

Mill Levy

Tax Year 2023

Fiscal Year 2024



City of
Helena

Prepared by Sheila Danielson, Finance Director
September 6, 2022

Background

The city is required under MCA 7-6-4036 to set the tax levy by the later of the 1st Thursday after the 1st Tuesday in September (9/14/23) or 30 calendar days after receiving taxable values. Certified taxable values were dated August 7, 2023 making September 6, 2023 the 30-calendar day mark. The later of these dates is September 14, 2023 which is our official deadline to approve the tax levy for Tax Year 2023 (FY 2024)

The city will have a public hearing to set the tax levy on September 11, 2023

General Mill Levy calculation is relative to and dependent upon two factors:

1. The amount of Taxable Value in the Levying District
2. The Maximum Allowable amount to be levied – determined by taking the maximum allowable amount from the prior year and adjusting for inflation

If the increase in Adjusted Taxable Value* from one year to the next grows faster than the inflation rate, the number of mills necessary to generate the same revenue as the prior year + inflation decreases.

For Tax Year 2023 (FY24): Adjusted Taxable Growth: 25.01%, Inflation Factor per DOR: 2.46%

Since the inflation rate is lower than the net taxable growth, the number of mills needed to generate the allowable revenue decreased. 105.70 vs. 126.93 in prior year.

Last year the adjusted taxable value increased 1.71% from the prior year.

A mill is the traditional unit for expressing property tax rates:

- 1/10 of a percent (10 mills = 1%)
- One-thousandth (1/1000) of a dollar
- \$1 per \$1,000 of taxable valuation



City of
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What is a Mill?

General Levy: 105.70 mills (126.93 prior year)

- Includes Railroad TIF: 1.10 mills
- Includes Downtown TIF: 1.74 mills
- Includes Capital Hill TIF: 0.98 mills

Permissive Health Levy: 27.51 mills (27.35 prior year)

GO Debt Levy: 5.58 mills (7.00 prior year)

Fire Supplemental Levy: 9.98 mills (12.59 prior year)

Net decrease of 25.10 mills vs. FY23 (148.77 vs. 173.87 mills)

General Levy	Amount
Prior Year Assessment (ad valorem tax revenue)	\$10,017,697
Inflationary Factor (2.46%)	+ \$246,435
Adjusted ad valorem tax revenue	\$9,538,509
Total Taxable Value	\$102,223,173
Less: TIF increment values	-\$3,559,128
Less: Value of Newly Taxable Property	-\$1,560,199
Adjusted Taxable Value per mill	\$97,103.85
General Mill Calculation	$\$10,264,132 / \$97,103.85$ = \$105.70 Mills



**City of
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General Mill Levy Calculation

(NOTE: This analysis includes only those levies subject to the limitations of Section 15-10-420, MCA and does not include voted levies. In addition, only the levies assessed on an entity-wide basis are to be included.)

Tax Year	Fiscal Year	City-Wide	Valuation %	Previous Year Levy	Current Year Levy	Change in
		Taxable	Change From			Mills
		Valuation	Previous Yr			Up / (Down)
2014	2014-2015	\$ 59,186,122	-3.81%	120.03	125.22	5.19
2015	2015-2016	\$ 61,254,920	3.50%	125.22	124.57	(0.65)
2016	2016-2017	\$ 62,737,950	2.42%	124.57	127.01	2.44
2017	2017-2018	\$ 66,261,551	5.62%	127.01	124.36	(2.65)
2018	2018-2019	\$ 67,817,291	2.35%	124.36	126.46	2.10
2019	2019-2020	\$ 72,730,063	7.24%	126.46	122.51	(3.95)
2020	2020-2021	\$ 73,635,891	1.25%	122.51	124.28	1.77
2021	2021-2022	\$ 78,423,416	6.50%	124.28	121.13	(3.15)
2022	2022-2023	\$ 79,993,046	8.63%	121.13	126.93	5.80
2023	2023-2024	\$102,223,173	30.35%	126.93	105.70	(21.23)

The current year levies are at the maximum levels authorized under Section 15-10-420, MCA.



**City of
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Ten Year General Levy History

Permissive Health Levy

- MCA 15-10-420(9)
- Not subject to property tax limitation law (MCA 15-10-420)
- Covers incremental value of group benefits over base year for employees not covered by user charges generated in proprietary funds
- Used for “group benefits” – health, medical, life, flexible spending accounts, etc.

Permissive Health Levy	Amount
Base year contribution (base year = 2001)	\$198,277
General Fund Budgeted City Contribution (FY2024)	\$2,930,338
Increase in employer contribution over base year	\$2,714,119
Total Taxable Value	\$102,223,173
Less: Incremental Tax Values	-\$3,559,128
Adjusted Taxable Value per mill	\$98,664,045
Permissive Health Levy Mill Calculation	$\$2,714,119 / \$98,664.05$ = 27.51 Mills



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Permissive Health Levy Calculation

GO Bond Levy

- Voted Levy for Parks Improvements
- Originated in 2008
- Refinanced in 2017 – expires FY 2028
- Levy enough to cover the debt service each year



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Proposed GO Bond Levy: 5.58 mills

GO Debt Levy	Amount
GO Debt Service Payment in FY23	\$551,000
Total Taxable Value	\$102,223,173
Less: Incremental Tax Values	-\$3,559,128
Adjusted Taxable Value per mill	\$98,664,045
Permissive Health Levy Mill Calculation	$\frac{\$551,000}{\$98,664.045} = 5.58 \text{ Mills}$

Supplemental Fire Levy:

- Voted levy (no expiration)
- Began collecting FY2019

Purpose:

- Support six (6) firefighters
- Capital Equipment



City of
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Proposed Supplemental Fire Levy: 9.98 mills

Fire Levy	Amount
Prior Year Assessment (ad valorem tax revenue)	\$946,018
Inflationary Factor (2.46%)	+ \$23,272
Adjusted ad valorem tax revenue	\$969,290
Total Taxable Value	\$102,223,173
Less: TIF increment values	-\$3,559,128
Less: Value of Newly Taxable Property	-\$1,560,199
Adjusted Taxable Value per mill	\$97,103.85
General Mill Calculation	$\$969,290 / \$97,103.85$ = 9.98 Mills



**City of
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Supplemental Fire Levy Calculation

FY2024 Increase(decrease) in property taxes

\$ (33.89)

\$ (101.66)

\$ (203.31)

FY2024 Calculation:

CurrentMarket Value

\$ 100,000.00

\$300,000.00

\$ 600,000.00

Taxable Rate: 1.35% of Current Market Value

\$ 1,350.00

\$ 4,050.00

\$ 8,100.00

Taxable Value Per Mill (1/1000th)

\$ 1.35

\$ 4.05

\$ 8.10

Total Levy in Mills(Line 11 on the Mill levy Calculation Form)

148.77

\$ 148.77

\$ 148.77

Calculated Total Property Tax

\$ 200.84

\$ 602.52

\$ 1,205.04

FY2023 Calculation:

CurrentMarket Value

\$ 100,000.00

\$300,000.00

\$ 600,000.00

Taxable Rate: 1.35% of Current Market Value

\$ 1,350.00

\$ 4,050.00

\$ 8,100.00

Taxable Value Per Mill (1/1000th)

\$ 1.35

\$ 4.05

\$ 8.10

Total Levy in Mills(Line 11 on the Mill levy Calculation Form)

173.87

\$ 173.87

\$ 173.87

Calculated Total Property Tax

\$ 234.72

\$ 704.17

\$ 1,408.35

**City of
Helena****SB332 – Property Tax Increase
information**

Current "Phased In" Market Value\$ 350,000

2024Exemption0.00%0

Non-Exempt Market Value\$ 350,000

			Total	Levies	City	County	
2024Taxable Rate (%)	X	1.35%					
Current Taxable Value		Mill Levy	735.62	395.36	148.77	191.49	
	\$	4,725	Property Tax	\$3,476	\$1,868	\$703	\$905
		1,000	Tax as a Percent of Market Value	0.99%	0.53%	0.20%	0.26%
Taxable Value per Mill	\$	4.73	Share of Total	100%	53.75%	20.22%	26.03%

Total Levy in Mills

X735.62

Calculated Total Property Tax

\$ 3,475.80

Recommendation:

Adopt proposed mill levy as
presented at public hearing on
September 11, 2023



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Total Proposed Mill Levy: 148.77 mills