

ORDINANCE 25-_____

**AN ORDINANCE OF THE CITY OF BILLINGS,
PROVIDING THAT THE BILLINGS, MONTANA CITY
CODE (BMCC) BE AMENDED BY CODIFYING SECTIONS
13-401 THROUGH 13-40___ REGARDING THE PURPOSE
AND ALLOCATION OF MILLS TO BE LEVIED**

WHEREAS, the Billings City Charter, adopted in 1976, limited the general-purpose mill levy to 74 mills, requiring voter approval for any increase (Charter Article I, Section 1.02).

WHEREAS, voters approved up to 10 mills for transit purposes in 1980 (Charter Article I, Section 1.03).

WHEREAS, voters approved up to 5 mills in 1994 for the Parmlly Billings Library (Charter Article I, Section 1.04).

WHEREAS, in 1998, voters phased in up to 20 mills for fire and police services (Charter Article I, Section 1.05).

WHEREAS, In 2020, voters authorized a 60-mill levy for fire, police, and related public safety needs (Charter Article I, Section 1.05.1).

WHEREAS, in 2021, voters authorized 34 mills for police, fire, prosecution services, code enforcement, municipal court, mental health/substance abuse services, and related public safety (Charter Article I, Section 1.05.2).

WHEREAS, the 2025 Montana's 69th Legislature enacted House Bill 231 (HB 231) and Senate Bill (SB 542) to provide property tax relief for residential property owners, revising taxable rates for residential, commercial, and agricultural properties.

WHEREAS, Section 29 of HB 231 modifies provisions of SB 542, specifically addressing local government charters and superseding the provisions of those charters that fix mill levy limits for the purpose of maintaining revenue neutrality of residential taxpayers on a statewide basis in fiscal year 2026.

WHEREAS, in compliance, the Council will levy additional mills in fiscal year 2026 to raise equivalent revenue to FY 2025 as required by the Montana Legislature in HB 231 and SB 542.

WHEREAS, the Council intends to uphold the voter intent by maintaining the relative allocations of voter-authorized revenue across City functions in future budget years while not preempting future electoral decisions.

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BILLINGS THAT:

Section 1. Article 13-400 of the Billings, Montana City Code (BMCC) is amended as follows:

Sec. 13-401. Compliance with state law

- (a) In 2025, the Montana 69th Legislature passed House Bill 231 (HB 231), which superseded local government charters that had fixed mill levy limits. HB 231 provides that municipalities “shall levy the number of mills in fiscal year 2026 and subsequent tax years that will generate the amount of property taxes assessed in fiscal year 2025, without amending or revising the charter. In fiscal years after 2026, the local government may levy an amount not to exceed the number of mills levied in fiscal year 2026.”
- (b) Further, HB 231 provides municipalities the option to “elect to transition a voted mill levy to a dollar-based mill levy equal to the amount of property taxes assessed in fiscal year 2025 and thereafter subject to the provisions of 15-10-420(1)(a)....”
- (c) To comply with HB 231, the City increases the now superseded voter-authorized mill levy limits under Article I of the Charter as follows:

<u>Charter Section</u>	<u>Mills Previously Authorized by Charter</u>	<u>Mills Levied in FY 2026</u>	<u>Increase</u>
1.02 (General Purpose)	74	86.34	+12.71
1.03 (Transit)	10	21.61	+1.71
1.04 (Library)	5	5.84	+0.86
1.05 (Fire & Police)	20	23.31	+3.41
1.05.1 (Fire, Police & Public Safety)	60	69.92	+10.22
1.05.2 (Police, Fire, Prosecution, etc.)	34 (including 2 mills dedicated to crime prevention services)	39.63	+5.80 (including 0.34 mills dedicated to crime prevention services)
Total	203 mills	237.71 mills	34.71 mills

- (d) The total number of mills previously authorized in Article I, Sections 1.02-1.05.2 of the Charter was 203 mills. In fiscal year 2025, the City of Billings levied 201.99 of those authorized mills, assessing approximately \$54,421,000 in real property tax revenue. The total of the mills to be levied in fiscal year

2026 equals 237.71 mills, an increase of 34.71 mills over what was previously authorized in the Charter.

The total real property tax revenue estimated to be generated by 237.71 mills in fiscal year 2026 is \$54,421,000 based upon the 2025 Certified Taxable Value from the Montana Department of Revenue, which is the same amount that was assessed and levied in fiscal year 2025 by the City.

- (e) If the City elects to transition to a dollar-based mill levy equal to the amount of property taxes assessed in fiscal year 2025, it will thereafter be subject to the provisions of 15-10-420(1)(a). If it does not elect this option, then after fiscal year 2026, these additional mills are permissive, not mandatory. If not fully levied in any year, the City may levy them fully in future years.
- (f) Any future voter-approved levy that establishes a mill levy limit shall nullify the corresponding increases in this section.

Sections 13-402 through 13-410. Reserved

Section 2. EFFECTIVE DATE. This ordinance shall be effective thirty (30) days after second reading and final adoption as provided by law.

Section 3. REPEALER. All resolutions, ordinances, and sections of the City Code inconsistent herewith are hereby repealed.

Section 4. SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect the other provisions of this ordinance which may be given effect without the invalid provisions or application, and, to this end, the provisions of this ordinance are declared to be severable.

PASSED by the City Council on first reading the ___ day of _____, 2025.

PASSED, ADOPTED and APPROVED on second reading this ___ day of _____, 2025.

CITY OF BILLINGS

BY: _____
William A. Cole, Mayor

Attest:

BY: _____
Denise R. Bohlman, City Clerk