



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0020: Require voted levies to be in dollars rather than mills

Primary Sponsor: Larry Brewster Status: As Amended in House Committee

Included in the Executive Budget Needs to be included in HB 2 Significant Local Gov Impact

Significant Long-Term Impacts Technical Concerns Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
Expenditures				
General Fund (01)	\$0	\$0	\$0	\$0
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact

HB 20 as amended in the House Taxation Committee changes the current practice of designating property tax levy votes as dollars requirements or as fixed mill rates, to levying for explicit dollar amounts, only. There is no fiscal impact to the state in the forecast window. The bill as amended excludes countywide and local school levies from requirement as school mills are regulated under Title 20, MCA, and not 15-10-420, MCA.

FISCAL ANALYSIS

Assumptions

Department of Revenue

1. Currently, taxing entities may pose new property tax levies to voters in the form of a dollar amount to be raised or a set number of mills to be levied.
2. HB 20 as amended in the House Taxation Committee removes the option for newly voted tax levies to be established in fixed mills, for local jurisdictions. The amendments remove schools from the fixed dollar levy requirement.
3. Establishing fixed mill levies can yield revenue authority increases for jurisdictions when taxable values increase.
4. Requiring mill levies to be established in dollar amounts means reappraisal will not result in automatically increased revenue authority.
5. Non-school taxing entities may also specify that these new mills will be subject to 15-10-420, which allows the budget authority to grow by half the average rate of inflation over the three prior years, plus newly taxable property growth.
6. No new statewide levies are currently contemplated in present law so the changes due to HB 20 have no state fiscal impact.

Office of Public Instruction


7. The House Taxation Committee amendments to HB 20 exclude local and countywide school levies from the fixed dollar stipulations of the bill.

Effect on County or Other Local Revenues or Expenditures

1. 15-10-420, MCA, is effectively a revenue authority limitation. Non-school local government entities may need to put more voted levy questions before their electorates than under present law.

Significant Long-Term Impacts

1. The university six-mill levy is set for a reauthorization vote by the electorate in November 2028. That vote would be the first state levy subject to the provisions of HB 20.



Sponsor's Initials

1-23-25

Date



Budget Director's Initials

1/23/2025

Date