

From: MACO <MACO@mtcounties.org>
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To: MACO
Subject: [EXTERNAL] MACo Takes Legal Action in Supreme Court Regarding Mill Levies
Attachments: FINAL-MACo-Petition-for-Original-Jurisdiction-and-Declaratory-Judgment-10-26-2023.pdf; FINAL-Exhibits-for-Petition-for-Original-Jurisdiction-and-Declaratory-Judgment-10-26-2023.pdf



PRESS RELEASE

FOR IMMEDIATE RELEASE

October 26, 2023

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MACO TAKES LEGAL ACTION IN SUPREME COURT REGARDING MILL LEVIES

Montana's counties continue seeking transparency in calculations

HELENA, MT – In an effort to protect Montana property taxpayers while also ensuring schools across the state receive adequate funding, the Montana Association of Counties (MACo) is taking legal action at the state level regarding whether counties are required to levy 95 mills for the State of Montana.

The lawsuit, filed this week with the Montana Supreme Court on behalf of MACo's 56 member counties, seeks to clarify whether the State is subject to the same statute that requires counties to levy fewer mills due to increased property values, which in turn limits their property tax increases. MACo asserts the State is also subject to this law and must adjust their school equalization mill rates accordingly, which would be 77.9 mills this year.

Regardless of the outcome, this action will have no impact on school funding this biennium, which is based on a formula the Legislature approved earlier this year. If the counties' interpretation of the statute is upheld, school funding will remain at the current level determined by the Legislature. Alternatively, if the Court determines the State can levy extra mills, school funding will still remain at the level determined by the Legislature.

While the Department of Revenue has calculated the State's levy authority at 77.89 mills, the State still asked counties to levy the extra mills to generate additional revenue during a reappraisal year

that saw unprecedented increases in property values across Montana. In response, 49 out of Montana's 56 counties have adopted resolutions to set the state mill levy at 77.9 mills. Tax bills are on the horizon, and the Supreme Court is the appropriate forum to clarify the State of Montana's mill levy authority.

"The central question before the Court is whether Montana's tax policy intended to take advantage of these increases in taxable values," said MACo Executive Director Eric Bryson. "This approach does not apply to counties or schools, and we contend that the law does not permit it for the State either. This issue is not about school funding; it is about clarifying the law and the process we all need to use in levying property taxes across Montana's 56 counties."

While the State and the Montana Quality Education Coalition have also filed separate actions against counties seeking similar clarification, MACo and its member counties contend those lawsuits fall short of addressing the key question facing county commissioners and the State, hence this separate action.

"MACo is committed to obtaining a swift resolution to this question," said MACo President and Fergus County Commissioner Ross Butcher. "Filing directly on behalf of our membership will expedite the process and ensure that tax collections and distributions are made according to the law. We are also committed to collaborating with the State, Legislature and the education community to prioritize adequate and equitable school funding in the next legislative session. We believe that constructive dialogue and cooperation are essential to achieving an educational system that serves the needs of all Montanans."

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