MONTANA TAXPAYERS ASSOCIATION

Montana Taxpayers Association
SINCE 1921
montax.org

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DATE: Nov. 19, 2018

TO: Revenue and Transportation Interim Committee

FROM: Robert Story
Montana Taxpayers Association

RE: Revenue Estimate—Property Taxes

I have some concerns regarding the methodology used to estimate the revenue to the State from the property tax collections. The State collects 95 mills of property taxes to fund K-12 schools, 6 mills to fund the university system, and 1.5 mills in some counties to help fund vo-techs.

All of these mill levies are regulated by 15-10- 420. That section of law limits the amount of revenue any property taxing entity can collect. Those limitations are; the jurisdiction can only assess the mills necessary to generate the same revenue as last year plus one half of the rate of inflation applied to the property tax base not including new property. New property is described in 15-10-420 (3) (a). Under no circumstances can a taxing entity exceed its statutory mill limits 15-10-420 (8).

I believe that the revenue projections contained in the estimating document exceed the allowed amount. This is due to the State capturing the increased value of cyclical reappraised properties in Class 4. If you look at the charts on pages 165 and 167 of the LFD's estimating document you will see that in the first year of the biennium, Fiscal Year 2020, the growth rate for property is either 6.8% or 7.6%. The more normal rate of growth in FY 2019 and 2021 is 2.5% or less as there is only new property growth.

I believe that the revenue estimate should reflect a growth rate of around 2.5% for 2020 in keeping with the requirements of 15-10-420. No taxing authority is supposed to profit from the increased value of property due to cyclical reappraisal. The mill levies are supposed to adjust down to provide tax relief to those property owners who property values have increased due only to reappraisal.

Thank you for your consideration of this concern.

Sincerely,

Bob Story

Robert Story, Executive Director
Montana Taxpayers Association

2020 - 2021



Assessed and taxable values are measured on January 1 of the tax year. The taxes are due to the state in the following November and May, i.e. in the fiscal year following the calendar year in which the values are measured. Coal gross proceeds are due to the state in the fiscal year two years after the calendar year in which the coal was produced. Federal forest receipts are received by the federal government in December of each year, and miscellaneous non-levy revenue (primarily interest) is deposited as earned.

## Analysis

The latest year for which taxable value by class is available is the base from which future taxable values are derived. Growth rates are applied to the taxable value in each class of property. For the most part, growth rates are based on historical growth and on expected changes in tax rates in upcoming fiscal years. The table below shows growth rates for each class of property, for TIF and the resulting growth rates in net taxable value. Rates reflect both reappraisal and assumed growth rates for classes 3, 4, and 10.

| Statewide Taxable Value by Fiscal Year | | | | | | |
|---|---|---|---|---|---|---|
| | Taxable Value ($ Millions) | | | Growth Rates | | |
| Class of Property | 2019 | 2020 | 2021 | 2019 | 2020 | 2021 |
| 1 Mine Net Proceeds | $4.795 | $5.246 | $5.704 | 20.4% | 9.4% | 8.7% |
| 2 Gross Proceeds Metal Mines | 22.274 | 24.871 | 27.505 | 24.5% | 11.7% | 10.6% |
| 3 Ag Land | 152.577 | 157.566 | 157.193 | -0.2% | 3.3% | -0.2% |
| 4 Residential and Commercial Real Estate | 1,743.879 | 1,922.018 | 1,954.413 | 1.7% | 10.2% | 1.7% |
| 5 Pollution Control Equiopment | 47.683 | 47.696 | 47.708 | 0.0% | 0.0% | 0.0% |
| 7 Non Centrally Assed Utilities | 1.215 | 1.288 | 1.366 | 6.0% | 6.0% | 6.0% |
| 8 Business Personal Property | 156.844 | 159.838 | 162.889 | 0.8% | 1.9% | 1.9% |
| 9 Electrical Utilities | 501.145 | 527.717 | 555.699 | -0.3% | 5.3% | 5.3% |
| 10 Forest Land | 4.898 | 4.884 | 4.870 | -0.3% | -0.3% | -0.3% |
| 12 Railroads and Airlines | 88.093 | 91.648 | 94.514 | -7.3% | 4.0% | 3.1% |
| 13 Telecomm and Electric Generation | 172.584 | 173.453 | 174.327 | -3.6% | 0.5% | 0.5% |
| 14 Wind Generation | 21.074 | 21.238 | 21.403 | 24.3% | 0.8% | 0.8% |
| 15 C02/Qualifying Liquid Pipeline | 2.010 | 2.087 | 2.167 | -20.6% | 3.8% | 3.8% |
| 16 High Voltage DC Converter | - | - | - | NA | NA | NA |
| Total Taxable Value | 2,919.072 | 3,139.550 | 3,209.758 | 0.8% | 7.6% | 2.2% |
| Tax Increment Financing Values | 54.927 | 58.690 | 61.459 | -1.0% | 6.9% | 4.7% |
| Net Taxable Value | $2,864.145 | $3,080.859 | $3,148.299 | 0.9% | 7.6% | 2.2% |
| | | | | | | |
| Net Vo-tech Taxable Value | 970.194 | 1,043.473 | 1,066.807 | 0.4% | 7.6% | 2.2% |
| Net 6-Mill Taxable Value | $2,919.072 | $3,139.550 | $3,209.758 | 0.8% | 7.6% | 2.2% |
| FY 2019 taxable values are tax year 2018 taxable values. The property was valued on January 1, 2018, and the revenue from these values is collected by the state in November and May of the following fiscal year. FY 2019 values are known, although subject to revision. | | | | | | |

The figure below shows the tax rates for all classes of property.

| Tax Rates and Exemptions by Property Tax Class | | | |
|---|---|---|---|
| | Tax Rates | | |
| Class of Property | 2019 | 2020 | 2021 |
| Mine Net Proceeds | 100.00% | 100.00% | 100.00% |
| Gross Proceeds Metal Mines | 3.00% | 3.00% | 3.00% |
| Ag Land | 2.16% | 2.16% | 2.16% |
| Residential Real Estate | 1.35% | 1.35% | 1.35% |
| Commercial Real Estate* | 1.89% | 1.89% | 1.89% |
| Pollution Control Equiopment | 3.00% | 3.00% | 3.00% |
| Non Centrally Assed Utilities | 8.00% | 8.00% | 8.00% |
| Business Personal Property, above threshold | 3.00% | 3.00% | 3.00% |
| Business Personal Property, below threshold | 1.50% | 1.50% | 1.50% |
| Electrical Utilities | 12.00% | 12.00% | 12.00% |
| Forest Land | 0.37% | 0.37% | 0.37% |
| Railroads and Airlines** | 3.08% | 3.03% | 3.06% |
| Telecomm and Electric Generation | 6.00% | 6.00% | 6.00% |
| Wind Generation | 3.00% | 3.00% | 3.00% |
| C02/Qualifying Liquid Pipeline | 3.00% | 3.00% | 3.00% |
| High Voltage DC Converter | 2.25% | 2.25% | 2.25% |
| *Effective Tax Rate; Actual Rate is 1.35% multiplied by 1.4 | | | |
| **Estimated Rate: This rate is calcuated annually | | | |

2020 - 2021

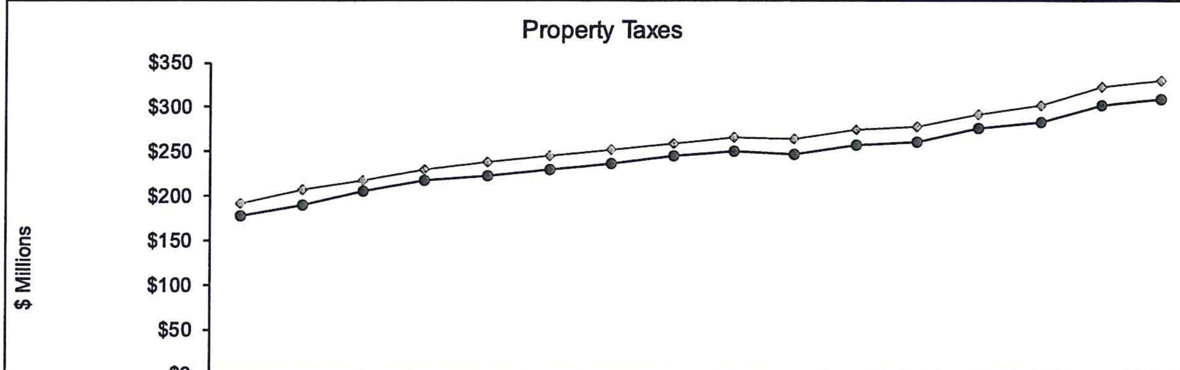


## Revenue Estimate Assumptions

| | FY | Class 1 $ Millions | Class 2 $ Millions | Class 3 $ Millions | Class 4 $ Millions | Class 5 $ Millions | Class 6 $ Millions | Class 7 $ Millions |
|---|---|---|---|---|---|---|---|---|
| A | 2008 | $3.840 | $18.849 | $141.329 | $1,244.916 | $35.418 | - | $1.096 |
| A | 2009 | 4.013 | 24.540 | 142.099 | 1,296.595 | 35.155 | - | 1.214 |
| A | 2010 | 4.002 | 23.837 | 161.073 | 1,368.081 | 37.502 | - | 1.266 |
| A | 2011 | 3.181 | 18.291 | 153.566 | 1,396.074 | 38.994 | - | 1.298 |
| A | 2012 | 3.888 | 22.987 | 150.429 | 1,418.797 | 40.642 | - | 1.194 |
| A | 2013 | 4.189 | 31.132 | 147.792 | 1,446.304 | 45.673 | - | 1.170 |
| A | 2014 | 3.272 | 29.723 | 145.199 | 1,479.183 | 45.072 | - | 1.202 |
| A | 2015 | 3.791 | 25.555 | 143.467 | 1,519.031 | 43.570 | - | 1.182 |
| A | 2016 | 3.907 | 26.517 | 141.391 | 1,539.936 | 45.555 | - | 1.189 |
| A | 2017 | 4.080 | 19.454 | 142.282 | 1,552.031 | 46.795 | - | 1.139 |
| A | 2018 | 3.984 | 17.890 | 152.939 | 1,715.108 | 47.671 | - | 1.146 |
| F | 2019 | 4.795 | 22.274 | 152.577 | 1,743.879 | 47.683 | - | 1.215 |
| F | 2020 | 5.246 | 24.871 | 157.566 | 1,922.018 | 47.696 | - | 1.288 |
| F | 2021 | 5.704 | 27.505 | 157.193 | 1,954.413 | 47.708 | - | 1.366 |
| F | 2022 | 5.709 | 27.528 | 162.073 | 2,075.168 | 47.720 | - | 1.448 |
| F | 2023 | 5.717 | 27.564 | 161.689 | 2,110.129 | 47.733 | - | 1.535 |

| | FY | Class 8 $ Millions | Class 9 $ Millions | Class 10 $ Millions | Class 12 $ Millions | Class 13 $ Millions | Class 14 $ Millions | Class 15 $ Millions |
|---|---|---|---|---|---|---|---|---|
| A | 2008 | $138.658 | $264.324 | $6.822 | $43.004 | $152.942 | $2.590 | - |
| A | 2009 | 151.317 | 260.190 | 6.816 | 43.567 | 154.611 | 2.944 | - |
| A | 2010 | 169.606 | 254.253 | 6.988 | 46.901 | 154.314 | 6.780 | - |
| A | 2011 | 182.310 | 280.633 | 6.519 | 51.836 | 174.430 | 17.889 | - |
| A | 2012 | 180.626 | 304.226 | 6.390 | 71.336 | 193.267 | 17.143 | - |
| A | 2013 | 175.743 | 322.490 | 6.349 | 72.349 | 197.605 | 15.550 | - |
| A | 2014 | 162.972 | 353.968 | 6.277 | 74.501 | 187.546 | 32.105 | $0.953 |
| A | 2015 | 147.114 | 374.692 | 6.215 | 72.038 | 169.516 | 16.601 | 1.757 |
| A | 2016 | 154.457 | 430.457 | 4.922 | 74.354 | 178.178 | 16.881 | 2.352 |
| A | 2017 | 155.331 | 478.417 | 4.920 | 85.934 | 181.614 | 17.670 | 2.355 |
| A | 2018 | 155.522 | 502.593 | 4.913 | 95.052 | 179.090 | 16.958 | 2.533 |
| F | 2019 | 156.844 | 501.145 | 4.898 | 88.093 | 172.584 | 21.074 | 2.010 |
| F | 2020 | 159.838 | 527.717 | 4.884 | 91.648 | 173.453 | 21.238 | 2.087 |
| F | 2021 | 162.889 | 555.699 | 4.870 | 94.514 | 174.327 | 21.403 | 2.167 |
| F | 2022 | 165.999 | 585.164 | 4.856 | 100.516 | 175.206 | 21.570 | 2.250 |
| F | 2023 | 169.168 | 616.191 | 4.842 | 105.004 | 176.088 | 21.737 | 2.336 |

## Revenue Projection




| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total | 192 | 207 | 218 | 230 | 239 | 245 | 253 | 260 | 266 | 265 | 275 | 279 | 292 | 303 | 323 | 330 |
| General Fund | 178 | 191 | 205 | 217 | 223 | 229 | 237 | 245 | 250 | 248 | 257 | 260 | 276 | 283 | 302 | 309 |
| GF Growth | 6.2% | 7.5% | 7.4% | 5.9% | 2.5% | 3.1% | 3.2% | 3.4% | 2.3% | -1.0% | 3.7% | 1.2% | 6.2% | 2.5% | 6.8% | 2.2% |

2018-2019



The TIF taxable value is required because state law allows a TIF district to apply the state 95 mills and 1.5 vo-tech mills to the increment in property value that occurred since the TIF was created, but allows the TIF district to keep the revenue associated with these mill levies. Thus the taxable value of the state must be adjusted downward by the increment value of TIF property for the 95 mills and the 1.5-mill levy. The 6-mill levy revenue derived from incremental TIF property does flow to the state special account for university operations, and thus the tax base for the 6-mill levy is not adjusted for the incremental taxable value in a TIF.

Montana law allows local governments (usually counties) to temporarily reduce the tax rate applied to the assessed value of property. This is called abated property. For instance, in tax year 2010, an electrical generation plant outside Hardin and another in Silver Bow County were granted a 10 year exemption on all personal and real estate property. The abatement applies to all local mills for those jurisdictions in which the properties are located. However, the tax rate reduction and the resulting partial exemption from property taxes does not apply to state mills. For the first time in tax year 2010, abated taxable values were available by class of property and were added back to each class of taxable value to form the tax base for the state mills. Previously these values had been added back without respect to class of property.

Assessed and taxable values are measured on January 1 of the tax year. The taxes are due to the state in the following November and May, i.e. in the fiscal year following the calendar year in which the values are measured. Coal gross proceeds are due to the state in the fiscal year two years after the calendar year in which the coal was produced. Federal forest receipts are received by the federal government in December of each year, and miscellaneous non-levy revenue (primarily interest) is deposited as earned.

## Analysis

The latest year for which taxable value by class is available is the base from which future taxable values are derived. Growth rates are applied to the taxable value in each class of property. For the most part, growth rates are based on historical growth and on expected changes in tax rates in upcoming fiscal years. The table below shows growth rates for each class of property, for TIF and the resulting growth rates in net taxable value. Rates reflect both reappraisal and assumed growth rates for classes 3, 4, and 10.

Statewide Taxable Value by Fiscal Year

| | Taxable Value ($ Millions) | | | Growth Rates | | |
|---|---|---|---|---|---|---|
| Class of Property | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 |
| 1 Mine Net Proceeds | $4.080 | $4.274 | $4.156 | 4.4% | 4.7% | -2.7% |
| 2 Gross Proceeds Metal Mines | 19.454 | 21.301 | 20.434 | -26.6% | 9.5% | -4.1% |
| 3 Ag Land | 142.282 | 143.179 | 144.082 | 0.6% | 0.6% | 0.6% |
| 4 Residential and Commercial Real Est | 1,552.031 | 1,649.218 | 1,669.300 | 0.8% | 6.3% | 1.2% |
| 5 Pollution Control Equiopment | 46.795 | 48.069 | 49.378 | 2.7% | 2.7% | 2.7% |
| 7 Non Centrally Assed Utilities | 1.139 | 1.091 | 1.046 | -4.2% | -4.2% | -4.2% |
| 8 Business Personal Property | 156.987 | 162.581 | 168.375 | 1.6% | 3.6% | 3.6% |
| 9 Electrical Utilities | 478.417 | 524.003 | 573.934 | 11.1% | 9.5% | 9.5% |
| 10 Forest Land | 4.920 | 4.918 | 4.916 | 0.0% | 0.0% | 0.0% |
| 12 Railroads and Airlines | 85.934 | 96.946 | 94.838 | 15.6% | 12.8% | -2.2% |
| 13 Telecomm and Electric Generation | 181.614 | 185.116 | 188.686 | 1.9% | 1.9% | 1.9% |
| 14 Wind Generation | 17.670 | 18.496 | 19.361 | 4.7% | 4.7% | 4.7% |
| 15 C02/Qualifying Liquid Pipeline | 2.355 | 2.379 | 2.404 | 0.1% | 1.1% | 1.1% |
| 16 High Voltage DC Converter | - | - | - | NA | NA | NA |
| Total Taxable Value | 2,693.678 | 2,861.573 | 2,940.910 | 2.8% | 6.2% | 2.8% |
| Tax Increment Financing Values | 54.331 | 50.978 | 50.662 | 7.0% | -6.2% | -0.6% |
| Net Taxable Value | $2,639.347 | $2,810.595 | $2,890.248 | 2.7% | 6.5% | 2.8% |
| Net Votech Taxable Value | 919.791 | 977.121 | 1,004.212 | 3.0% | 6.2% | 2.8% |
| Net 6-Mill Taxable Value | $2,693.678 | $2,861.573 | $2,940.910 | 2.8% | 6.2% | 2.8% |

FY 2017 taxable values are tax year 2016 taxable values. The property was valued on January 1, 2016, and the revenue from these values is collected by the state in November and May of the following fiscal year. FY 2017 values are known, although preliminary.

# Montana Code Annotated 2017

TITLE 15. TAXATION
CHAPTER 10. PROPERTY TAX LEVIES
Part 4. Limitation on Property Taxes

## Property Tax Limited To 1996 Levels

**15-10-402. Property tax limited to 1996 levels.** Except as provided in **15-10-420**, the amount of taxes levied on property described in Title 15, chapter 6, part 1, may not, for any taxing jurisdiction, exceed the amount levied for tax year 1996.

**History: En. Sec. 2, I.M. No. 105, approved Nov. 4, 1986; amd. Sec. 6, Ch. 10, Sp. L. June 1989; amd. Sec. 2, Ch. 11, Sp. L. June 1989; amd. Sec. 3, Ch. 745, L. 1991; amd. Sec. 11, Ch. 773, L. 1991; amd. Sec. 7, Ch. 267, L. 1993; amd. Sec. 6, Ch. 463, L. 1997; amd. Sec. 93, Ch. 584, L. 1999.**

# Montana Code Annotated 2017

TITLE 15. TAXATION
CHAPTER 10. PROPERTY TAX LEVIES
## Part 4. Limitation on Property Taxes

# Procedure For Calculating Levy

**15-10-420. Procedure for calculating levy.** (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 newly taxable value, plus one-half of the average rate of inflation for the prior 3 years.

(b) A governmental entity that does not impose the maximum number of mills authorized under subsection (1)(a) may carry forward the authority to impose the number of mills equal to the difference between the actual number of mills imposed and the maximum number of mills authorized to be imposed. The mill authority carried forward may be imposed in a subsequent tax year.

(c) For the purposes of subsection (1)(a), the department shall calculate one-half of the average rate of inflation for the prior 3 years by using the consumer price index, U.S. city average, all urban consumers, using the 1982-84 base of 100, as published by the bureau of labor statistics of the United States department of labor.

(2) A governmental entity may apply the levy calculated pursuant to subsection (1)(a) plus any additional levies authorized by the voters, as provided in **15-10-425**, to all property in the governmental unit, including newly taxable property.

(3) (a) For purposes of this section, newly taxable property includes:

(i) annexation of real property and improvements into a taxing unit;

(ii) construction, expansion, or remodeling of improvements;

(iii) transfer of property into a taxing unit;

(iv) subdivision of real property; and

(v) transfer of property from tax-exempt to taxable status.

(b) Newly taxable property does not include an increase in value that arises because of an increase in the incremental value within a tax increment financing district.

(4) (a) For the purposes of subsection (1), the taxable value of newly taxable property includes the release of taxable value from the incremental taxable value of a tax increment financing district because of:

(i) a change in the boundary of a tax increment financing district;

(ii) an increase in the base value of the tax increment financing district pursuant to **7-15-4287**; or

(iii) the termination of a tax increment financing district.

(b) If a tax increment financing district terminates prior to the certification of taxable values as required in 15-10-202, the increment value is reported as newly taxable property in the year in which the tax increment financing district terminates. If a tax increment financing district terminates after the certification of taxable values as required in 15-10-202, the increment value is reported as newly taxable property in the following tax year.

(c) For the purpose of subsection (3)(a)(ii), the value of newly taxable class four property that was constructed, expanded, or remodeled property since the completion of the last reappraisal cycle is the current year market value of that property less the previous year market value of that property.

(d) For the purpose of subsection (3)(a)(iv), the subdivision of real property includes the first sale of real property that results in the property being taxable as class four property under 15-6-134 or as nonqualified agricultural land as described in 15-6-133(1)(c).

(5) Subject to subsection (8), subsection (1)(a) does not apply to:

(a) school district levies established in Title 20; or

(b) a mill levy imposed for a newly created regional resource authority.

(6) For purposes of subsection (1)(a), taxes imposed do not include net or gross proceeds taxes received under 15-6-131 and 15-6-132.

(7) In determining the maximum number of mills in subsection (1)(a), the governmental entity:

(a) may increase the number of mills to account for a decrease in reimbursements; and

(b) may not increase the number of mills to account for a loss of tax base because of legislative action that is reimbursed under the provisions of 15-1-121(7).

(8) The department shall calculate, on a statewide basis, the number of mills to be imposed for purposes of 15-10-108, 20-9-331, 20-9-333, 20-9-360, and 20-25-439. However, the number of mills calculated by the department may not exceed the mill levy limits established in those sections. The mill calculation must be established in tenths of mills. If the mill levy calculation does not result in an even tenth of a mill, then the calculation must be rounded up to the nearest tenth of a mill. *

(9) (a) The provisions of subsection (1) do not prevent or restrict:

(i) a judgment levy under 2-9-316, 7-6-4015, or 7-7-2202;

(ii) a levy to repay taxes paid under protest as provided in 15-1-402;

(iii) an emergency levy authorized under 10-3-405, 20-9-168, or 20-15-326;

(iv) a levy for the support of a study commission under 7-3-184;

(v) a levy for the support of a newly established regional resource authority;

(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;

(vii) a levy for reimbursing a county for costs incurred in transferring property records to an adjoining county under 7-2-2807 upon relocation of a county boundary; or

(viii) a levy used to fund the sheriffs' retirement system under 19-7-404(2)(b).

(b) A levy authorized under subsection (9)(a) may not be included in the amount of property taxes actually assessed in a subsequent year.

(10) A governmental entity may levy mills for the support of airports as authorized in **67-10-402**, **67-11-301**, or **67-11-302** even though the governmental entity has not imposed a levy for the airport or the airport authority in either of the previous 2 years and the airport or airport authority has not been appropriated operating funds by a county or municipality during that time.

(11) The department may adopt rules to implement this section. The rules may include a method for calculating the percentage of change in valuation for purposes of determining the elimination of property, new improvements, or newly taxable value in a governmental unit.

**History: En. Sec. 1, Ch. 584, L. 1999; amd. Secs. 6, 16(1), Ch. 11, Sp. L. May 2000; amd. Sec. 1, Ch. 191, L. 2001; amd. Sec. 1, Ch. 220, L. 2001; amd. Sec. 3, Ch. 361, L. 2001; amd. Sec. 3, Ch. 511, L. 2001; amd. Sec. 7, Ch. 571, L. 2001; amd. Sec. 94, Ch. 574, L. 2001; amd. Sec. 1, Ch. 115, L. 2003; amd. Sec. 1, Ch. 476, L. 2003; amd. Sec. 3, Ch. 376, L. 2005; amd. Sec. 3, Ch. 545, L. 2005; amd. Sec. 20, Ch. 521, L. 2007; amd. Sec. 26, Ch. 2, L. 2009; amd. Sec. 3, Ch. 57, L. 2009; amd. Sec. 27, Ch. 351, L. 2009; amd. Sec. 3, Ch. 412, L. 2009; amd. Sec. 9, Ch. 483, L. 2009; amd. Sec. 18, Ch. 347, L. 2011; amd. Sec. 2, Ch. 393, L. 2011; amd. Sec. 5, Ch. 411, L. 2011; amd. Sec. 22, Ch. 361, L. 2015; amd. Sec. 1, Ch. 328, L. 2017.**

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# Montana Code Annotated 2017

TITLE 15. TAXATION
CHAPTER 10. PROPERTY TAX LEVIES
## Part 4. Limitation on Property Taxes

# Mill Levy Election

**15-10-425. Mill levy election.** (1) A county, consolidated government, incorporated city, incorporated town, school district, or other taxing entity may impose a new mill levy, increase a mill levy that is required to be submitted to the electors, or exceed the mill levy limit provided for in **15-10-420** by conducting an election as provided in this section.

(2) An election pursuant to this section must be held in accordance with Title 13, chapter 1, part 4 or 5, or Title 20 for school elections, whichever is appropriate to the taxing entity. The governing body shall pass a resolution, shall amend its self-governing charter, or must receive a petition indicating an intent to impose a new levy, increase a mill levy, or exceed the current statutory mill levy provided for in **15-10-420** on the approval of a majority of the qualified electors voting in the election. The resolution, charter amendment, or petition must include:

(a) the specific purpose for which the additional money will be used;

(b) either:

(i) the specific amount of money to be raised and the approximate number of mills to be imposed; or

(ii) the specific number of mills to be imposed and the approximate amount of money to be raised; and

(c) whether the levy is permanent or the durational limit on the levy.

(3) Notice of the election must be prepared by the governing body and given as provided in **13-1-108**. The form of the ballot must reflect the content of the resolution or charter amendment and must include a statement of the impact of the election on a home valued at $100,000 and a home valued at $200,000 in the district in terms of actual dollars in additional property taxes that would be imposed on residences with those values if the mill levy were to pass. The ballot may also include a statement of the impact of the election on homes of any other value in the district, if appropriate.

(4) If the majority voting on the question are in favor of the additional levy, the governing body is authorized to impose the levy in either the amount or the number of mills specified in the resolution or charter amendment.

(5) A governing body, as defined in **7-6-4002**, may reduce an approved levy in any fiscal year without losing the authority to impose in a subsequent fiscal year up to the maximum amount or number of mills approved in the election. However, nothing in this subsection authorizes a governing body to impose more than the approved levy in any fiscal year or to extend the duration of the approved levy.

**History:** **En. Sec. 1, Ch. 495, L. 2001; en. Sec. 2, Ch. 574, L. 2001; amd. Sec. 1, Ch. 170, L. 2007; amd. Sec. 194, Ch. 49, L. 2015.**