

RESOLUTION NO. 10152
RESOLUTION TO FIX ANNUAL TAX LEVY
A RESOLUTION PROVIDING FOR THE ANNUAL TAX
LEVY IN MILLS FOR THE FISCAL YEAR BEGINNING
JULY 1, 2016 AND ENDING JUNE 30, 2017

WHEREAS, Montana Code Annotated (MCA), 7-1-114, states "(1) A local government with self-governing powers is subject to ... (g) except as provided in subsection (3), any law regulating the budget, finance, or borrowing procedures and powers of local governments... (3) (b) The provisions of 15-10-420 apply to self-governing local government units."

WHEREAS, The City of Great Falls, Montana adopted a self-governing charter in 1986. Article I, Section 3 of the Charter of the City of Great Falls, Montana states: "The total mill levy shall not exceed that allowed to general powers cities of the first class by Montana Law."

WHEREAS, Section 7-6-4036, MCA, requires the City Commission to fix the tax levy for each taxing jurisdiction by the later of the first Thursday after the first Tuesday in September or within 30 calendar days after receiving certified taxable values. Certified taxable values were received July 29, 2016.

WHEREAS, Section 15-10-420, MCA provides:

(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 value of newly taxable property plus one-half the average rate of inflation for the prior 3 years.

(2) ... plus any additional levies authorized by the voters ...

(9) (a) The provisions of subsection (1) do not prevent or restrict:...(vi) the portion that is the amount in excess of the base contribution of a governmental entity's property tax levy for contributions for group benefits excluded under 2-9-212 or 2-18-703.

WHEREAS, Section 15-10-201, MCA, requires the City Commission to fix its tax levy in mills and tenths and hundredths of mills.

WHEREAS, The Department of Revenue's certified taxable value for the City of Great Falls is \$91,113,880 which equates to \$91,113 per mill; when the incremental value of the tax increment finance district is removed the value is \$89,978 per mill. This includes \$876,206 or \$5,239 per mill, of newly taxable property.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA:

Section 1. - Determination of Mill Levy Limit

- Appendix A shows the determination of the total mill levy limit of 167.26 mills.
- An additional 26.14 “Permissive Medical Levy” is allowed under 15-10-420(9)(a)(vi) for increased health insurance premiums not included in the Appendix A calculation.
- An additional 1.90 mills is allowed under 15-10-420(2) for additional voter supported mills. On November 4, 2003, a \$2.5 million general obligation bond was approved by voters for construction of a soccer park. It has been determined that 1.90 mills for soccer park debt service payments is needed for Fiscal Year 2017.
- Lastly, an additional 2.94 mills is allowed under 15-10-420(2) for additional voter supported mills. On November 7, 2006, a \$2.27 million general obligation bond was approved by voters for repair and improvement of city pool facilities. It has been determined that 2.94 mills for swimming pool debt service payments is needed for Fiscal Year 2017.

Section 2. - Tax Levy Amounts

A 198.24 mill levy will generate:

- a. \$ 14,173,472 from the \$84,739 certified value per mill for Previously Taxable Property;
- b. \$ 876,206 from the \$5,239 certified value per mill for Newly Taxable Property;
- c. \$ 2,352,025 from the \$89,978 certified value per mill for increased Health Insurance premiums “Permissive Medical Levy”;
- d. \$ 170,958 from the \$89,978 certified value per mill for soccer park debt service payments, and,
- e. \$ 264,535 from the \$89,978 certified value per mill for swimming pool debt service payments.
- f. \$17,837,196 in total City tax for 2016 Tax Year from the \$89,978 total certified value per mill.

This does not reflect delinquent collections or tax increments withheld.

Section 3. - Tax Levy Required and Set

- a. 167.26 mill levy- The City Commission has determined a \$15,049,678 tax levy, requiring a 167.26 mill levy, is necessary to balance the General Fund Budget.
- b. 26.14 mill levy- The City Commission has determined a \$2,352,025 “Permissive Medical Levy”, requiring a 26.14 mill levy, is necessary for increased health premium costs to balance the General Fund Budget.
- c. 1.90 mill levy- The City Commission has determined a \$170,958 tax levy, requiring a 1.90 mill levy, is necessary for the soccer park debt service payment.
- d. 2.94 mill levy- The City Commission has determined a \$264,535 tax levy, requiring a 2.94 mill levy, is necessary for the swimming pool debt service payment.
- e. Total 198.24 - The City Commission of the City of Great Falls, Montana hereby fixes the tax levy for the fiscal year July 1, 2016 through June 30, 2017 at 198.24 mills.

PASSED AND ADOPTED by the City Commission of the City of Great Falls, Montana, August 16, 2016.

Bob Kelly, Mayor

ATTEST:

Lisa Kunz, City Clerk

(Seal of the City)

APPROVED FOR LEGAL CONTENT:

Sara R. Sexe, City Attorney

Resolution 10152
Appendix A
DETERMINATION OF TAX REVENUE AND MILL LEVY LIMITATIONS
UNDER SECTION 15-10-420, MCA
GENERAL FUND
FYE JUNE 30, 2017
CITY OF GREAT FALLS, MT

Cells that contain formulas and are locked from changes

SALMON SHADED CELLS
YELLOW SHADED CELLS

Enter amounts in

EXPLANATION
REFERENCE

MAXIMUM PROPERTY TAXES AUTHORIZED:

Ad valorem tax revenue authorized to be assessed prior year (from prior year's determination form - (8a))	14,102,957	(1)
Add: FISCAL YEAR 2017 INFLATION ADJUSTMENT @ 0.50%	70,515	(2)
Less: Property taxes authorized to be assessed in the prior year for Class 1 and 2 property (net and gross proceeds) (enter as negative number)	0	(3)
Adjusted ad valorem tax revenue	14,173,472	(4)

CURRENT YEAR LEVY COMPUTATION:

!!NEW!!- Change from Prior Years' Format!!

In Rows (5), (5a), (5c) & (5d), PLEASE ENTER TAXABLE VALUES, AS WHOLE NUMBERS, DIRECTLY FROM DEPT. OF REVENUE CERTIFIED TAXABLE VALUATION INFORMATION form - "Per Mill" values will auto-calculate.

Enter 'Total Taxable Value' amount- from Department of Revenue <u>Certified Taxable Valuation Information</u> form, line # 2.	91,113,880	91,113.880	(5)
Less: Enter 'Total Incremental Value' of all tax increment financing districts (TIF Districts) amount - from Department of Revenue <u>Certified Taxable Valuation Information</u> form, line # 6 (enter as negative)	(1,135,578)	(1,135.578)	(5a)
Adjusted taxable value per mill (adjusted for removal of TIF per mill incremental district value)		89,978.302	(5b)
Less: Enter 'Total Value of Newly Taxable Property' - from Department of Revenue <u>Certified Taxable Valuation Information</u> form, line # 3 (enter as negative)	(5,238,618)	(5,238.618)	(5c)
Less: Enter 'Taxable Value of Net and Gross Proceeds, (Class 1 & 2 properties)' - from Department of Revenue <u>Certified Taxable Valuation Information</u> form, line # 5 (enter as negative)	0.000	0.000	(5d)
Adjusted Taxable value per mill		84,739.684	(6)
Authorized mill levy under Section 15-10-420, MCA		167.26	(7)
Adjusted taxable value per mill		84,739.684	(8)
Add: Newly taxable property per mill value	5238.618		
Taxable value per mill of net and gross proceeds (Class 1 & 2 properties)	0.000	5,238.618	(5e)
Taxable value per mill (including newly taxable property but excluding TIF per mill incremental value)		89,978.302	(5b)
Authorized mill levy under Section 15-10-420, MCA		167.26	(7)
Current property tax revenue authorized limitation		15,049,678	(8a)
RECAPITULATION:			
Adjusted ad valorem tax revenue		14,173,472	(4)
Amount attributable to newly taxable property		876,206	(9)
Amount attributable to net/gross proceeds		0	(10)
Current property tax revenue authorized limitation		15,049,678	(8a)

EXPLANATIONS: Calculating Mill Levies--Section 15-10-420, MCA

The Determination of Tax Revenue and Mill Levy Limitations form (Levy Comp. Form) computes the authorized mill levy and tax revenue authorized limitation per 15-10-420, MCA.

(1) Ad valorem tax revenue authorized to be assessed is determined by multiplying the **previous year authorized** levy by the previous year taxable value. This amount should be the highest tax authority carried forward under Section 15-10-420, MCA and taken from the **prior year's Determination of Tax Revenue and Mill Levy Limitations Form item (8a)**.

Note: Voted levies (15-10-420(2)), judgment levies (2-9-316, 7-6-4015, 7-7-2202), emergency levies (10-3-405), protested tax levies (15-1-402), levies imposed for permissive health insurance premiums (2-9-212) and levies imposed for local government study commissions (7-3-184) **are not to be included**.

Use the amount applicable to the prior year levy you were authorized to mill (item 8a) not what you actually milled unless it is the same. This will facilitate the carry forward provision of Section 15-10-420(1)(b).

****Note: Levies must be figured separately for funds that are not entity-wide. Examples: road fund and rural districts.**

(2) The inflation adjustment is calculated using the three previous years, taking one half of the 3 year average. This adjustment will be recalculated annually by the Department of Revenue.

(3) Property taxes assessed for Class 1 and 2 property, (net and gross proceeds), is determined by multiplying the previous year's mill levy times the previous years taxable value for net and gross proceeds. This deduction is required under Section 15-10-420(6), MCA. **Enter as a negative.**

FY08 was the last year for personal property tax reimbursements (HB20 and SB417).

(4) This amount is the net of items (1) through (3)

(5) The Taxable Value **per Mill** is determined by dividing the 'Total Taxable Value' by 1000.

'Total Taxable Value' is located on line 2 of the Certified Taxable Valuation Information sheet supplied by the Dept of Revenue.

(5a) The **per mill incremental value** of all tax increment financing districts (TIF) is determined by dividing the 'Total Incremental Value' by 1000.' Total Incremental Value' of all TIF Districts is located on line 6, at bottom of far right column, of the Certified Taxable Valuation Information sheet supplied by the Dept of Revenue. **Enter as a negative number.**

(5b) This amount is the computed mill value after removal of the tax increment financing district mill incremental value.

(5c) The **per mill value** of newly taxable property is determined by dividing 'Taxable Value of Newly Taxable Property' by 1,000. 'Taxable Value of Newly Taxable Property' is located on line 3 of the Certified Taxable Valuation Information Sheet supplied by the Department of Revenue. **Enter as a negative number.**

(5d) The **per mill value** of net and gross proceeds is determined by dividing 'Taxable Value of Net and Gross Proceeds' by 1,000. 'Taxable Value of Net and Gross Proceeds' is located on line 5 of the Certified Taxable Valuation Information Sheet.

Enter as a negative number.

(5e) This amount represents the total of newly taxable property per mill value plus the taxable value per mill of net & gross proceeds.

(6) This amount is the net amount of the per mill taxable value less newly taxable property as defined in Section 15-10-420(3), MCA and Class 1 and 2 property (net and gross proceeds) taxable value and tax increment financing district mill incremental value.

(7) The Authorized mill levy under 15-10-420, MCA (includes floating mills) is determined by dividing the adjusted property tax revenue assessed (Item 4) by the adjusted taxable value per mill (Item 6).

(8) Equals amount of Item 6. Refer to instructions for Item 6.

(8a) Determined by multiplying the mill levy (Item 7) by the current year taxable value inclusive of newly taxable property and net/gross proceeds (Item 5b). This represents the current authorized maximum amount of tax revenue which can be levied.

Recap:

(9) The Amount attributable to newly taxable property is determined by multiplying the authorized mill levy (item 7) times the per mill value of newly taxable property.

(10) The Amount attributable to net/gross proceeds (Class 1 & 2 properties), is determined by multiplying the authorized mill levy (item 7) times the per mill value of net/gross proceeds (Class 1 & 2 properties).