

# **CITY OF THREE FORKS, MONTANA**

## **RESOLUTION # 453-2025**

### **A RESOLUTION OF THE THREE FORKS CITY COUNCIL ADOPTING AND ESTABLISHING THE MILLS TO BE LEVIED; DESIGNATING THE PERCENTAGE BREAKDOWN FOR THE STATE OF MONTANA ENTITLEMENT SHARE; AND DESIGNATING THE BREAKDOWN FOR THE LOCAL OPTION TAX FOR THE FISCAL YEAR BEGINNING JULY 1, 2025, AND ENDING JUNE 30, 2026**

**WHEREAS**, pursuant to §15-10-420, MCA, a governmental entity that is authorized to impose mills may impose a mill levy sufficient to generate the amount of property taxes actually assessed in the prior year, plus one-half of the average rate of inflation for the prior three (3) years.

**WHEREAS**, the Department of Revenue provided the City with a certified value of a mill for its taxing jurisdiction under §15-10-202, MCA, being \$4,076.06/mill. This is a reduction of \$1,453.96 per mill from last fiscal year.

**WHEREAS**, the City of Three Forks has determined the number of authorized mills to be levied using calculations imposed by §15-10-420, MCA.

**WHEREAS**, per §15-1-121, MCA, the City of Three Forks receives quarterly payments from the State of Montana for the City's entitlement of fees, tax collections, and other revenue in the State Treasury.

**WHEREAS**, per §15-64-102, MCA, local option marijuana excises taxes are distributed to counties and calculated using actual tax collected during the collection period. Distributions to Three Forks from Gallatin County will be used as revenue for the Headwaters Trail System in FY2025-2026 per the Treasurer's recommendation.

**WHEREAS**, The 2025 Legislature via Senate Bill 542 (SB542) amended §15-10-420, MCA, requiring governing bodies to make a choice for calculating mills based on a dollar-base or by property taxes assessed in the previous fiscal year. The Montana League of Cities and Towns suspects that most entities will go with the dollar levy option. The City Treasurer recommends adopting the method in §15-10-420(1)(a), MCA, transitioning a voted mill levy to a dollar-based mill levy equal to the amount of property taxes assessed in fiscal year 2025 and thereafter.

**WHEREAS**, per §61-3-537, MCA, the City of Three Forks receives a monthly payment with all other County tax payments received, a portion of Gallatin County's Local Option Motor Vehicle Tax (which is a portion of vehicle registration fees) based on our population.

**WHEREAS**, pursuant to §7-6-4024, MCA, the Budget Committee held meetings open to the public on June 3 and August 18, 2025, Three Forks City Council held public hearings on August 12 and 26, 2025, on the proposed budget of the City of Three Forks for Fiscal Year 2025-2026, as required by law.

**WHEREAS**, pursuant to §7-6-4021, MCA, the City Clerk advertised the date, time and location of the Budget Committee meetings on the City's website, City Hall window and local areas as is City policy. The Clerk also advertised the City Council preliminary budget public

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hearings in the Bozeman Daily Chronicle on July 22 and August 5, in the Belgrade News on July 24 and August 7, in the Three Forks Voice on July 30 and August 6; and then advertised the adoption of the final budget in the Chronicle on August 9 and 19, in the Belgrade News on August 14, and in the Voice on August 13 and 20, 2025; as well as posted this notice on the City's website and Facebook page, on the City Hall window, at the Post Office, and at the three local banks.

**WHEREAS**, upon the City Treasurer's review and preparation of the budget for Fiscal Year 2025-2026 with the Budget Committee, City Clerk and Mayor, the City Treasurer made a recommendation to the Budget Committee and Mayor to split the State Entitlement and split the Local Option Tax.

**WHEREAS**, the 69<sup>th</sup> Montana Legislative Session passed Senate Bill 542, requiring that a taxing entity with a local mill levy limit of a specific number of mills that may be imposed, which was authorized by the voters before May 13, 2025, shall elect one of two methods to recalculate those mill levies.

**WHEREAS**, a taxing entity may either elect to: (a) 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); or (b) levy the number of mills in fiscal year 2026 that will generate the amount of property taxes assessed in fiscal year 2025. In fiscal years after 2026, the local government may levy an amount not to exceed the number of mills levied in fiscal year 2026.

**WHEREAS**, the City of Three Forks has three voter-approved mill levies that were authorized before May 13, 2025:

- 2220 Library Operating Fund 3.00 Mills, voted in 2004, which equates to \$16,737.82;
- 2340 Fire Control Capital Improvements Fund 5.5 Mills, voted in 2001, which equates to \$30,686.00;
- Fire Relief Agency Fund 1.5 Mills, voted in 2009, which equates to \$8,368.91.

**NOW THEREFORE BE IT RESOLVED** by the Three Forks City Council:

- 1) The voter-approved mill levies below will be transitioned to a dollar-based mill levy equal to the total authorized ad valorem tax revenue assessment in fiscal year 2024-2025 and thereafter subject to the provisions of 15-10-420(1)(a), MCA; and
- 2) The total ad valorem tax revenue assessed for Fiscal Year 2024-2025 for the voter-approved mills is listed above;
- 3) Hereafter, the Three Forks City Council may levy up to the amounts above plus the rate of inflation provided for in Section 15-10-420(1)(a), MCA; and
- 4) For Fiscal Year 2025-2026 the Three Forks City Council will levy the above dollar amounts for the voter-approved mill levies.

**BE IT FURTHER RESOLVED** as established by §15-10-420, MCA, the Three Forks City Council authorizes mills to be set at **111.70**, and pursuant to §15-10-420(1)(a), MCA for Fiscal Year 2025-2026

**BE IT ALSO RESOLVED** by the Three Forks City Council that it accepts the City Treasurer's recommendation to split the State Entitlement as follows (see Exhibit A):

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Percentage	Name of Fund	Fund #
85.00%	General	1000
4.00%	Library Operating	2220
11.00%	Capital Improvement Streets/Flood	4004

**AND FINALLY, BE IT RESOLVED** that by the Three Forks City Council that it accepts the recommendation of the City Treasurer to split the Local Option Motor Vehicle Tax as:

Percentage	Name of Fund	Fund #
90.00%	General	1000
10.00%	Library Operating	2220

Dated this 26<sup>th</sup> day of August 2025.

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Randy Johnston, Mayor

ATTEST:

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Crystal Turner, City Clerk