

RESOLUTION NO. 9941
RESOLUTION TO FIX ANNUAL TAX LEVY

A RESOLUTION PROVIDING FOR THE ANNUAL TAX
LEVY IN MILLS FOR THE FISCAL YEAR BEGINNING
JULY 1, 2011 AND ENDING JUNE 30, 2012

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 in September or within 30 calendar days after receiving certified taxable values. Certified taxable values were received July 29, 2011.

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 ...
- (7) In determining the maximum number of mills in subsection (1)(a), the governmental entity may increase the number of mills to account for a decrease in

reimbursements.

(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 \$78,709,035 which equates to \$78,709 per mill; when the incremental value of the tax increment finance district is removed the value is \$77,973 per mill. This includes \$5,295,716, or \$5,296 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 164.27 mills.
- An additional 15.44 "Permissive Medical Levy" is allowed under 15-10-420(9)(a)(v) for increased health insurance premiums not included in the Appendix A calculation.
- An additional 2.56 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 2.56 mills for soccer park debt service payments is needed for Fiscal Year 2012.
- Lastly, an additional 3.72 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 3.72 mills for swimming pool debt service payments is needed for Fiscal Year 2012.

Section 2. - Tax Levy Amounts

A 183.24 mill levy will generate:

- a. \$ 11,724,639 from the \$72,677 certified value per mill for Previously Taxable Property;
- b. \$ 869,937 from the \$5,296 certified value per mill for Newly Taxable Property;
- c. \$ 1,203,903 from the \$77,973 certified value per mill for increased Health Insurance premiums "Permissive Medical Levy",
- d. \$ 199,610 from the \$77,973 certified value per mill for soccer park debt service payments, and,
- e. \$ 290,059 from the \$77,973 certified value per mill for swimming pool debt service payments.

- f. \$14,288,148 in total City tax for 2011 Tax Year from the \$77,973 total certified value per mill.

This does not reflect delinquent collections or tax increments withheld.

Section 3. - Tax Levy Required and Set

- a. The City Commission has determined a \$12,594,576 tax levy, requiring a 161.52 mill levy, is necessary to balance the General Fund Budget.
- b. The City Commission has determined a \$1,203,903 “Permissive Medical Levy”, requiring a 15.44 mill levy, is necessary for increased health premium costs to balance the General Fund Budget. This is down from 15.54 mills in FY 2011.
- c. The City Commission has determined a \$199,610 tax levy, requiring a 2.56 mill levy, is necessary for the soccer park debt service payment.
- d. The City Commission has determined a \$290,059 tax levy, requiring a 3.72 mill levy, is necessary for the swimming pool debt service payment.
- e. The City Commission of the City of Great Falls, Montana hereby fixes the tax levy for the fiscal year July 1, 2011 through June 30, 2012 at 183.24 mills.

PASSED AND ADOPTED by the City Commission of the City of Great Falls, Montana, August 16, 2011.

Michael J. Winters, Mayor

ATTEST:

Lisa Kunz, City Clerk

(Seal of the City)

APPROVED FOR LEGAL CONTENT:

James W. Santoro, City Attorney

Resolution 9941 Appendix A.

**DETERMINATION OF TAX REVENUE AND MILL LEVY LIMITATIONS UNDER SECTION 15-10-420,
MCA**

FYE JUNE 30, 2012

CITY OF GREAT FALLS, MONTANA

The tax revenue and mill levy limitations will be computed automatically.

**NOTE: WHEN ENTERING A NUMBER TO BE SUBTRACTED ENTER AS A NEGATIVE NUMBER
WHERE FORMULAS EXIST, NO ENTRY IS NECESSARY**

MAXIMUM PROPERTY TAXES AUTHORIZED: (Note that appropriate statutes are referenced)

Ad valorem tax revenue authorized to be assessed prior year		<u>11,853,414</u>
 Add: FISCAL YEAR 2012 INFLATION ADJUSTMENT @ 0.72% (Section 15-10-420(1a)(1c), MCA)	<u>85,345</u>	<u>85,345</u>
 Less: Property taxes authorized to be assessed in the prior year for Class 1 and 2 property (net and gross proceeds, county only) (Section 15-10-420(6), MCA (enter as negative number))		<u>0</u>
 Adjusted ad valorem tax revenue		<u>11,938,759</u>

CURRENT YEAR LEVY COMPUTATION:

Taxable value per mill		<u>78,709</u>
Less per mill incremental value of tax increment financing district (TIF) (enter as negative)	<u>(736)</u>	
Adjusted taxable value (adjusted for removal of TIF per mill incremental district value)		<u>77,973</u>
Less: Newly taxable property per mill value, (enter as negative)	<u>(5,296)</u>	
Taxable value per mill of net and gross proceeds (county only) (enter as negative)		<u>(5,296)</u>
 Adjusted Taxable value per mill		<u>72,677</u>
 Authorized mill levy under Section 15-10-420, MCA (includes floating mills)		<u>164.27</u>
 Adjusted taxable value per mill		<u>72,677</u>
Add: Newly taxable property per mill value	<u>5296</u>	
Taxable value per mill of net and gross proceeds (county only)	<u>0</u>	<u>5,296</u>
 Taxable value per mill (including newly taxable property but excluding TIF per mill incremental value)		<u>77,973</u>
 Authorized mill levy under Section 15-10-420, MCA (includes floating mills)		<u>164.27</u>
 Current property tax revenue authorized limitation		<u>12,808,695</u>

RECAPITULATION:

Adjusted ad valorem tax revenue		11,938,759
Amount attributable to newly taxable property and net/gross proceeds		<u>869,937</u>
Current property tax revenue authorized limitation		<u><u>12,808,695</u></u>