

VALUATION MILL LEVIES PROPERTY TAX

What is a mill levy?



A "MILL" is defined as 1/1000 of \$1

MILL LEVY is the "tax rate" applied to the taxable valuation of a property



The amount of tax to be levied and collected is calculated by dividing the dollars needed to fund the budget by the taxable valuation of the political subdivision



Tax \$\$ needed for Budget ÷ Taxable Value = MILL LEVY

MILL LEVY X Individual Property Taxable Value = TAX BILL

BUDGETS & MILL LEVIES

Property Tax estimate is not included on Revenue Budget. Property Tax is calculated later and is based on amount needed to fund the budget.

REVENUE

General Fund Supporting Worksheet Revenue

	Actual Revenues 2022	Estimated Revenues 2023	Estimated Revenues 2024
Taxes:			
General Property Taxes	\$510,092	\$600,000	XXXX
Total Taxes	\$510,092	\$600,000	\$0
Licenses, Permits, and Fees:			
Beer and Liquor Licenses	\$5,915	\$5,000	\$5,000
Gaming Permits	\$100	\$50	\$50
Trip Permits	\$119,763	\$150,000	\$140,000
Building Permits	\$1,632,929	\$2,000,000	\$1,655,000
Total Licenses, Permits and Fees	\$1,758,707	\$2,155,050	\$1,800,050
Intergovernmental Revenue:			
Oil and Gas Production	\$19,551,279	\$23,000,000	\$22,000,000
Public Domain Royalties	\$5,421,316	\$4,000,000	\$3,000,000
Total Intergovernmental Revenue	\$24,972,595	\$29,155,050	\$26,800,050
Charges for Services:			
Clerk of Court	\$225,464	\$294,540	\$300,000
Motor Vehicle Branch service fees	\$56,371	\$80,000	\$75,000
Recorder	\$1,025,465	\$1,000,000	\$1,000,000
Tax Director	\$129,560	\$130,000	\$125,000
Planning & Zoning	\$1,031,359	\$780,000	\$700,000
Total Charges for Services	\$52,413,443	\$58,439,590	\$54,000,050

EXPENSES

General Fund Supporting Worksheet Expenditures

	Actual Expenditures 2022	Estimated Expenditures 2023	Requested 2024	Final Appropriation 2024
General Government				
Governing Board	182,491	208,557	210,000	210,000
Housing Authority Board	1,884	3,230	3,500	3,500
Clerk of District Court	289,371	332,785	500,000	475,000
Auditor	421,369	428,448	465,000	465,000
Treasurer	268,871	332,882	450,000	450,000
State's Attorney	276,877	456,750	725,000	715,000
Recorder	316,211	352,761	382,000	385,000
Tax Director	255,423	472,988	575,000	575,000
Planning & Zoning	1,071,143	905,504	1,025,000	1,025,000
Human Resources	118,820	37,106	250,000	150,000
GIS Department	82,008	162,655	800,000	900,000
Custodian	206,318	208,234	295,000	295,000
Courthouse Maintenance	221,593	374,625	578,000	525,000
Building Repairs	1,823,986	2,000,000	5,000,000	4,000,000
Elections	2,643	51,050	2,500	2,500
Landfill	3,307,943	4,543,180	5,000,000	5,000,000
County Tourism	54,887	57,495	60,000	60,000
Non-Departmental Expense	5,952,807	3,796,800	4,340,300	4,340,300
Total General Government	\$ 14,865,743	\$14,725,770.00	\$ 20,763,300.00	\$19,576,300.00

Annual budgets are used to estimate revenues and expenditures for the year.

BUDGETS & MILL LEVIES



How is the mill levy calculated?

Dollars needed to fund budget (Appropriation + Cash Reserve)	\$ 1,100,000
Revenue to support budget (not property taxes)	(347,500)
Property Taxes needed for General Fund budget	\$ 752,500
Property Taxes needed for General Fund budget	\$ 752,500
Divided by Taxable Valuation	÷ 21,500,000
Mill Rate ($\$752,500 \div \$21,500,000$)	.035
Mill Levy = $.035 \times 1000$	35 mills

BUDGETS & MILL LEVIES

SCHEDULE C				
ABC COUNTY		GENERAL FUND	Other Fund	Other Fund
APPROPRIATION AND CASH RESERVE				
1	a. Final Appropriation Line 20	950,000	300,000	750,000
	b. Budgeted Transfers Out, Line 24	50,000	-	-
	c. Total Appropriation-Line a plus b	1,000,000	300,000	750,000
2.	Cash Reserve (Note 1)	100,000	25,000	50,000
3	Total Appropriation and Cash Reserve Line 1c plus Line 2	1,100,000	325,000	800,000
RESOURCES AND AMOUNT LEVIED				
4	Cash and Investments (Estimated) as of December 31, 2020	122,500	50,000	75,000
5	a. Estimated Revenue, Line 11	225,000	250,000	350,000
	b. Estimated Transfers In, Line 23	-	-	50,000
	c. Total Estimated Revenue and Transfers In Line a plus Line b	225,000	250,000	400,000
6.	Total Resources - Line 4 plus Line 5c	347,500	300,000	475,000
7	Levy Required - Line 3 less Line 6 If this difference is less than 0, enter 0	752,500	25,000	325,000
8	Allowance for Delinquent Tax Collections (Not to exceed 5% of Line 7)	-	-	-
9.	Total Amount Levied - Line 7 plus 8	752,500	25,000	325,000

\$1,100,000
 - 347,500
 \$ 752,500

Note 1- Not to exceed 75% of appropriations other than for debt retirement and appropriations financed from Bond Sources.

BUDGETS & MILL LEVIES

EXAMPLE: COUNTY TAX CALCULATION (CONT.)

How is the mill levy used to calculate tax?

True & Full Value of House (residential property)	\$ 300,000
Assessed Value = 50% of True & Full Value (\$300,000 X 50%)	\$ 150,000
Taxable Value = 4.5% of T&F Value (9% of Assessed Value)	\$ 13,500
Mill Levy	X 35 mills
TAX DUE = Taxable Value X Mill Levy ÷ 1000 (\$13,500 X 35.00 ÷ 1000)	\$473

BUDGETS & MILL LEVIES

How does taxable value affect mill levies?

	Example 1	Example 2	Example 3
Total dollars needed for budget (Expenses & Reserve)	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000
Revenue to support budget (not property taxes)	(347,500)	(347,500)	(347,500)
Property Taxes needed to fund budget	\$ 752,500	\$ 752,500	\$ 752,500
Property Taxes needed to fund budget	\$ 752,500	\$ 752,500	\$ 752,500
Divided by Taxable Valuation	÷ 21,500,000	÷ 18,000,000	÷ 30,000,000
Mill Rate = (\$752,500 ÷ Taxable Value)	.035	.042	.025
Mill Levy = Mill Rate X 1000	35 mills	42 mills	25 mills

BUDGETS & MILL LEVIES

EXAMPLE: COUNTY TAX CALCULATION (CONT.)

How do mill levies affect the tax due on property?

	Example 1	Example 2	Example 3
True & Full Value of House (residential property)	\$ 300,000	\$ 300,000	\$ 300,000
Assessed Value = 50% of True & Full Value (\$300,000 X 50%)	\$ 150,000	\$ 150,000	\$ 150,000
Taxable Value = 4.5% of T&F Value (9% of Assessed Value) \$300,000 X 4.5%	\$ 13,500	\$ 13,500	\$ 13,500
Mill Levy	35 mills	42 mills	25 mills
TAX DUE = TV X Mill Levy ÷ 1000	\$473	\$567	\$338

PROPERTY VALUES



Locally Assessed

- All real property that is subject to property tax.
- Value is set as of February 1 of each year.
- Used as the True & Full Value when calculating property taxes.
- Residential, Commercial, Agricultural



Centrally Assessed

Assessed by the State Board of Equalization.

Includes railroads, pipelines, airlines, and investor-owned public utilities.

State Tax Department certifies approved values to county auditors.



Rural Electric Cooperatives, Telecommunication Companies

Electric Generation, Distribution, and Transmission Taxes assessed differently than other real property.

Guidelines are set by North Dakota Century Code NDCC 57-33.2.

Administered by the ND State Tax Department.

Distributed to counties by the State Treasurer.

PROPERTY VALUES

True & Full Value ÷ 2 = Assessed Value
 Assessed Value X 9% = Residential Taxable Value
 Assessed Value X 10% = Commercial & Ag Taxable Value

How is Taxable Value calculated for a political subdivision?

Property Class	True & Full Value	50% of True & Full Assessed Value	ABC County Taxable Value	
Residential	\$45,000,000	\$22,500,000	\$2,025,000	4.5% of T&F (9% of Assessed)
Commercial	\$24,000,000	\$12,000,000	\$1,200,000	
Agricultural	\$360,000,000	\$180,000,000	\$18,000,000	5% of T&F (10% of Assessed)
Centrally Assessed	\$ 5,500,000	\$2,750,000	\$275,000	
Totals	\$434,500,000	\$217,250,000	Total Taxable Value \$ 21,500,000	

PROPERTY TAXES & MILL LEVIES

Residential Property Valued at \$300,000

Taxable Value: \$300,000 X 4.5% = \$13,500

Political Subdivision	Taxable Value	Mill Levy	Tax Due
State Medical Center	13,500	1.00	\$ 13
County General Fund	13,500	35.00	\$ 473
County Road & Bridge	13,500	10.00	\$ 135
County Extension	13,500	4.00	\$ 54
County Historical Society	13,500	1.00	\$ 14
County Weed Control	13,500	3.50	\$ 47
City (or Township)	13,500	75.00	\$ 1,012
City Park	13,500	30.00	\$ 405
School District	13,500	90.00	\$ 1,215
Fire District	13,500	5.00	\$ 68
TOTAL TAX DUE		254.5 mills	\$ 3,436

County Taxes
\$ 723
21% of bill

City Taxes
\$ 1,417
41% of bill

School Taxes
\$ 1,215
36% of bill

Fire Dist. Taxes
\$ 68
2% of bill

Effective Tax Rate =
Tax ÷ T&F Value

\$3,436 ÷ \$300,000 =
ETR 1.15%

