median assessed home  
(\$195,000, FY23): \$0

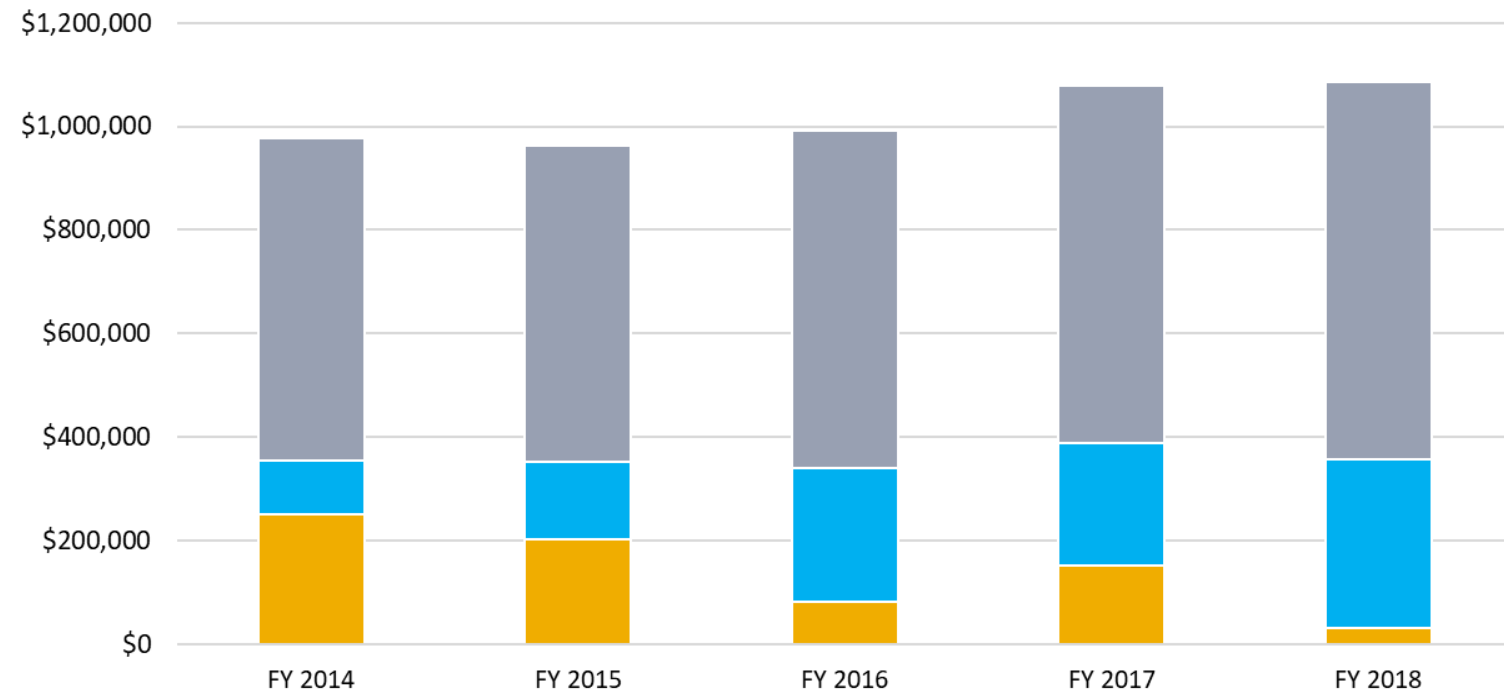
## What happens to schools when non-levy revenue declines?

### Big Horn County

- Lodge Grass HS District
- NLR from coal mining



Between FY 2014 and FY 2018, the **Lodge Grass High School District** general fund experienced a decline in **non-levy revenue**, which was effectively backfilled by **guaranteed tax base (GTB) aid** from the state





# Newly Taxable Property

- Due to its exclusion from the 15-10-420, MCA inflation calculation, newly taxable property increases maximum authorized mills

## Examples

- New Construction
- Annexed property
- TIF expirations
- Business/Industrial equipment new to county
- Levies are applied to newly-taxable property after the  $\frac{1}{2}$  rate of inflation mill limit is calculated based on existing property
- Revenues raised from newly taxable property will then be added to the base in the next fiscal year

# Newly Taxable Property

- In FY 2022, about \$57 million dollars were raised from newly taxable property statewide, or about 3% of all revenue from property taxes

## Madison County

- \$2.6 million from newly taxable property



## Missoula County

- \$9.6 million from newly taxable property



## Stillwater County

- About \$301,000 from newly taxable property



## Petroleum County

- About \$10,000 from newly taxable property



What is the effect of  
all those differences?

## FY 2023 Residential Effective Tax Rate by Levy District

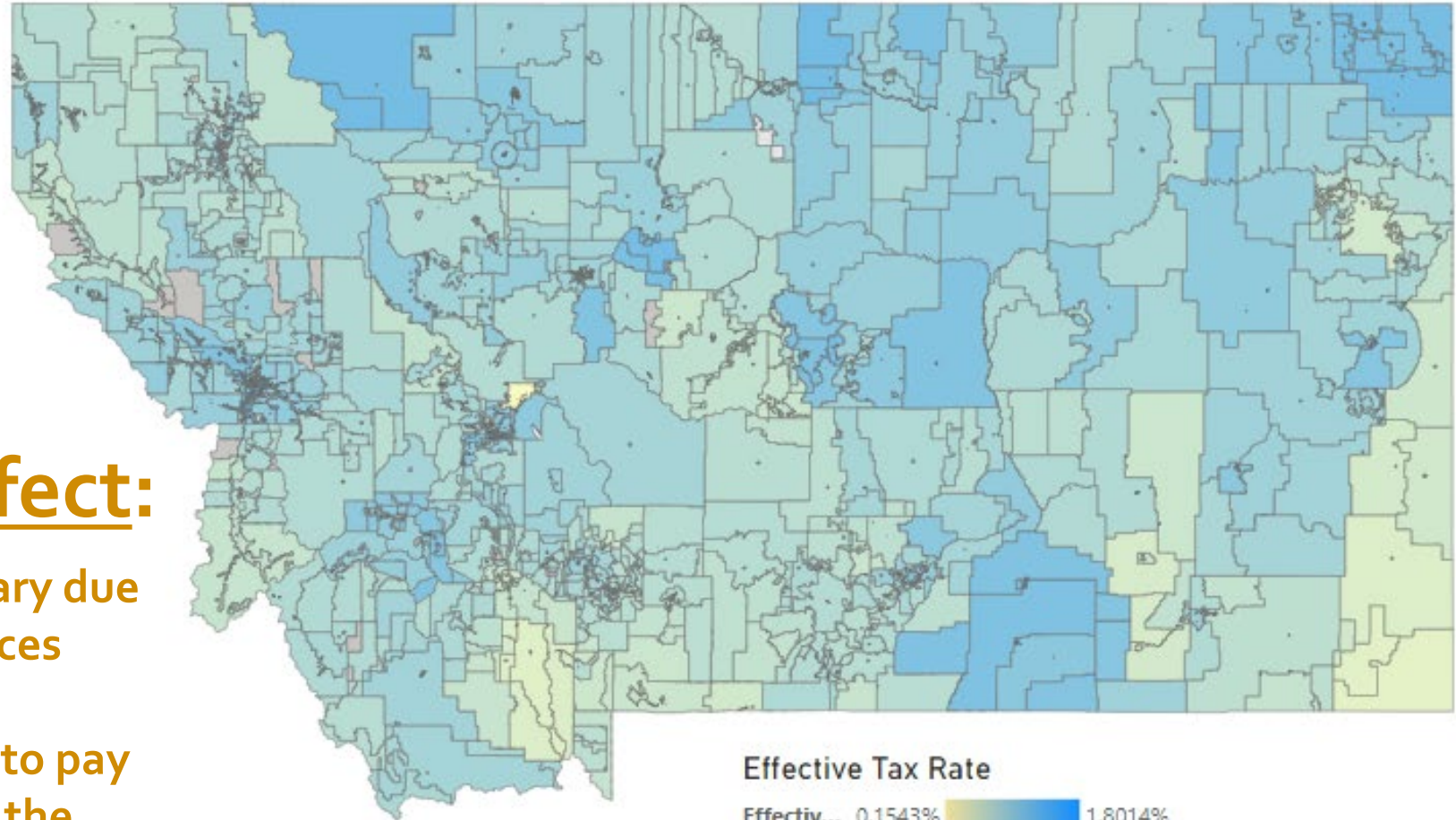
Statewide Average

**0.7852%**

Effective Tax Rate

### Cause and Effect:

- Effective tax rates vary due to spending differences and valuations
- Is it more important to pay the same amount or the same rate?



A tax rate of 1.80% on a \$375,000 assessed home amounts to ~\$6,750 in property taxes

## FY 2023 Residential Effective Tax Rate by Levy District

A tax rate of 0.79% on a \$375,000 assessed home amounts to ~\$2,960 in property taxes

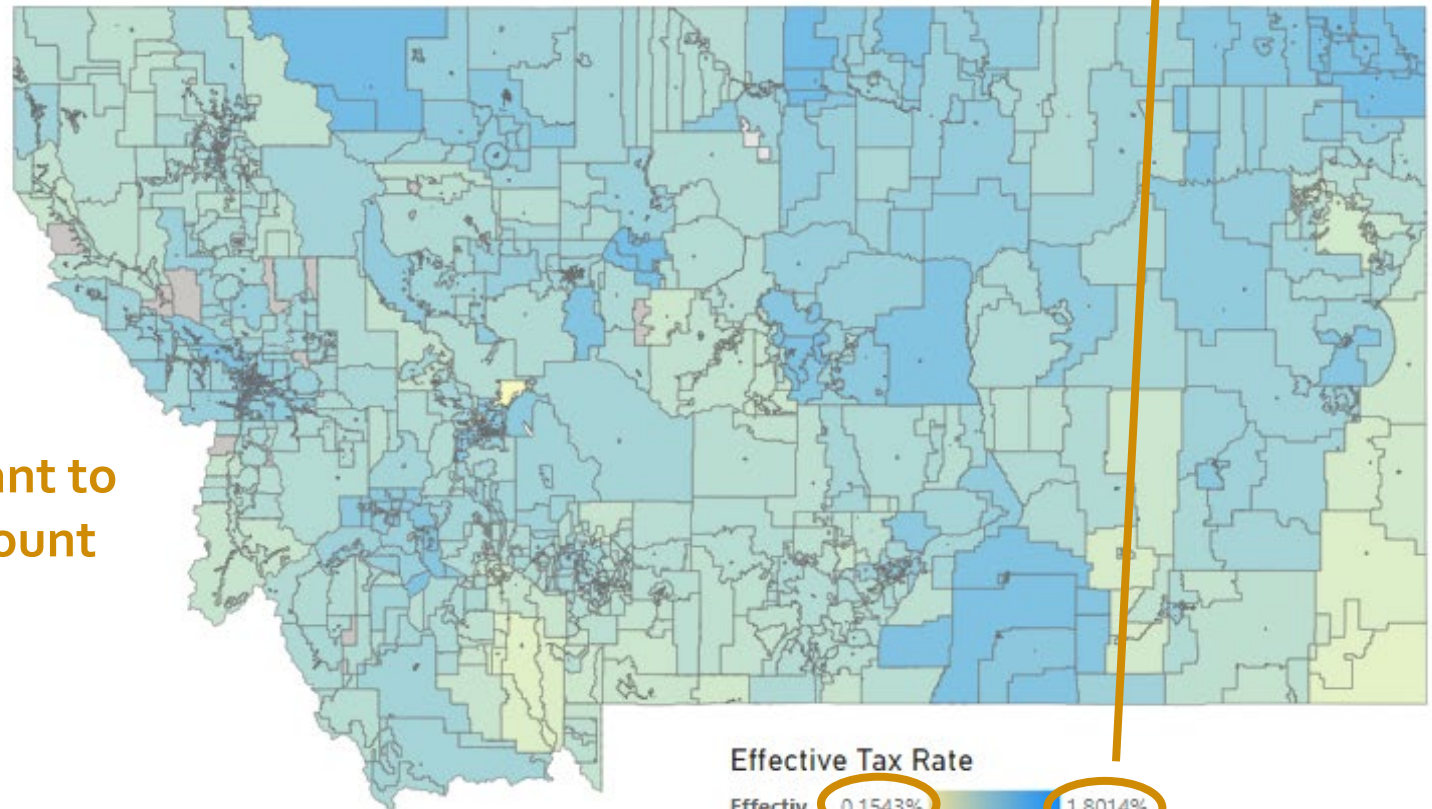
Statewide Average

**0.7852%**

Effective Tax Rate

➤ Is it more important to pay the same amount or the same rate?

A tax rate of 0.15% on a \$375,000 assessed home amounts to ~\$560 in property taxes



# Value Changes FY 2024 Changes

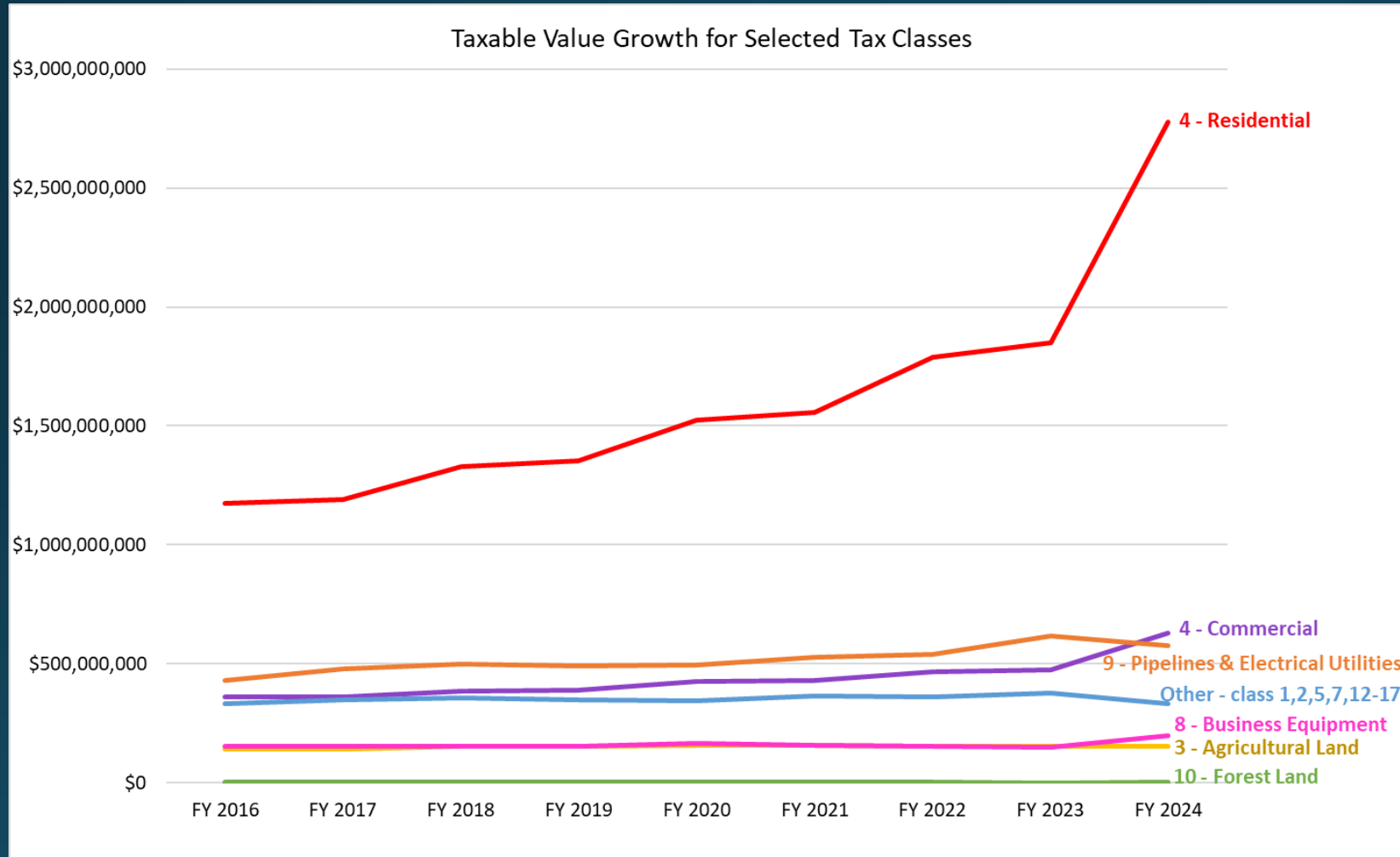


# Main FY 2024 Points

- Large residential growth
- Shift from other classes to residential
- Set mills such as fixed voted mills and 95 mills increased by TV growth
- Not one story

# Taxable Value Growth

- Residential property growth accounts for 82% of the total growth in taxable value



## Statewide Taxable Value:

FY 2023: \$3.6 billion

FY 2024: \$4.7 billion

\$1.1 billion difference

## Statewide Residential Taxable Value:

FY 2023: \$1.9 billion

FY 2024: \$2.8 billion

\$0.9 billion difference



## Estimated Taxes Paid and Tax Growth Between TY 2022 and TY 2023

	Co	TY 2022				TY 2023							
		Agricultural	Residential	Commercial	Other	Agricultural	% Change	Residential	% change	Commercial	% change	Other	% change
Silver Bow	1	276,121	24,345,123	10,010,430	32,630,801	239,646	-13%	31,549,798	30%	10,681,152	7%	28,408,851	-13%
Cascade	2	2,623,414	58,931,098	22,932,393	40,294,115	2,320,901	-12%	68,411,808	16%	24,372,348	6%	36,244,231	-10%
Yellowstone	3	1,913,180	136,989,824	57,203,201	75,379,504	1,820,257	-5%	158,233,293	16%	56,940,007	0%	69,912,333	-7%
Missoula	4	381,599	155,523,441	59,002,393	31,144,563	319,718	-16%	174,843,246	12%	59,974,182	2%	26,502,080	-15%
Lewis and Clark	5	1,128,575	71,373,147	22,560,201	26,677,673	958,847	-15%	84,387,488	18%	23,166,096	3%	22,382,776	-16%
Gallatin	6	1,668,418	173,833,075	52,285,173	27,549,589	1,312,933	-21%	213,080,839	23%	55,579,187	6%	21,499,182	-22%
Flathead	7	607,193	142,855,931	32,369,525	19,100,457	477,722	-21%	165,122,031	16%	35,921,294	11%	15,269,658	-20%
Fergus	8	2,893,639	9,424,961	2,568,446	11,920,799	2,662,079	-8%	11,415,737	21%	2,693,886	5%	11,282,536	-5%
Powder River	9	747,953	670,398	106,025	3,273,056	767,653	3%	704,440	5%	111,874	6%	3,322,108	1%
Carbon	10	990,323	11,780,588	1,462,778	11,933,481	920,274	-7%	14,113,315	20%	1,584,346	8%	11,338,470	-5%
Phillips	11	2,393,868	2,505,045	548,580	4,605,126	2,388,659	0%	2,634,522	5%	570,340	4%	4,704,127	2%
Hill	12	3,959,708	8,357,944	2,716,792	10,839,943	3,738,630	-6%	9,297,442	11%	3,052,827	12%	10,578,113	-2%
Ravalli	13	534,069	40,646,411	6,304,687	6,694,668	446,162	-16%	46,985,272	16%	6,551,457	4%	5,584,322	-17%
Custer	14	1,783,829	7,322,982	2,734,500	5,317,863	1,777,806	0%	7,937,564	8%	2,904,346	6%	5,119,724	-4%
Lake	15	821,310	34,122,793	3,605,327	2,444,203	688,363	-16%	39,085,404	15%	3,615,719	0%	1,970,264	-19%
Dawson	16	2,044,672	4,939,550	1,709,445	9,666,121	1,970,016	-4%	5,718,863	16%	1,918,176	12%	9,270,710	-4%
Roosevelt	17	2,698,341	2,453,431	1,200,374	12,521,518	2,648,716	-2%	2,582,882	5%	1,341,186	12%	12,742,692	2%
Beaverhead	18	1,515,773	8,143,157	1,856,705	3,858,895	1,274,992	-16%	9,973,301	22%	1,914,856	3%	3,297,074	-15%
Chouteau	19	5,067,306	3,233,950	958,312	7,278,748	4,719,695	-7%	4,138,968	28%	1,144,742	19%	7,108,448	-2%
Valley	20	2,934,444	5,012,775	1,433,798	8,584,032	2,879,574	-2%	5,441,742	9%	1,596,271	11%	8,563,675	0%

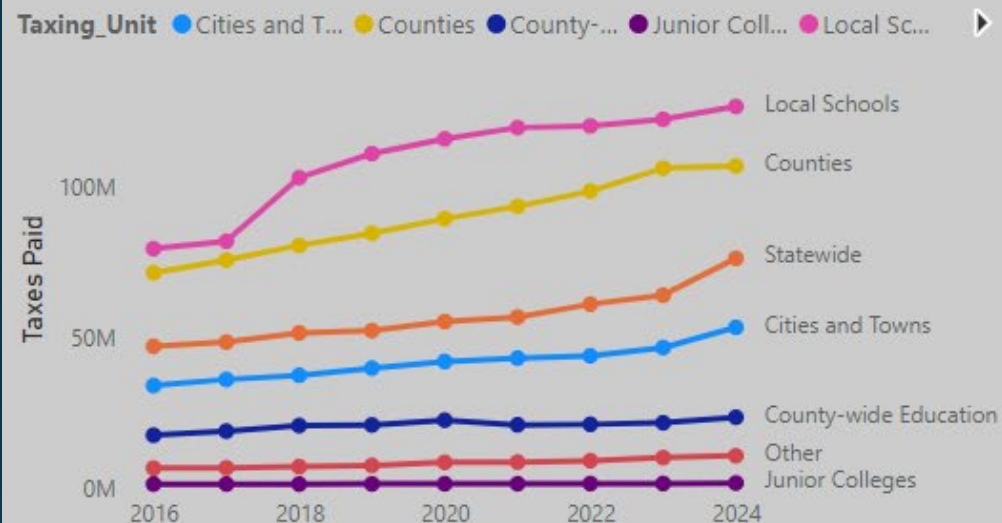
Source: Department of Revenue

## Preliminary Property Tax Growth for FY 2024

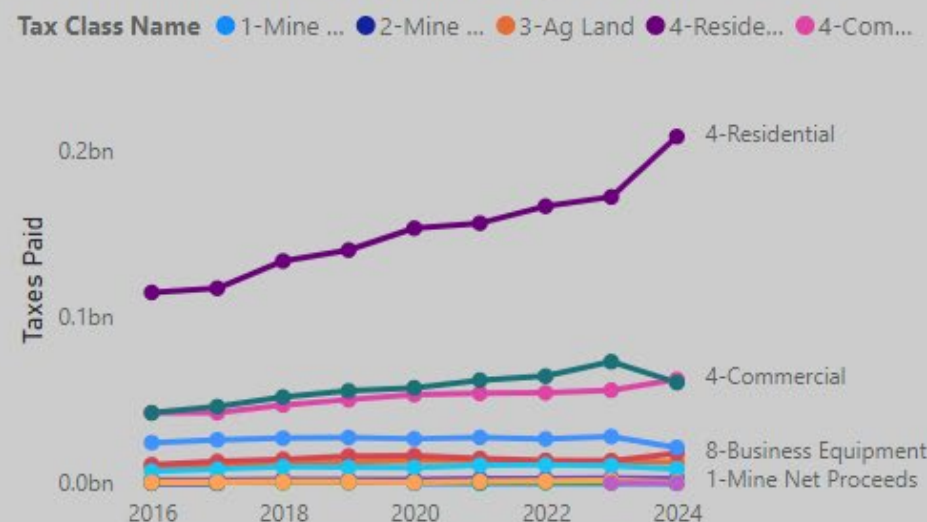
Data Sources:

- Montana Department of Revenue
- Montana Office of Public Instruction
- Montana Department of Administration

### FY Taxes Paid by Taxing Unit



### FY Taxes Paid by Tax Class



Slicer Options

**Taxing Unit**

- Cities and Towns
- Counties
- County-wide Educa...
- Local Schools
- Other
- Statewide

**County Name**

All

**Municipality**

All

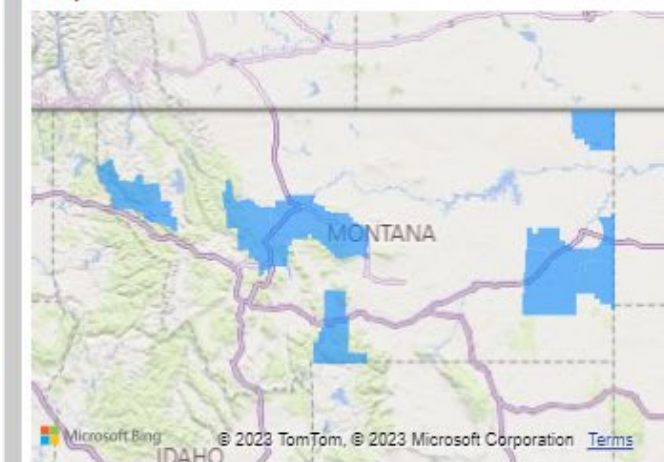
### FY Taxes Paid by Taxing Unit



### Compound Annual Growth Rate (CAGR) by Taxing Unit

Taxing_Unit	CAGR Taxes Paid (7 year)	FY 2024 Growth
Junior Colleges	1.88%	10.64%
County-wide Education	3.06%	8.49%
Statewide	4.50%	19.11%
Cities and Towns	4.60%	14.47%
Counties	5.82%	0.69%
Other	6.25%	5.98%
Local Schools	6.37%	3.48%
<b>Total</b>	<b>5.42%</b>	<b>7.14%</b>

### MapName



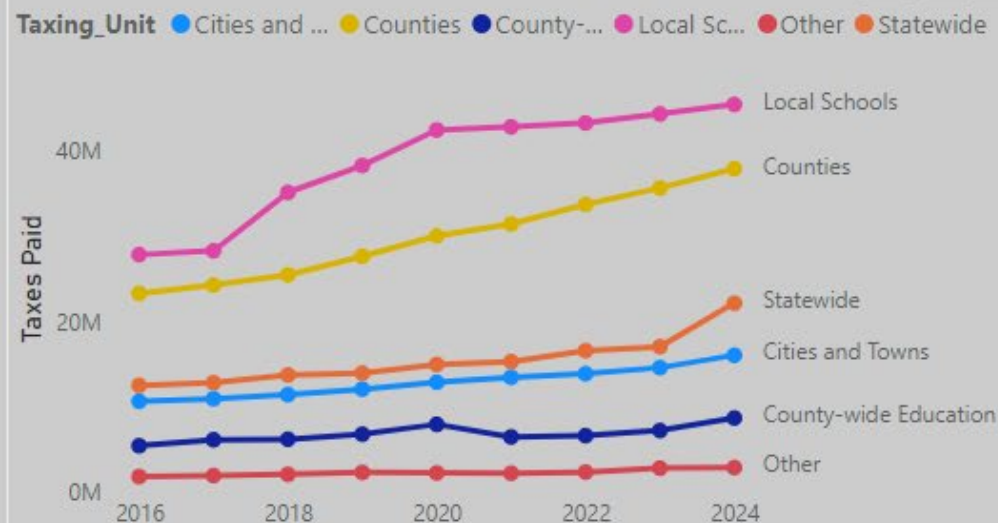


## Preliminary Property Tax Growth for FY 2024

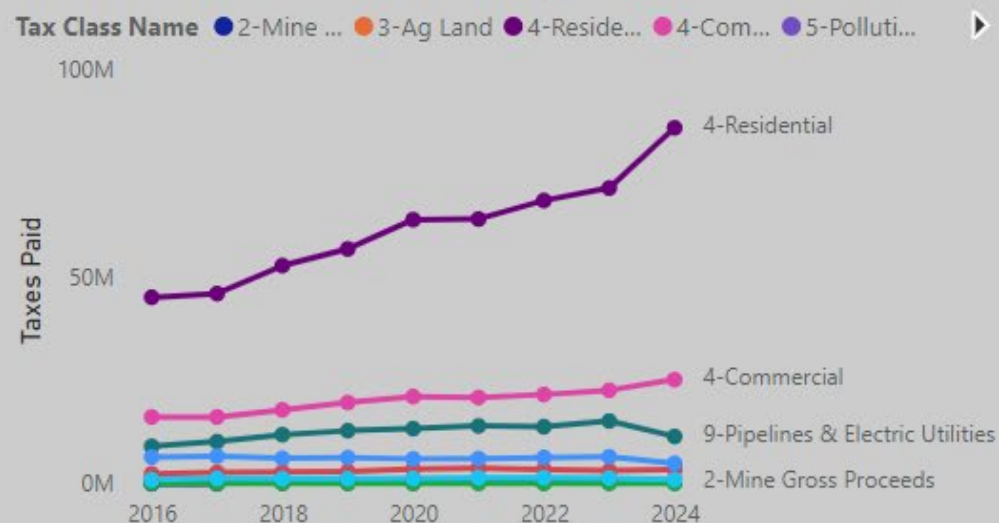
Data Sources:

- Montana Department of Revenue
- Montana Office of Public Instruction
- Montana Department of Administration

FY Taxes Paid by Taxing Unit



FY Taxes Paid by Tax Class



Slicer Options

**Taxing Unit**

- ☐ Cities and Towns
- ☐ Counties
- ☐ County-wide Educa...
- ☐ Local Schools
- ☐ Other
- ☐ Statewide

**County Name**

Lewis and Clark

**Municipality**

All

FY Taxes Paid by Taxing Unit



Compound Annual Growth Rate (CAGR) by Taxing Unit

Taxing_Unit	CAGR Taxes Paid (7 year)	FY 2024 Growth
County-wide Education	4.18%	20.57%
Statewide	4.53%	30.05%
Cities and Towns	4.64%	10.00%
Counties	6.28%	6.36%
Other	6.60%	2.73%
Local Schools	6.89%	2.51%
<b>Total</b>	<b>5.91%</b>	<b>9.46%</b>

MapName





# Lewis and Clark County, Montana

## 2023 - 2024 MILL LEVIES

Attachment A

**SPECIAL MILLAGES:**

	HLNA	CITY OF HELENA	143.19	
	HG08	CITY OF HELENA - G.O.	5.58	
	EHLN	CITY OF EAST HELENA	185.57	
	UNIV	STATE UNIVERSITY	6.00	
	SEQL	STATE EQUALIZATION	40.00	
	VTCH	VOCATIONAL TECHNOLOGY	1.50	
	LCCY	COUNTY (INSIDE CITY)	162.36	
	LCCY	COUNTY (OUTSIDE CITY)	191.49	

**COUNTY MILLAGE BREAKDOWN:****INSIDE INCORPORATED CITIES:**

ALLP	ALL-PURPOSE	28.50
CEAG	COUNTY EXTENSION	1.11
DETS	DETENTION SERVICES	17.06
DCDS	DETENTION CENTER DEBT SERVICE	3.08
DVNS	DIVERSION SERVICES	4.48
DIST	DISTRICT COURT	2.83
EINS	PERMISSIVE MEDICAL LEVY	9.50
ENTL	ENTITLEMENT LEVY	14.61
FAIR	FAIRGROUNDS	2.70
HLTH	CITY COUNTY HEALTH	6.34
SRSL	SHERIFF RETIREMENT	1.22
LBYS	LIBRARY	17.71
MTHL	MENTAL HEALTH	0.58
PARK	PARKS	0.08
SCTZ	SENIOR CITIZENS	0.89
SFTY	PUBLIC SAFETY	50.87
SARM	SEARCH AND RESCUE-MAINTENANCE	0.80
SARD	SEARCH AND RESCUE-DEBT SERVICE	0.00
	<b>TOTAL</b>	<b>162.36</b>

**OUTSIDE INCORPORATED CITIES:**

	TOTAL FROM INSIDE INCORPORATED CITIES	162.36
PLAN	PLANNING	2.40
ROAD	ROAD	26.73
EMRG	EMERGENCY/DISASTER	0.00
	<b>TOTAL</b>	<b>191.49</b>

**SCHOOL MILLAGE BREAKDOWN:****COUNTY SCHOOL LEVIES:**

CELM	COUNTY ELEMENTARY	33.00
CERT	ELEMENTARY RETIREMENT	23.52
CHGH	COUNTY HIGH SCHOOL	22.00
CHTR	SCHOOL TRANSPORTATION	2.68
CHRT	HIGH SCHOOL RETIREMENT	13.86
	<b>TOTAL</b>	<b>95.06</b>

**MILLAGE BY SCHOOL DISTRICT:**

		SCHOOLS	TOTAL
SD01	SCHOOL DISTRICT #1, 2C, 3C	395.36	706.49
SD10	SCHOOL DISTRICT #1 OUT, 2	395.36	586.85
SD04	SCHOOL DISTRICT #4	267.48	458.97
SD09	SCHOOL DISTRICT #9	364.61	712.54
SD90	SCHOOL DISTRICT #9 OUT	364.61	556.10
SD9C	SCHOOL DISTRICT #9C	364.61	675.74
SD13	SCHOOL DISTRICT #13	218.88	410.37
SD27	SCHOOL DISTRICT #27	240.01	431.50
SD38	SCHOOL DISTRICT #38	235.38	426.87
SD45	SCHOOL DISTRICT #45	306.96	498.45

**SPECIAL DISTRICT FEES AND MILLAGES:****FIRE DISTRICTS AND AREAS:**

3006	AUGUSTA FIRE	18.55
3018	AUGUSTA FSA (Structure)	FEE Variable
3010	BAXENDALE	35.10
3007	BIRDSEYE	51.80
3005	CANYON CREEK	26.68
3014	DEARBORN FSA (Dwelling)	FEE Variable
3009	EASTGATE	43.00

**MISCELLANEOUS DISTRICTS:**

		(Fee/Lot)	(Fee/Lot)
		City	Outside
8000	WATER QUALITY DISTRICT:		
	inside city-residential	\$8.80	
8012	outside city-residential		\$10.75
	Commercial (Gallons/Day)		
8042A	1000-1999	\$35.16	



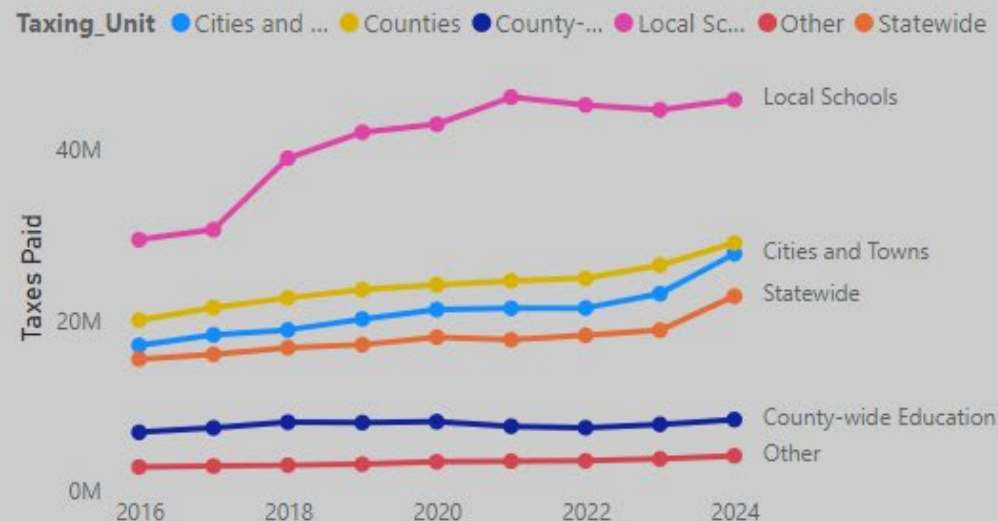


## Preliminary Property Tax Growth for FY 2024

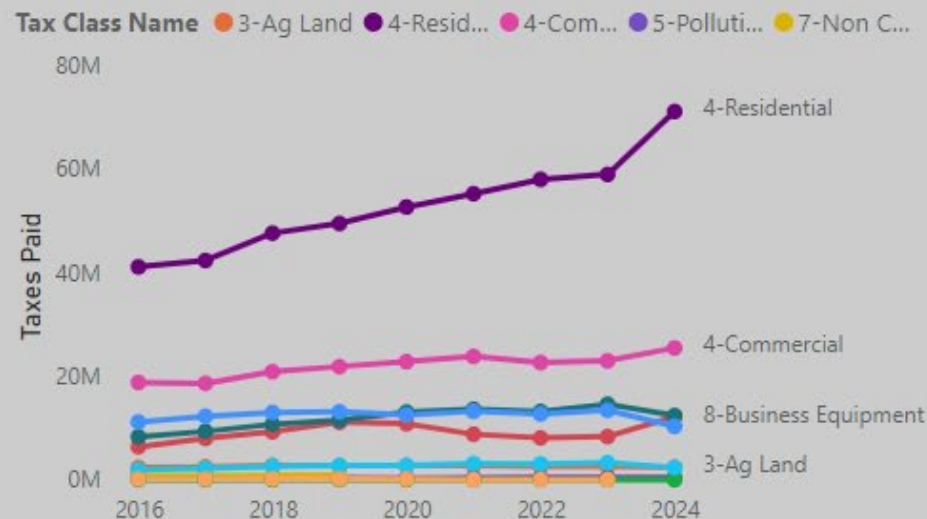
Data Sources:

- Montana Department of Revenue
- Montana Office of Public Instruction
- Montana Department of Administration

### FY Taxes Paid by Taxing Unit



### FY Taxes Paid by Tax Class



Slicer Options

**Taxing Unit**

- Cities and Towns
- Counties
- County-wide Educa...
- Local Schools
- Other
- Statewide

**County Name**

Cascade

**Municipality**

All

### FY Taxes Paid by Taxing Unit



### Compound Annual Growth Rate (CAGR) by Taxing Unit

Taxing_Unit	CAGR Taxes Paid (7 year)	FY 2024 Growth
County-wide Education	1.85%	7.19%
Statewide	2.88%	21.18%
Counties	4.06%	9.89%
Other	4.30%	9.92%
Cities and Towns	4.44%	20.34%
Local Schools	6.14%	2.63%
<b>Total</b>	<b>4.50%</b>	<b>10.76%</b>

### MapName



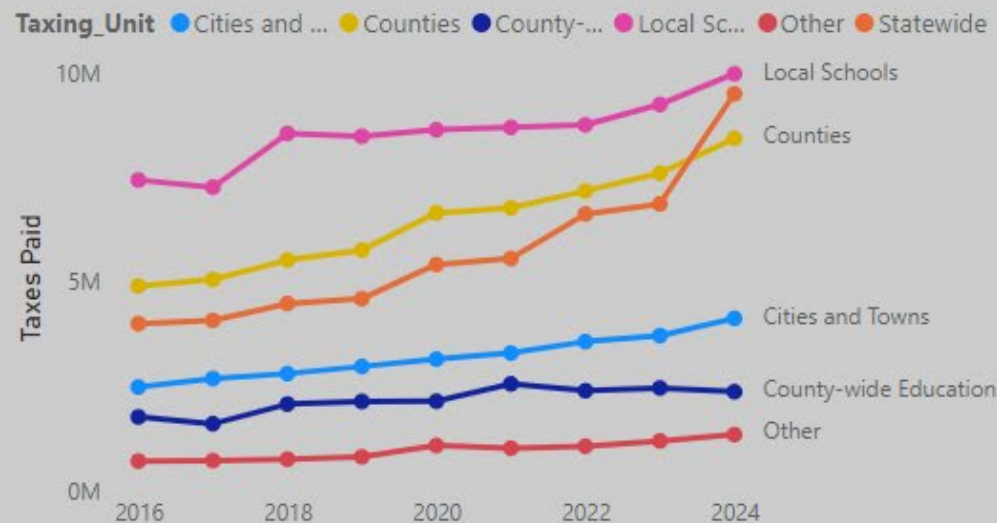


## Preliminary Property Tax Growth for FY 2024

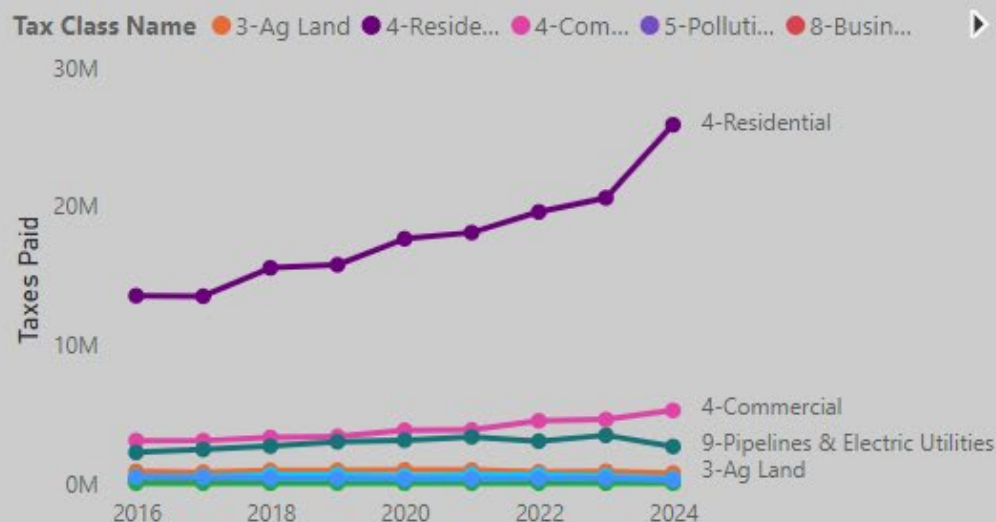
Data Sources:

- Montana Department of Revenue
- Montana Office of Public Instruction
- Montana Department of Administration

FY Taxes Paid by Taxing Unit



FY Taxes Paid by Tax Class



Slicer Options

Taxing Unit

Cities and Towns  
Counties  
County-wide Educa...  
Local Schools  
Other  
Statewide

County Name

Park

Municipality

All

FY Taxes Paid by Taxing Unit



Compound Annual Growth Rate (CAGR) by Taxing Unit

Taxing_Unit	CAGR Taxes Paid (7 year)	FY 2024 Growth
Local Schools	3.15%	7.96%
County-wide Education	4.83%	-3.65%
Cities and Towns	5.91%	11.11%
Counties	6.47%	10.95%
Other	7.65%	12.78%
Statewide	8.03%	38.34%
<b>Total</b>	<b>5.54%</b>	<b>15.04%</b>

MapName



# Count of Houses Worth Over \$1.5 Million

The tax rate for the market value of a single-family residential dwelling in excess of \$1.5 million\* is the same as the commercial rate of 1.89%

The number of homes affected by the higher tax rate more than doubled since the previous reappraisal

\*Value of the structure only. Land is not included.

County	FY 2023	FY 2024	Difference
Silver Bow	2	4	2
Cascade	15	22	7
Yellowstone	17	23	6
Missoula	43	108	65
Lewis & Clark	6	10	4
Gallatin	599	1,834	1,235
Flathead	411	815	404
Fergus	2	3	1
Carbon	12	28	16
Ravalli	81	138	57
Lake	71	134	63
Beaverhead	2	9	7
Valley	1	2	1
Madison	1,031	1,591	560
Richland	-	1	1
Powell	17	28	11
Deer Lodge	1	4	3
Teton	-	1	1
Stillwater	2	10	8
Sanders	-	1	1
Judith Basin	-	1	1
Glacier	2	2	-
Sweet Grass	-	4	4
Broadwater	1	2	1
Granite	3	14	11
Park	41	105	64
Jefferson	1	10	9
Lincoln	9	20	11
<b>Total</b>	<b>2,370</b>	<b>4,924</b>	<b>2,554</b>

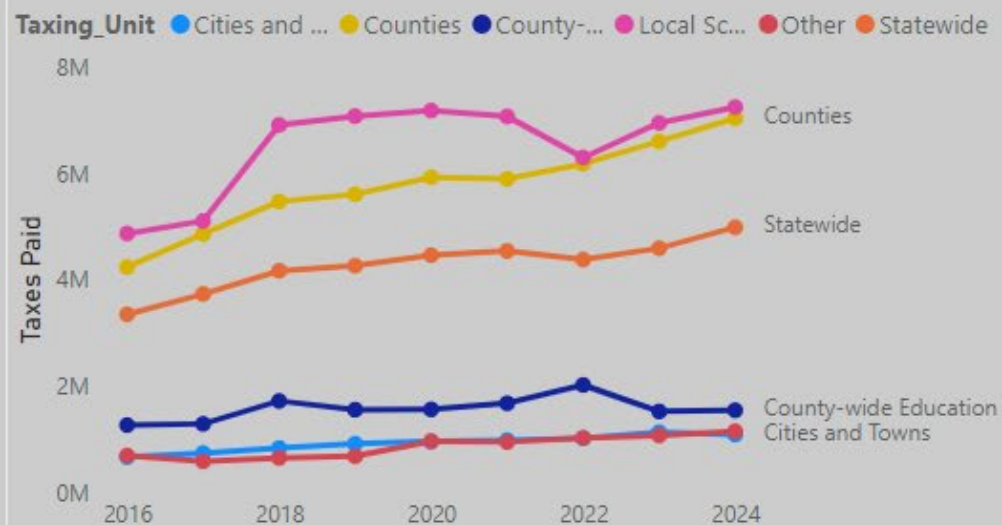


## Preliminary Property Tax Growth for FY 2024

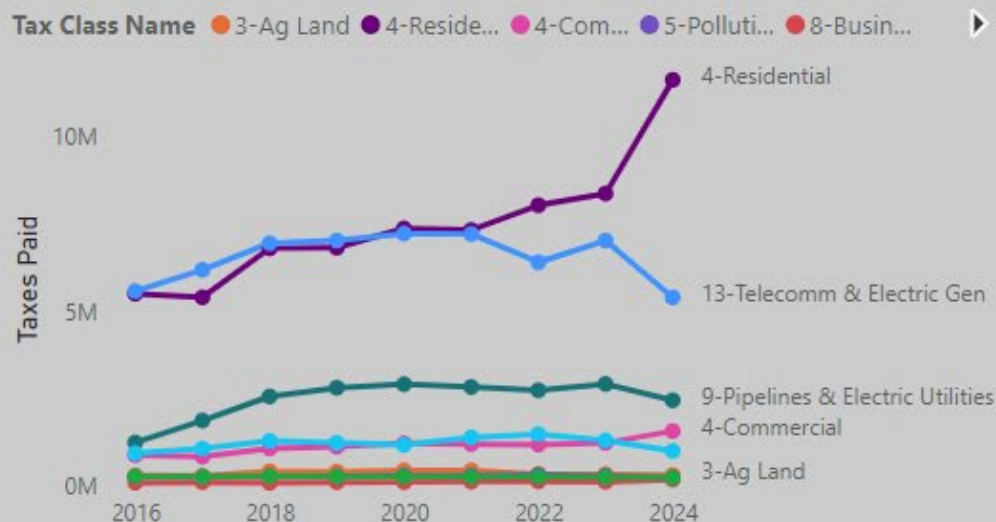
Data Sources:

- Montana Department of Revenue
- Montana Office of Public Instruction
- Montana Department of Administration

FY Taxes Paid by Taxing Unit



FY Taxes Paid by Tax Class



Slicer Options

**Taxing Unit**

Cities and Towns  
Counties  
County-wide Educa...  
Local Schools  
Other  
Statewide

**County Name**

Sanders

**Municipality**

All

FY Taxes Paid by Taxing Unit



Compound Annual Growth Rate (CAGR) by Taxing Unit

Taxing_Unit	CAGR Taxes Paid (7 year)	FY 2024 Growth
County-wide Education	2.67%	1.41%
Statewide	4.62%	8.55%
Local Schools	5.21%	4.27%
Other	6.39%	7.27%
Counties	6.54%	6.59%
Cities and Towns	7.88%	-3.91%
<b>Total</b>	<b>5.45%</b>	<b>5.39%</b>

MapName





# Tax Shift Example

Example  
Commercial  
Business

Taxable  
Value:  
\$100K

\$50 tax bill

↑  
If local  
governments  
and schools need  
to raise \$100  
from these two  
properties

20% growth in  
taxable value

Taxable  
Value:  
\$120K

\$47 tax bill

↑  
If local  
governments  
and schools need  
to raise \$105  
from these two  
properties (5%  
budget growth)

This property receives  
a tax decrease despite  
its value increasing.  
This is because  
budget growth is  
limited, and the other  
property's value grew  
disproportionately

Example  
Residential  
Home

Taxable  
Value:  
\$100K

\$50 tax bill

50% growth in  
taxable value

Taxable Value:  
\$150K

\$58 tax bill

**There is a difference  
between the actual  
MARKET VALUE  
and ASSESSED  
VALUE of a  
property**

50/50 share of tax burden

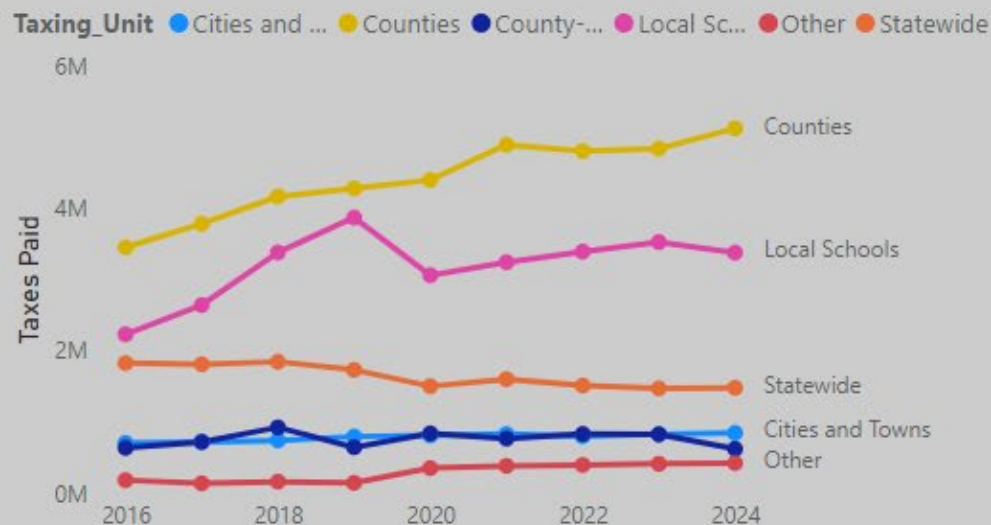
45/55 share of tax burden

## Preliminary Property Tax Growth for FY 2024

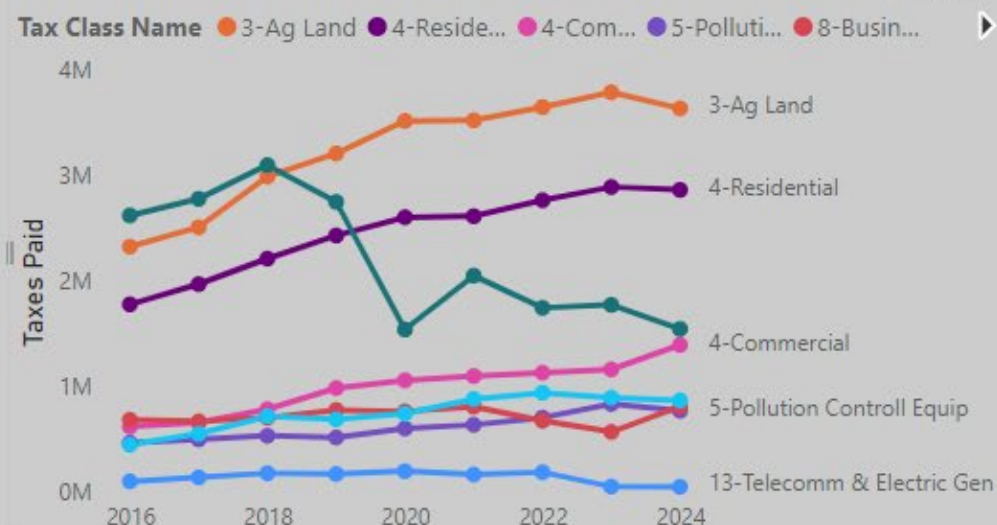
Data Sources:

- Montana Department of Revenue
- Montana Office of Public Instruction
- Montana Department of Administration

... FY Taxes Paid by Taxing Unit



FY Taxes Paid by Tax Class



Slicer Options

**Taxing Unit**

- ☐ Cities and Towns
- ☐ Counties
- ☐ County-wide Educa...
- ☐ Local Schools
- ☐ Other
- ☐ Statewide

**County Name**

Sheridan

**Municipality**

All

FY Taxes Paid by Taxing Unit



Compound Annual Growth Rate (CAGR) by Taxing Unit

Taxing_Unit	CAGR Taxes Paid (7 year)	FY 2024 Growth
Statewide	-3.03%	0.56%
Cities and Towns	2.32%	2.09%
County-wide Education	3.76%	-24.60%
Counties	4.94%	5.88%
Local Schools	6.75%	-4.19%
Other	12.14%	2.55%
<b>Total</b>	<b>4.01%</b>	<b>-0.26%</b>

MapName

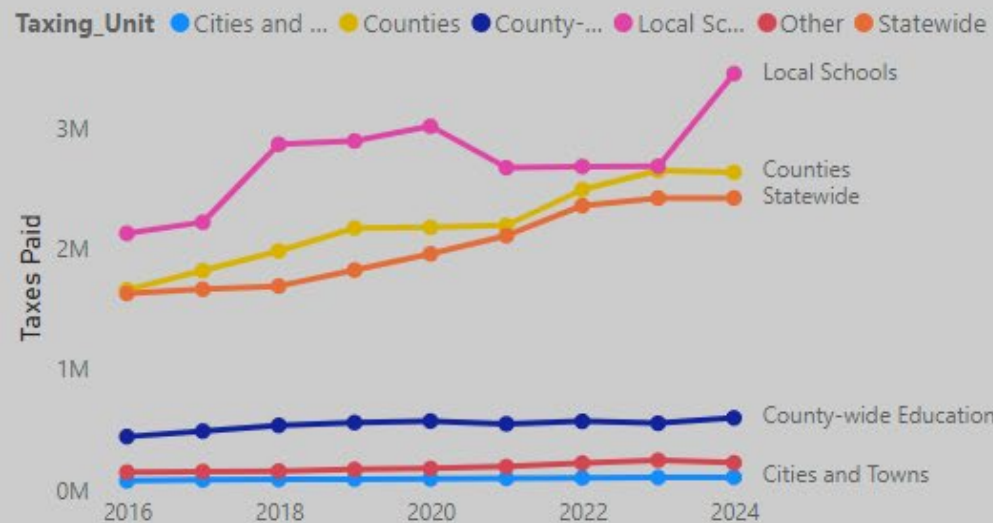


## Preliminary Property Tax Growth for FY 2024

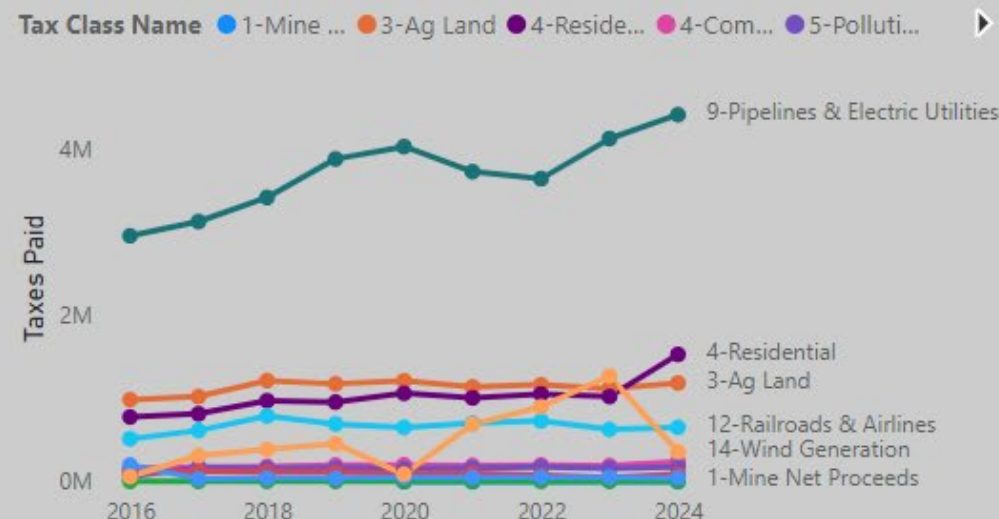
Data Sources:

- Montana Department of Revenue
- Montana Office of Public Instruction
- Montana Department of Administration

... FY Taxes Paid by Taxing Unit



FY Taxes Paid by Tax Class



Slicer Options

**Taxing Unit**

Cities and Towns  
Counties  
County-wide Educa...  
Local Schools  
Other  
Statewide

**County Name**

Judith Basin

**Municipality**

All

FY Taxes Paid by Taxing Unit



Compound Annual Growth Rate (CAGR) by Taxing Unit

Taxing_Unit	CAGR Taxes Paid (7 year)	FY 2024 Growth
County-wide Education	3.24%	7.82%
Local Schools	3.37%	28.59%
Cities and Towns	4.37%	2.56%
Statewide	5.81%	0.03%
Counties	6.90%	-0.55%
Other	7.45%	-8.45%
<b>Total</b>	<b>5.16%</b>	<b>8.99%</b>

MapName





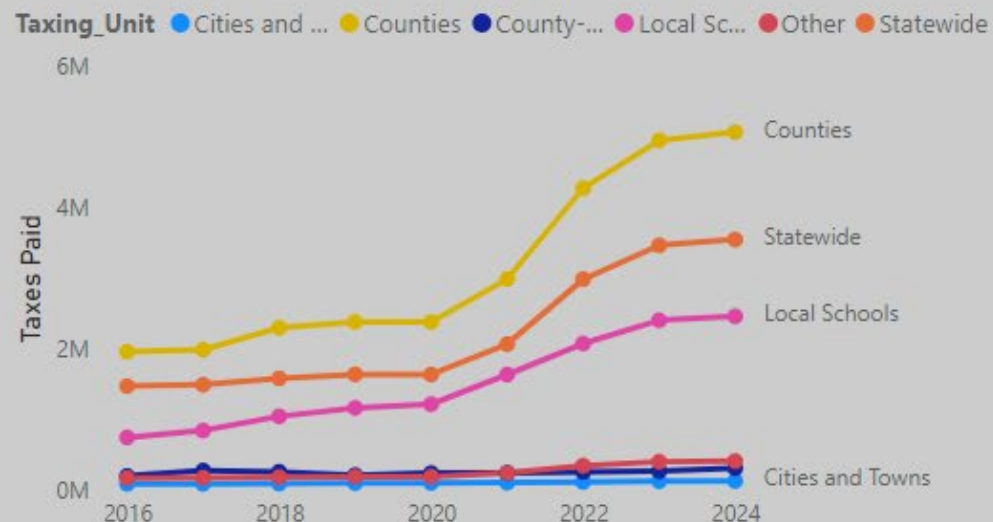


## Preliminary Property Tax Growth for FY 2024

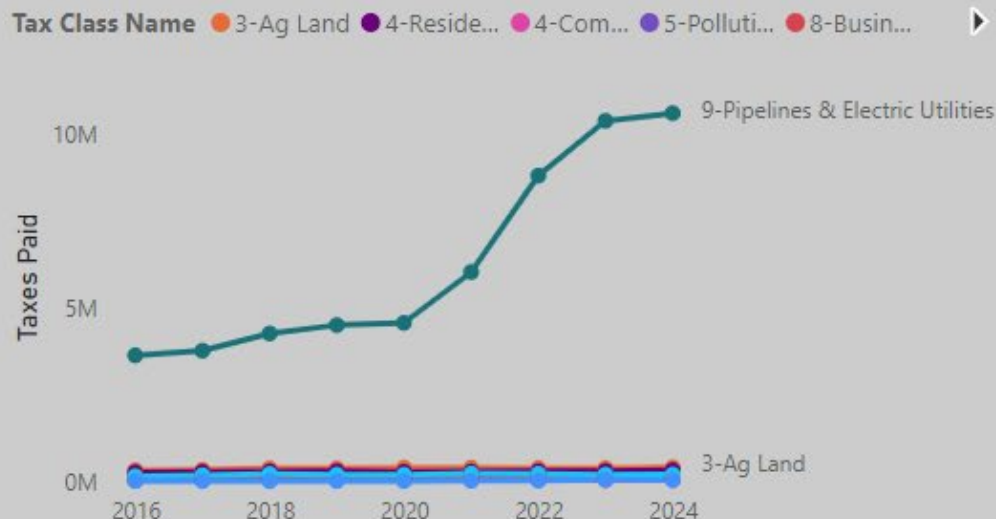
Data Sources:

- Montana Department of Revenue
- Montana Office of Public Instruction
- Montana Department of Administration

... FY Taxes Paid by Taxing Unit



FY Taxes Paid by Tax Class



Slicer Options

**Taxing Unit**

Cities and Towns  
Counties  
County-wide Educa...  
Local Schools  
Other  
Statewide

**County Name**

Wibaux ▼

**Municipality**

All ▼

FY Taxes Paid by Taxing Unit



Compound Annual Growth Rate (CAGR) by Taxing Unit

Taxing_Unit	CAGR Taxes Paid (7 year)	FY 2024 Growth
County-wide Education	4.46%	15.96%
Cities and Towns	5.65%	2.71%
Statewide	13.06%	2.35%
Other	13.36%	2.30%
Counties	14.20%	2.39%
Local Schools	18.32%	2.35%
<b>Total</b>	<b>14.12%</b>	<b>2.67%</b>

MapName



What sources  
of growth are  
concerns?

...and what  
are the  
options?

# Previous Mitigation

- From 1971-2015 Montana (for the most part) had a 6-year reappraisal cycle
- When large increases in market value were anticipated, steps were taken to "mitigate" that change
  - Reduction of tax rates
  - "Phasing-in" of reappraisal values
  - Homestead exemptions
  - Extension of Property Tax Assistance Program
  - Property Tax Rebates (2008 and 2023)

# What Tools are Available to Address Residential Tax Growth?

## Tools

- Number of Mills (95 mills)
- Statutory Tax Rate
- GTB Ratio

## Effect

- Equal reduction across the board
- Residential reduction
- Need-based shift



# Questions?