

CITY OF GREAT FALLS, MONTANA
A G E N D A R E P O R T

AGENDA # 2
DATE July 5, 2005

ITEM Resolution 9494 - Intent to Increase Property Tax

INITIATED BY Statutory Budget Requirements

ACTION REQUESTED Conduct the Public Hearing and Adopt the Tax Increase Resolution

PRESENTED BY Melissa Kinzler, Budget Officer

REVIEWED & APPROVED BY Cheryl Patton, Assistant City Manager

RECOMMENDATIONS

Staff recommends the City Commission conduct the public hearing on the Intent to Increase Property Tax and adopt Resolution 9494.

MOTIONS

I move the City Commission adopt Resolution 9494.

SYNOPSIS

The Montana Legislature, in MCA 15-10-203, requires local governments to advertise their intent to increase tax revenues and hold a public hearing.

MCA 15-10-420, authorizes a property tax levy increase of "one-half of the average rate of inflation for the prior 3 years". The Consumer Price Index showed a 2.50% average increase. Therefore the City is allowed and is proposing a 1.25% property tax levy increase.

MCA 15-10-420 and 2-9-212(2a), also allow property tax levy increases for premium contributions for group benefits. The City is proposing an additional 3.25% property tax levy increase for health insurance premiums.

The total proposed allowable property tax levy increase is 4.50%.

The average cost of this increase for a house with a market value of \$100,000 would be approximately \$11.73 a year.

BACKGROUND

Attached is Notice of Budget Increase from Property Taxes

Attached is Resolution 9494 - Intent to Increase Property Tax