

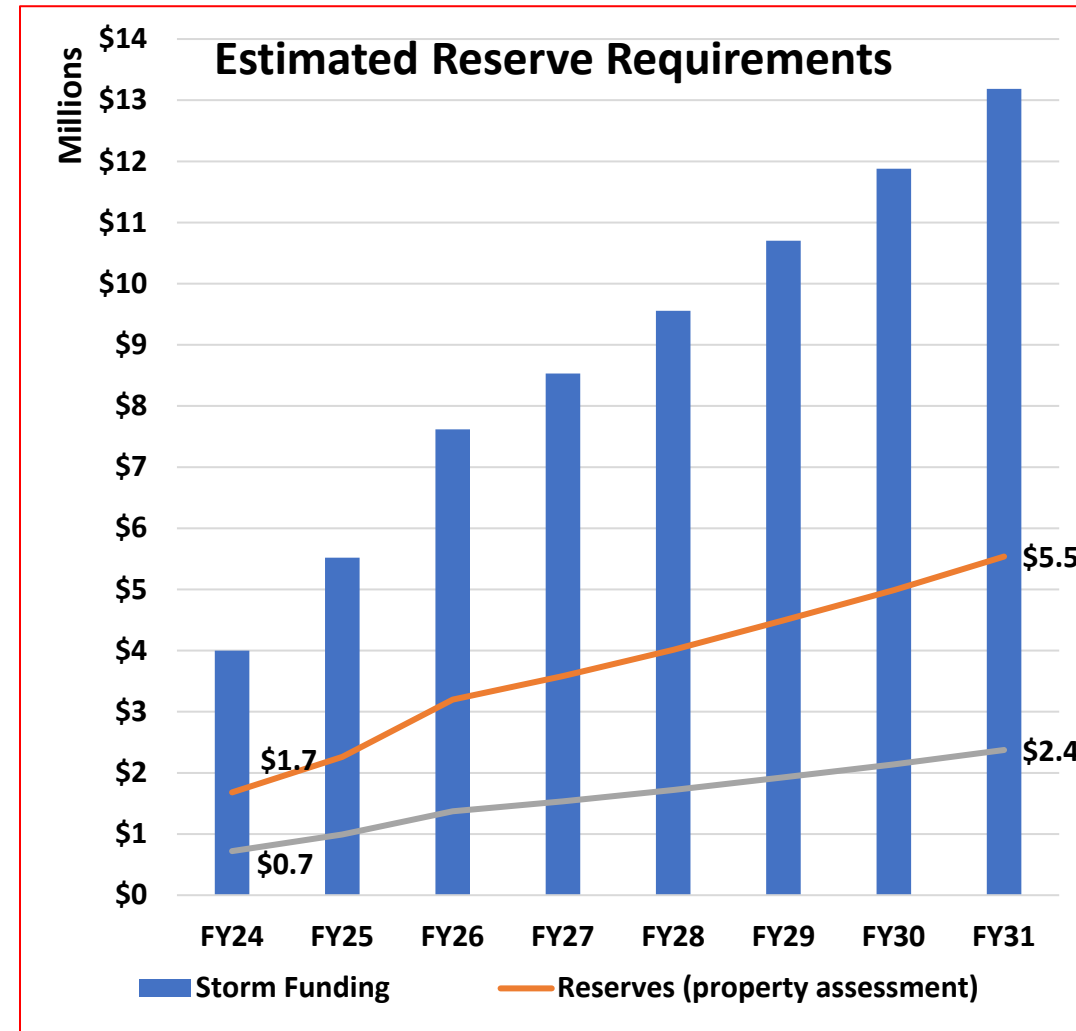


Storm Fee

Proposed Change to Move Fee From Property Taxes to Utility Bill

Pros and Cons

	Charge on Property Tax Statement	Charge on Utility Bill
Increase transparency (see 12x per year instead of 1)		X
Increase billing efficiency		X
Decrease reserve needed from monthly collection of revenue		X
Status quo for property owners	X	
Has no effect on the elderly homeowner/renter credit for Montana income taxes	X	



FAQs About Moving Storm Fee to Utility Bill

How will this change affect renters?

Landlords currently recover all property taxes and assessments in the rent. If a tenant pays the utility bill, the tenant will need to pay the estimated \$5/month fee, but the rent should theoretically decrease. Many landlords pay the utility bills so it would have no effect.

How will it affect disabled veterans and low-income homeowners who qualify for the Property Tax Assistance Program (PTAP)?

It will not affect them at all. The storm fee is an assessment rather than a tax. Further the PTAP essentially reduces taxable value of a home, and the storm assessment is calculated using zoning and square footage rather than taxable value.

How will the change impact deductions on income taxes?

It has no impact. If a property owner believes that they can deduct the storm fee as a property tax, they can still deduct it regardless of where the City bills it.

How will this change affect not-for-profit entities?

It does not impact not-for-profits, These entities pay the storm fee now. Again, it is an assessment, not a tax, and non-profits are only exempt from taxes.

FAQs About Moving Storm Fee to Utility Bill

How will the change affect the Montana Elderly-Homeowner/Renter Credit

Special assessments included on the property tax statement are allowed to be used in the calculation of the credit. The amount of the credit is based on household income, rent and property tax so any effect on elderly homeowners is variable and would affect very few property owners. There is no effect on elderly renters.

discuss public outreach efforts, and

How will this change affect the rates?

This change is completely independent from any rate increase the Council approves.

Will this allow the City to increase the number of mills it can levy?

No, the storm assessment is not part of the mill levy. Moving the fee off of the property tax statement has no effect on the mill levy cap.

Why now?

The City is in the process of converting to a new assessment/tax software. Now is the time to decide if we should convert to the new assessment/tax software or to the utility bill.

Public Engagement

- West End Task Force
- South Side Task Force
- Rimrock Task Force
- Heights Task Force
- Realtors Association
- Landlord Association





Ordinance Amendments



Revise title from “Storm Sewer” to “Storm Sewer System Rates and Charges”



Move costs and purposes to beginning of ordinance and revise verbiage



Change the billing from annual assessments on the property tax statement to the utility bill



Revise the rate methodology from zoning and square footage to be set by Council resolution



Revise collection processes for delinquent bills



Sets effective date as July 1, 2024



Excellence
Innovation
Integrity

Thank You Q & A



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