

TERRY K-12 DISTRICT

SAMPLE MILL LEVY IMPACT ANALYSIS

10-Year General Obligation Bonds

Estimated Mill Levy Computation:

Par Amount of the Bonds:	\$1,000,000	\$1,500,000
Total Estimated Interest Over Life of Bonds (1):	\$303,389	\$457,209
Estimated Annual Bond Payment on Tax Rolls (1):	\$132,639	\$196,459
Divided By: District's Estimated 2025/26 Mill Value (2):	<u>\$5,193.457</u>	<u>\$5,193.457</u>
<i>Equals:</i> Estimated Number of Mills Required:	25.54	37.83

Estimated Tax Increase for RESIDENTIAL PROPERTIES:

2025/26 Tax Year "MARKET VALUE" of Residential Property (3)(4)	2025/26 Tax Year "TAXABLE VALUE" of Residential Property (5)(6)	Estimated ANNUAL Tax (5)(6)	Estimated MONTHLY Tax (5)(6)	Estimated ANNUAL Tax (5)(6)	Estimated MONTHLY Tax (5)(6)
\$100,000	\$760	\$19.41	\$1.62	\$28.75	\$2.40
\$200,000	\$1,520	\$38.82	\$3.24	\$57.50	\$4.79
\$300,000	\$2,280	\$58.23	\$4.85	\$86.25	\$7.19

NOTE: All property owners (including farming and ranching operations, commercial businesses, home owners etc...) should use the following formula to calculate the estimated tax impact of the Bond issue.

Look up the Property's 'Taxable Value' from the Property Tax Statement/Bill for 2025/26 or the following State website (<http://svc.mt.gov/dor/property/prc>) and use the following formula:
"Taxable Value" X Mills/1,000 = Estimated Annual Tax Impact of the Bonds

- (1) Based on a true interest cost (TIC) rates of 4.08% over 10 years.
 - (2) Tax rate changes adopted at the 2025 Legislative Session changed the formulas for certain properties and the residential specific changes are described below.
 - (3) A residential property's 'Market Value' for tax purposes is based on the DOR's 2025 reappraisal that is effective for 2025/26 and 2026/27 and will be different than the valuation of such property for resale purposes.
 - (4) Tax impact estimates are based on property tax changes adopted at the 2025 Legislative Session and will factor in the DOR's 2025 reappraisal effective for 2025/26 and 2026/27. Tax impact information varies every year depending on such factors as the District's Mill Value, method of calculating 'Taxable Value' and the actual debt service payment due in any such year. To best calculate the estimated tax impact of the Bond issue, property owners can look up their exact 'Taxable Value' as shown on their personal Property Tax Statement/Bill for 2025/26 and use the formula shown above in grey.
 - (5) Prior to the 2025 Legislative Session, the residential tax rate to calculate 'Taxable Value' was 1.35% for properties with a 'Market Value' up to \$1.5 million and then for any portion of a property over \$1.5 million the tax rate was 1.89%. Commencing in 2025/26, properties will be taxed at the following rates based on the following 'Market Value' breakpoints. The tax rates for 2025/26 are used to calculate the sample 'Taxable Values' shown above.
 - (i) \$0-\$400,000 - tax rate of 0.76%;
 - (ii) \$400,001-\$1,500,000 - tax rate of 1.10%; and
 - (iii) Over \$1,500,000 - tax rate of 2.20%.
 - (6) Not factored into the above 'Taxable Values' but of note, commencing in 2026/27 (the first fiscal year of the Bond levies) properties that qualify for the 'Homestead Reduced Rate' will be taxed at the following rates based on 'Market Value' breakpoints, which will lower the tax rate for many 'Homestead Qualified' residential properties from the rates applied in the 2025/26 transition year, however with potential increases in mills projected by the DOR (due to potential decreases in 'Taxable Value'), the tax impacts may be roughly the same:
 - (i) value up to the 'Median Residential Value' (MRV) (estimated currently at \$360,000) - tax rate of 0.76%;
 - (ii) value greater than the MRV but less than 2X the MRV (\$720,000) - tax rate of 0.90%;
 - (iii) value greater than 2X the MRV (\$720,000) and less than 4X the MRV (\$1,440,000) - tax rate of 1.10%;
 - (iv) value over 4X the MRV (\$1,440,000) - tax rate of 1.90%.
- Residential property not qualifying as 'Homestead Qualified' will have different tax rates as follows: (i) residential property with qualified agricultural land will have a tax rate of 1.35% and (ii) all other residential property (out of State property owners and second homes) will have a tax rate of 1.90%.