

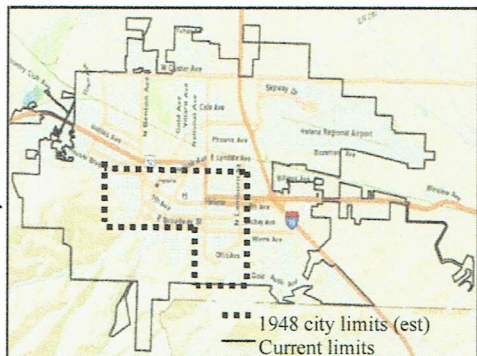


# Understanding Mill Levies:

**Purpose** of this training: The DNRC wants to be sure each Conservation District (CD) understands how their mill levy process works so you receive the maximum levy allowed to you. This may increase your operating budget and allow the district to put as much conservation on the ground as possible.

## Case Study:

About four years ago, the Lewis and Clark CD became aware that the county was adjusting the boundaries of the CD each time the city of Helena annexed land. Chris Evans, the district administrator, was able to work with the county to determine the 1948 boundaries of the city (the time when the CD was formed) to begin properly taxing conservation district land that is now part of the new city limits. This made a difference



(increase) in about \$5,000 to \$6,000 a year for their district. **Remember, your boundaries do not change when a city annexes land.** Make sure that taxes are levied properly, as this is a common mistake made by county assessors. Also, LCCD requests "the full amount under state law" in their budget request to the county. This ensures they get everything coming to them that they should!

## Background: CD Law Regarding Mill Levies:

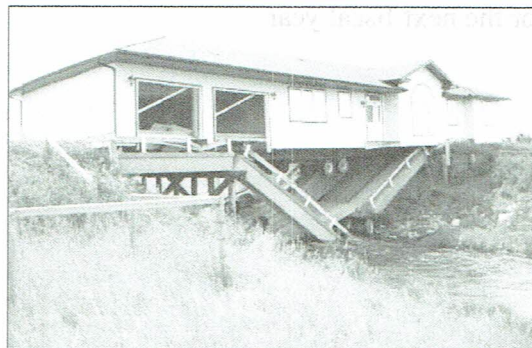
Supervisors may request the county commissioners to levy a tax on all real property within the CD district. This tax may not exceed the value of the previous year's levy. Income generated from taxes will generally increase due to inflation and new developments within the district. Income should not go down because the CD is allowed to increase the mills levied if taxable values decrease.

CDs **must** submit an estimate of funding needed for operations to the county by the first Monday in July. However, your county may need this estimate sooner. (You don't legally have to submit your estimate in a budget format, but you need a budget anyway, so if your county requests it, you should have no problem supplying it.) If you are expecting the entire assessment allowed by law, make sure to request it that way. Otherwise, the county may reduce your levy if you have a carry over.

**What is a Mill?** A mill is one-thousandth (.001) of a dollar. You can determine the value of a mill by taking the total taxable value in a district (an amount provided to the district by the county assessor) and multiplying it by .001.

**Taxable Value = \$13,000,000**  
 $\$13,000,000 \times .001 = \$13,000$   
**\$13,000 is the value of one mill**

Use the form titled *Determination of Tax Revenue...* provided by the Department of Administration (DOA) to estimate your mill value. You will need three figures from your county, which they may not have until August. You will need last year's income, the taxable value of the previous year, and the taxable value of newly taxable property. This form can be found on the Department of Administration website. The forms for FY 2010 will be posted in May. Sometimes the county does this for you, but it is your responsibility.



*Never hurts to double check calculations!!*

Continued on next page



## Understanding Mill Levies Cont'd:

### Things to check:

- **How** much income did your mill levy generate the previous year?
- **What** was your mill worth the previous year?
- **Did** the value go down or go up?
- **Check** the boundaries of the CD to be sure your levy includes all land within the CD.
- **Your** income should not be less than last year.
- **Be sure** to review your monthly statements from the county (tax collection and disbursements).

### DID You Know...?

- CD's only levy a tax on real property.
- Real property includes land and improvements affixed to the land.
- The county levies a tax on all real property within the district based on the supervisors' request.
- The 1.5 mill levy cap was eliminated in 2004, but due to a mistake, was not removed from CD law until the 2009 legislative session.
- Mill levies can be raised many ways, but all require a vote of the people affected.
- That conservation district supervisors are responsible for every dollar spent and collected - no matter the source?
- County Commissioners do not have authority to spend or treat how CD funds are spent.
- All funds that pass through the CD coffers can only be used for lawful purposes outlined in CD law.
- Now is the time to start working on your budget for the next fiscal year.

*Prepared by the DNRC  
Conservation Districts Bureau  
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