

HOUSE BILL NO. 74

INTRODUCED BY STRIZICH
BY REQUEST OF THE JOINT INTERIM SUBCOMMITTEE
ON ADULT AND JUVENILE DETENTION

IN THE HOUSE

JANUARY 1, 1991	INTRODUCED AND REFERRED TO COMMITTEE ON JUDICIARY.
JANUARY 7, 1991	FIRST READING.
FEBRUARY 11, 1991	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 12, 1991	PRINTING REPORT.
APRIL 2, 1991	SECOND READING, DO PASS.
APRIL 3, 1991	ENGROSSING REPORT.
APRIL 4, 1991	THIRD READING, PASSED. AYES, 55; NOES, 45.
	TRANSMITTED TO SENATE.

IN THE SENATE

APRIL 4, 1991	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
APRIL 8, 1991	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
APRIL 9, 1991	SECOND READING, CONCURRED IN.
APRIL 10, 1991	THIRD READING, CONCURRED IN. AYES, 45; NOES, 5.
	RETURNED TO HOUSE.

IN THE HOUSE

APRIL 11, 1991	RECEIVED FROM SENATE.
	SENT TO ENROLLING.
APRIL 16, 1991	REPORTED CORRECTLY ENROLLED.

APRIL 17, 1991

SIGNED BY PRESIDENT.

SIGNED BY SPEAKER.

DELIVERED TO GOVERNOR.

APRIL 22, 1991

RETURNED FROM GOVERNOR WITH
RECOMMENDED AMENDMENTS.

APRIL 23, 1991

SECOND READING, GOVERNOR'S
AMENDMENTS CONCURRED IN.

IN THE SENATE

APRIL 23, 1991

SECOND READING, GOVERNOR'S
AMENDMENTS CONCURRED IN.

APRIL 24, 1991

THIRD READING, GOVERNOR'S
AMENDMENTS CONCURRED IN.

IN THE HOUSE

APRIL 24, 1991

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

HOUSE BILL NO. 74

INTRODUCED BY STRIZICH

BY REQUEST OF THE JOINT INTERIM SUBCOMMITTEE

ON ADULT AND JUVENILE DETENTION

A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE PERMISSIVE LEVIES FOR REGIONAL JAILS AND JUVENILE DETENTION PROGRAMS; TO EXCLUDE THESE LEVIES FROM THE PROPERTY TAX LIMITATIONS OF INITIATIVE MEASURE NO. 105; TO ALLOW IMPOSITION OF PERMISSIVE LEVIES WITHOUT A VOTE; AMENDING SECTIONS 15-10-402 AND 15-10-412, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Definitions. As used in [sections 1 through 3], unless the context requires otherwise, the following definitions apply:

(1) "Detention" means the holding or temporary placement of a youth in a facility other than the youth's own home for the purpose of ensuring the continued custody of the youth at any time after the youth is taken into custody and before final disposition of his case.

(2) "Jail" means a facility used for the confinement of adults accused or convicted of criminal offenses.

(3) "Juvenile detention program" means services to

provide for the lawful detention or shelter care of youth.

The term includes:

(a) youth evaluations ordered by the court under 41-5-523; and

(b) programs for the transportation of youth to appropriate detention facilities or shelter care facilities.

(4) "Local government" has the same meaning as provided in 7-12-1103.

(5) "Regional jail" means a jail established and maintained by two or more units of local government as authorized in 7-32-2201.

(6) "Shelter care" has the same meaning as provided in 41-5-103.

(7) "Youth" means an individual who is less than 18 years of age who is alleged to be a delinquent youth or youth in need of supervision as those terms are defined in 41-5-103.

NEW SECTION. Section 2. Permissive levies for regional jails and juvenile detention programs. (1) A local government may impose the following levies on the taxable value of all property within its jurisdiction in an amount determined by the governing body:

(a) a levy for the planning, operation, renovation, and maintenance of regional jails; and

(b) a levy for the establishment and operation of

1 juvenile detention programs.

2 (2) Local governments may use the funds derived from a
3 levy authorized in subsection (1) to contract with other
4 units of local government to purchase services from regional
5 jails and juvenile detention programs consistent with the
6 purposes of the levy as stated in subsection (1).

7 NEW SECTION. Section 3. Imposition of levy without a
8 vote. In order to carry out the provisions of [LC 66, LC 67,
9 LC 68, and LC 70], a local government may impose a levy
10 authorized in [section 2] without submitting the levy to a
11 vote of the qualified electors.

12 **Section 4.** Section 15-10-402, MCA, is amended to read:

13 "15-10-402. Property tax limited to 1986 levels. (1)
14 Except as provided in subsections (2) and (3), the amount of
15 taxes levied on property described in 15-6-133, 15-6-134,
16 15-6-136, 15-6-142, and 15-6-144 may not, for any taxing
17 jurisdiction, exceed the amount levied for taxable year
18 1986.

19 (2) The limitation contained in subsection (1) does not
20 apply to levies for rural improvement districts, Title 7,
21 chapter 12, part 21; special improvement districts, Title 7,
22 chapter 12, part 41; elementary and high school districts,
23 Title 20; regional jails and juvenile detention programs
24 authorized under [section 2]; or bonded indebtedness.

25 (3) New construction or improvements to or deletions

1 from property described in subsection (1) are subject to
2 taxation at 1986 levels.

3 (4) As used in this section, the "amount of taxes
4 levied" and the "amount levied" mean the actual dollar
5 amount of taxes imposed on an individual piece of property,
6 notwithstanding an increase or decrease in value due to
7 inflation, reappraisal, adjustments in the percentage
8 multiplier used to convert appraised value to taxable value,
9 changes in the number of mills levied, or increase or
10 decrease in the value of a mill."

11 **Section 5.** Section 15-10-412, MCA, is amended to read:

12 "15-10-412. Property tax limited to 1986 levels --
13 clarification -- extension to all property classes. Section
14 15-10-402 is interpreted and clarified as follows:

15 (1) The limitation to 1986 levels is extended to apply
16 to all classes of property described in Title 15, chapter 6,
17 part 1.

18 (2) The limitation on the amount of taxes levied is
19 interpreted to mean that, except as otherwise provided in
20 this section, the actual tax liability for an individual
21 property is capped at the dollar amount due in each taxing
22 unit for the 1986 tax year. In tax years thereafter, the
23 property must be taxed in each taxing unit at the 1986 cap
24 or the product of the taxable value and mills levied,
25 whichever is less for each taxing unit, except in a taxing

1 unit that levied a tax in tax years 1983 through 1985 but
 2 did not levy a tax in 1986, in which case the actual tax
 3 liability for an individual property is capped at the dollar
 4 amount due in that taxing unit for the 1985 tax year.

5 (3) The limitation on the amount of taxes levied does
 6 not mean that no further increase may be made in the total
 7 taxable valuation of a taxing unit as a result of:

- 8 (a) annexation of real property and improvements into a
 9 taxing unit;
- 10 (b) construction, expansion, or remodeling of
 11 improvements;
- 12 (c) transfer of property into a taxing unit;
- 13 (d) subdivision of real property;
- 14 (e) reclassification of property;
- 15 (f) increases in the amount of production or the value
 16 of production for property described in 15-6-131 or
 17 15-6-132;
- 18 (g) transfer of property from tax-exempt to taxable
 19 status;
- 20 (h) revaluations caused by:
- 21 (i) cyclical reappraisal; or
- 22 (ii) expansion, addition, replacement, or remodeling of
 23 improvements; or
- 24 (i) increases in property valuation pursuant to
 25 15-7-111(4) through (8) in order to equalize property values

1 annually.

2 (4) The limitation on the amount of taxes levied does
 3 not mean that no further increase may be made in the taxable
 4 valuation or in the actual tax liability on individual
 5 property in each class as a result of:

- 6 (a) a revaluation caused by:
- 7 (i) construction, expansion, replacement, or remodeling
 8 of improvements that adds value to the property; or
- 9 (ii) cyclical reappraisal;
- 10 (b) transfer of property into a taxing unit;
- 11 (c) reclassification of property;
- 12 (d) increases in the amount of production or the value
 13 of production for property described in 15-6-131 or
 14 15-6-132;
- 15 (e) annexation of the individual property into a new
 16 taxing unit;
- 17 (f) conversion of the individual property from
 18 tax-exempt to taxable status; or
- 19 (g) increases in property valuation pursuant to
 20 15-7-111(4) through (8) in order to equalize property values
 21 annually.
- 22 (5) Property in classes four, twelve, and fourteen is
 23 valued according to the procedures used in 1986, including
 24 the designation of 1982 as the base year, until the
 25 reappraisal cycle beginning January 1, 1986, is completed

1 and new valuations are placed on the tax rolls and a new
2 base year designated, if the property is:

- 3 (a) new construction;
- 4 (b) expanded, deleted, replaced, or remodeled
- 5 improvements;
- 6 (c) annexed property; or
- 7 (d) property converted from tax-exempt to taxable
- 8 status.

9 (6) Property described in subsections (5)(a) through
10 (5)(d) that is not class four, class twelve, or class
11 fourteen property is valued according to the procedures used
12 in 1986 but is also subject to the dollar cap in each taxing
13 unit based on 1986 mills levied.

14 (7) The limitation on the amount of taxes, as clarified
15 in this section, is intended to leave the property appraisal
16 and valuation methodology of the department of revenue
17 intact. Determinations of county classifications, salaries
18 of local government officers, and all other matters in which
19 total taxable valuation is an integral component are not
20 affected by 15-10-401 and 15-10-402 except for the use of
21 taxable valuation in fixing tax levies. In fixing tax
22 levies, the taxing units of local government may anticipate
23 the deficiency in revenues resulting from the tax
24 limitations in 15-10-401 and 15-10-402, while understanding
25 that regardless of the amount of mills levied, a taxpayer's

1 liability may not exceed the dollar amount due in each
2 taxing unit for the 1986 tax year unless:

3 (a) the taxing unit's taxable valuation decreases by 5%
4 or more from the 1986 tax year. If a taxing unit's taxable
5 valuation decreases by 5% or more from the 1986 tax year, it
6 may levy additional mills to compensate for the decreased
7 taxable valuation, but in no case may the mills levied
8 exceed a number calculated to equal the revenue from
9 property taxes for the 1986 tax year in that taxing unit.

10 (b) a levy authorized under Title 20 raised less
11 revenue in 1986 than was raised in either 1984 or 1985, in
12 which case the taxing unit may, after approval by the voters
13 in the taxing unit, raise each year thereafter an additional
14 number of mills but may not levy more revenue than the
15 3-year average of revenue raised for that purpose during
16 1984, 1985, and 1986;

17 (c) a levy authorized in 50-2-111 that was made in 1986
18 was for less than the number of mills levied in either 1984
19 or 1985, in which case the taxing unit may, after approval
20 by the voters in the taxing unit, levy each year thereafter
21 an additional number of mills but may not levy more than the
22 3-year average number of mills levied for that purpose
23 during 1984, 1985, and 1986.

24 (8) The limitation on the amount of taxes levied does
25 not apply to the following levy or special assessment

1 categories, whether or not they are based on commitments
 2 made before or after approval of 15-10-401 and 15-10-402:

- 3 (a) rural improvement districts;
- 4 (b) special improvement districts;
- 5 (c) levies pledged for the repayment of bonded
 6 indebtedness, including tax increment bonds;
- 7 (d) city street maintenance districts;
- 8 (e) tax increment financing districts;
- 9 (f) satisfaction of judgments against a taxing unit;
- 10 (g) street lighting assessments;
- 11 (h) revolving funds to support any categories specified

12 in this subsection (8);

13 (i) levies for economic development authorized pursuant
 14 to 90-5-112(4); and

15 (j) levies authorized under [section 2] for regional
 16 jails and juvenile detention programs; and

17 ~~(j)~~(k) elementary and high school districts.

18 (9) The limitation on the amount of taxes levied does
 19 not apply in a taxing unit if the voters in the taxing unit
 20 approve an increase in tax liability following a resolution
 21 of the governing body of the taxing unit containing:

22 (a) a finding that there are insufficient funds to
 23 adequately operate the taxing unit as a result of 15-10-401
 24 and 15-10-402;

25 (b) an explanation of the nature of the financial

1 emergency;

2 (c) an estimate of the amount of funding shortfall
 3 expected by the taxing unit;

4 (d) a statement that applicable fund balances are or by
 5 the end of the fiscal year will be depleted;

6 (e) a finding that there are no alternative sources of
 7 revenue;

8 (f) a summary of the alternatives that the governing
 9 body of the taxing unit has considered; and

10 (g) a statement of the need for the increased revenue
 11 and how it will be used.

12 (10) (a) The limitation on the amount of taxes levied
 13 does not apply to levies required to address the funding of
 14 relief of suffering of inhabitants caused by famine,
 15 conflagration, or other public calamity.

16 (b) The limitation set forth in this chapter on the
 17 amount of taxes levied does not apply to levies to support a
 18 city-county board of health as provided in Title 50, chapter
 19 2, if the governing bodies of the taxing units served by the
 20 board of health determine, after a public hearing, that
 21 public health programs require funds to ensure the public
 22 health. A levy for the support of a local board of health
 23 may not exceed the 5-mill limit established in 50-2-111.

24 (11) The limitation on the amount of taxes levied by a
 25 taxing jurisdiction subject to a statutory maximum mill levy

1 does not prevent a taxing jurisdiction from increasing its
2 number of mills beyond the statutory maximum mill levy to
3 produce revenue equal to its 1986 revenue.

4 (12) The limitation on the amount of taxes levied does
5 not apply to a levy increase to repay taxes paid under
6 protest in accordance with 15-1-402."

7 NEW SECTION. Section 6. Codification instruction.
8 [Sections 1 through 3] are intended to be codified as an
9 integral part of Title 7, chapter 6, and the provisions of
10 Title 7, chapter 6, apply to [sections 1 through 3].

11 NEW SECTION. Section 7. Coordination instruction. (1)
12 If ___ Bill No. ___ [LC 66] is not passed and approved, then
13 the reference to LC 66 in [section 3] is void.

14 (2) If ___ Bill No. ___ [LC 67] is not passed and
15 approved, then the reference to LC 67 in [section 3] is
16 void.

17 (3) If ___ Bill No. ___ [LC 68] is not passed and
18 approved, then the reference to LC 68 in [section 3] is
19 void.

20 (4) If ___ Bill No. ___ [LC 70] is not passed and
21 approved, then the reference to LC 70 in [section 3] is
22 void.

23 NEW SECTION. Section 8. Effective date. [This act] is
24 effective July 1, 1991.

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15


In compliance with a written request, there is hereby submitted a Fiscal Note for HB0074, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

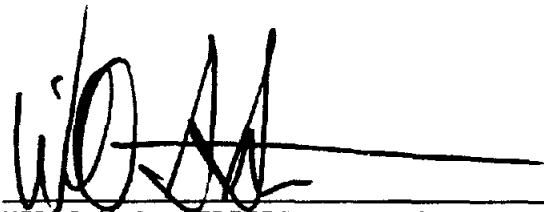
an act to authorize permissive levies for regional jails and juvenile detention programs; to exclude these levies from the property tax limitations of Initiative Measure No. 105; to allow imposition of permissive levies without a vote; and providing an effective date.

FISCAL IMPACT:

This proposal itself has no impact on revenues or expenditures.



ROD SUNDSTED, BUDGET DIRECTOR DATE
Office of Budget and Program Planning 1-10-91



WILLIAM S. STRIZICH, PRIMARY SPONSOR DATE
Fiscal Note for HB0074, as introduced 1/11/91
HB 74

APPROVED BY COMMITTEE
ON JUDICIARY

HOUSE BILL NO. 74

INTRODUCED BY STRIZICH

BY REQUEST OF THE JOINT INTERIM SUBCOMMITTEE

ON ADULT AND JUVENILE DETENTION

A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE PERMISSIVE LEVIES FOR REGIONAL JAILS AND JUVENILE DETENTION PROGRAMS; TO EXCLUDE THESE LEVIES FROM THE PROPERTY TAX LIMITATIONS OF INITIATIVE MEASURE NO. 105; TO ALLOW IMPOSITION OF PERMISSIVE LEVIES WITHOUT A VOTE; AMENDING SECTIONS 15-10-402 AND 15-10-412, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1.** Definitions. As used in [sections 1 through 3], unless the context requires otherwise, the following definitions apply:

(1) "Detention" means the holding or temporary placement of a youth in a facility other than the youth's own home for the purpose of ensuring the continued custody of the youth at any time after the youth is taken into custody and before final disposition of his case.

(2) "Jail" means a facility used for the confinement of adults accused or convicted of criminal offenses.

(3) "Juvenile detention program" means services to

provide for the lawful detention or shelter care of youth.

The term includes:

(a) youth evaluations ordered by the court under 41-5-523; and

(b) programs for the transportation of youth to appropriate detention facilities or shelter care facilities.

(4) "Local government" has the same meaning as provided in 7-12-1103.

(5) "Regional jail" means a jail established and maintained by two or more units of local government as authorized in 7-32-2201.

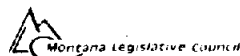
(6) "Shelter care" has the same meaning as provided in 41-5-103.

(7) "Youth" means an individual who is less than 18 years of age who is alleged to be a delinquent youth or youth in need of supervision as those terms are defined in 41-5-103.

NEW SECTION. **Section 2.** Permissive levies for regional jails and juvenile detention programs. (1) A local government may impose the following levies on the taxable value of all property within its jurisdiction in an amount determined by the governing body:

(a) a levy for the planning, operation, renovation, and maintenance of regional jails; and

(b) a levy for the establishment and operation of



1 juvenile detention programs.

2 (2) Local governments may use the funds derived from a
3 levy authorized in subsection (1) to contract with other
4 units of local government to purchase services from regional
5 jails and juvenile detention programs consistent with the
6 purposes of the levy as stated in subsection (1).

7 NEW SECTION. Section 3. Imposition of levy without a
8 vote. In order to carry out the provisions of [LC 66, LC 67,
9 LC 68, and LC 70], a local government may impose a levy
10 authorized in [section 2] without submitting the levy to a
11 vote of the qualified electors.

12 **Section 4.** Section 15-10-402, MCA, is amended to read:

13 *15-10-402. Property tax limited to 1986 levels. (1)
14 Except as provided in subsections (2) and (3), the amount of
15 taxes levied on property described in 15-6-133, 15-6-134,
16 15-6-136, 15-6-142, and 15-6-144 may not, for any taxing
17 jurisdiction, exceed the amount levied for taxable year
18 1986.

19 (2) The limitation contained in subsection (1) does not
20 apply to levies for rural improvement districts, Title 7,
21 chapter 12, part 21; special improvement districts, Title 7,
22 chapter 12, part 41; elementary and high school districts,
23 Title 20; regional jails and juvenile detention programs
24 authorized under [section 2]; or bonded indebtedness.

25 (3) New construction or improvements to or deletions

1 from property described in subsection (1) are subject to
2 taxation at 1986 levels.

3 (4) As used in this section, the "amount of taxes
4 levied" and the "amount levied" mean the actual dollar
5 amount of taxes imposed on an individual piece of property,
6 notwithstanding an increase or decrease in value due to
7 inflation, reappraisal, adjustments in the percentage
8 multiplier used to convert appraised value to taxable value,
9 changes in the number of mills levied, or increase or
10 decrease in the value of a mill."

11 **Section 5.** Section 15-10-412, MCA, is amended to read:

12 *15-10-412. Property tax limited to 1986 levels --
13 clarification -- extension to all property classes. Section
14 15-10-402 is interpreted and clarified as follows:

15 (1) The limitation to 1986 levels is extended to apply
16 to all classes of property described in Title 15, chapter 6,
17 part 1.

18 (2) The limitation on the amount of taxes levied is
19 interpreted to mean that, except as otherwise provided in
20 this section, the actual tax liability for an individual
21 property is capped at the dollar amount due in each taxing
22 unit for the 1986 tax year. In tax years thereafter, the
23 property must be taxed in each taxing unit at the 1986 cap
24 or the product of the taxable value and mills levied,
25 whichever is less for each taxing unit, except in a taxing

1 unit that levied a tax in tax years 1983 through 1985 but
 2 did not levy a tax in 1986, in which case the actual tax
 3 liability for an individual property is capped at the dollar
 4 amount due in that taxing unit for the 1985 tax year.

5 (3) The limitation on the amount of taxes levied does
 6 not mean that no further increase may be made in the total
 7 taxable valuation of a taxing unit as a result of:

- 8 (a) annexation of real property and improvements into a
 9 taxing unit;
- 10 (b) construction, expansion, or remodeling of
 11 improvements;
- 12 (c) transfer of property into a taxing unit;
- 13 (d) subdivision of real property;
- 14 (e) reclassification of property;
- 15 (f) increases in the amount of production or the value
 16 of production for property described in 15-6-131 or
 17 15-6-132;
- 18 (g) transfer of property from tax-exempt to taxable
 19 status;
- 20 (h) revaluations caused by:
- 21 (i) cyclical reappraisal; or
- 22 (ii) expansion, addition, replacement, or remodeling of
 23 improvements; or
- 24 (i) increases in property valuation pursuant to
 25 15-7-111(4) through (8) in order to equalize property values

1 annually.

2 (4) The limitation on the amount of taxes levied does
 3 not mean that no further increase may be made in the taxable
 4 valuation or in the actual tax liability on individual
 5 property in each class as a result of:

- 6 (a) a revaluation caused by:
- 7 (i) construction, expansion, replacement, or remodeling
 8 of improvements that adds value to the property; or
- 9 (ii) cyclical reappraisal;
- 10 (b) transfer of property into a taxing unit;
- 11 (c) reclassification of property;
- 12 (d) increases in the amount of production or the value
 13 of production for property described in 15-6-131 or
 14 15-6-132;
- 15 (e) annexation of the individual property into a new
 16 taxing unit;
- 17 (f) conversion of the individual property from
 18 tax-exempt to taxable status; or
- 19 (g) increases in property valuation pursuant to
 20 15-7-111(4) through (8) in order to equalize property values
 21 annually.
- 22 (5) Property in classes four, twelve, and fourteen is
 23 valued according to the procedures used in 1986, including
 24 the designation of 1982 as the base year, until the
 25 reappraisal cycle beginning January 1, 1986, is completed

1 and new valuations are placed on the tax rolls and a new
2 base year designated, if the property is:

- 3 (a) new construction;
- 4 (b) expanded, deleted, replaced, or remodeled
- 5 improvements;
- 6 (c) annexed property; or
- 7 (d) property converted from tax-exempt to taxable
- 8 status.

9 (6) Property described in subsections (5)(a) through
10 (5)(d) that is not class four, class twelve, or class
11 fourteen property is valued according to the procedures used
12 in 1986 but is also subject to the dollar cap in each taxing
13 unit based on 1986 mills levied.

14 (7) The limitation on the amount of taxes, as clarified
15 in this section, is intended to leave the property appraisal
16 and valuation methodology of the department of revenue
17 intact. Determinations of county classifications, salaries
18 of local government officers, and all other matters in which
19 total taxable valuation is an integral component are not
20 affected by 15-10-401 and 15-10-402 except for the use of
21 taxable valuation in fixing tax levies. In fixing tax
22 levies, the taxing units of local government may anticipate
23 the deficiency in revenues resulting from the tax
24 limitations in 15-10-401 and 15-10-402, while understanding
25 that regardless of the amount of mills levied, a taxpayer's

1 liability may not exceed the dollar amount due in each
2 taxing unit for the 1986 tax year unless:

3 (a) the taxing unit's taxable valuation decreases by 5%
4 or more from the 1986 tax year. If a taxing unit's taxable
5 valuation decreases by 5% or more from the 1986 tax year, it
6 may levy additional mills to compensate for the decreased
7 taxable valuation, but in no case may the mills levied
8 exceed a number calculated to equal the revenue from
9 property taxes for the 1986 tax year in that taxing unit.

10 (b) a levy authorized under Title 20 raised less
11 revenue in 1986 than was raised in either 1984 or 1985, in
12 which case the taxing unit may, after approval by the voters
13 in the taxing unit, raise each year thereafter an additional
14 number of mills but may not levy more revenue than the
15 3-year average of revenue raised for that purpose during
16 1984, 1985, and 1986;

17 (c) a levy authorized in 50-2-111 that was made in 1986
18 was for less than the number of mills levied in either 1984
19 or 1985, in which case the taxing unit may, after approval
20 by the voters in the taxing unit, levy each year thereafter
21 an additional number of mills but may not levy more than the
22 3-year average number of mills levied for that purpose
23 during 1984, 1985, and 1986.

24 (8) The limitation on the amount of taxes levied does
25 not apply to the following levy or special assessment

1 categories, whether or not they are based on commitments
 2 made before or after approval of 15-10-401 and 15-10-402:
 3 (a) rural improvement districts;
 4 (b) special improvement districts;
 5 (c) levies pledged for the repayment of bonded
 6 indebtedness, including tax increment bonds;
 7 (d) city street maintenance districts;
 8 (e) tax increment financing districts;
 9 (f) satisfaction of judgments against a taxing unit;
 10 (g) street lighting assessments;
 11 (h) revolving funds to support any categories specified
 12 in this subsection (8);
 13 (i) levies for economic development authorized pursuant
 14 to 90-5-112(4); and
 15 (j) levies authorized under [section 2] for regional
 16 jails and juvenile detention programs; and
 17 ~~(j)~~(k) elementary and high school districts.
 18 (9) The limitation on the amount of taxes levied does
 19 not apply in a taxing unit if the voters in the taxing unit
 20 approve an increase in tax liability following a resolution
 21 of the governing body of the taxing unit containing:
 22 (a) a finding that there are insufficient funds to
 23 adequately operate the taxing unit as a result of 15-10-401
 24 and 15-10-402;
 25 (b) an explanation of the nature of the financial

1 emergency;
 2 (c) an estimate of the amount of funding shortfall
 3 expected by the taxing unit;
 4 (d) a statement that applicable fund balances are or by
 5 the end of the fiscal year will be depleted;
 6 (e) a finding that there are no alternative sources of
 7 revenue;
 8 (f) a summary of the alternatives that the governing
 9 body of the taxing unit has considered; and
 10 (g) a statement of the need for the increased revenue
 11 and how it will be used.
 12 (10) (a) The limitation on the amount of taxes levied
 13 does not apply to levies required to address the funding of
 14 relief of suffering of inhabitants caused by famine,
 15 conflagration, or other public calamity.
 16 (b) The limitation set forth in this chapter on the
 17 amount of taxes levied does not apply to levies to support a
 18 city-county board of health as provided in Title 50, chapter
 19 2, if the governing bodies of the taxing units served by the
 20 board of health determine, after a public hearing, that
 21 public health programs require funds to ensure the public
 22 health. A levy for the support of a local board of health
 23 may not exceed the 5-mill limit established in 50-2-111.
 24 (11) The limitation on the amount of taxes levied by a
 25 taxing jurisdiction subject to a statutory maximum mill levy

1 does not prevent a taxing jurisdiction from increasing its
2 number of mills beyond the statutory maximum mill levy to
3 produce revenue equal to its 1986 revenue.

4 (12) The limitation on the amount of taxes levied does
5 not apply to a levy increase to repay taxes paid under
6 protest in accordance with 15-1-402."

7 NEW SECTION. Section 6. Codification instruction.
8 [Sections 1 through 3] are intended to be codified as an
9 integral part of Title 7, chapter 6, and the provisions of
10 Title 7, chapter 6, apply to [sections 1 through 3].

11 NEW SECTION. Section 7. Coordination instruction. (1)
12 If ___ Bill No. ___ [LC 66] is not passed and approved, then
13 the reference to LC 66 in [section 3] is void.

14 (2) IF ___ Bill No. ___ [LC 67] is not passed and
15 approved, then the reference to LC 67 in [section 3] is
16 void.

17 (3) IF ___ Bill No. ___ [LC 68] is not passed and
18 approved, then the reference to LC 68 in [section 3] is
19 void.

20 (4) IF ___ Bill No. ___ [LC 70] is not passed and
21 approved, then the reference to LC 70 in [section 3] is
22 void.

23 NEW SECTION. Section 8. Effective date. [This act] is
24 effective July 1, 1991.

-End-

1 HOUSE BILL NO. 74
 2 INTRODUCED BY STRIZICH
 3 BY REQUEST OF THE JOINT INTERIM SUBCOMMITTEE
 4 ON ADULT AND JUVENILE DETENTION
 5
 6 A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE PERMISSIVE
 7 LEVIES FOR REGIONAL JAILS AND JUVENILE DETENTION PROGRAMS;
 8 TO EXCLUDE THESE LEVIES FROM THE PROPERTY TAX LIMITATIONS OF
 9 INITIATIVE MEASURE NO. 105; TO ALLOW IMPOSITION OF
 10 PERMISSIVE LEVIES WITHOUT A VOTE; AMENDING SECTIONS
 11 15-10-402 AND 15-10-412, MCA; AND PROVIDING AN EFFECTIVE
 12 DATE."
 13

14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 NEW SECTION. **Section 1.** Definitions. As used in
 16 [sections 1 through 3], unless the context requires
 17 otherwise, the following definitions apply:

18 (1) "Detention" means the holding or temporary
 19 placement of a youth in a facility other than the youth's
 20 own home for the purpose of ensuring the continued custody
 21 of the youth at any time after the youth is taken into
 22 custody and before final disposition of his case.

23 (2) "Jail" means a facility used for the confinement of
 24 adults accused or convicted of criminal offenses.

25 (3) "Juvenile detention program" means services to

1 provide for the lawful detention or shelter care of youth.
 2 The term includes:

3 (a) youth evaluations ordered by the court under
 4 41-5-523; and

5 (b) programs for the transportation of youth to
 6 appropriate detention facilities or shelter care facilities.

7 (4) "Local government" has the same meaning as provided
 8 in 7-12-1103.

9 (5) "Regional jail" means a jail established and
 10 maintained by two or more units of local government as
 11 authorized in 7-32-2201.

12 (6) "Shelter care" has the same meaning as provided in
 13 41-5-103.

14 (7) "Youth" means an individual who is less than 18
 15 years of age who is alleged to be a delinquent youth or
 16 youth in need of supervision as those terms are defined in
 17 41-5-103.

18 NEW SECTION. **Section 2.** Permissive levies for regional
 19 jails and juvenile detention programs. (1) A local
 20 government may impose the following levies on the taxable
 21 value of all property within its jurisdiction in an amount
 22 determined by the governing body:

23 (a) a levy for the planning, operation, renovation, and
 24 maintenance of regional jails; and

25 (b) a levy for the establishment and operation of

1 juvenile detention programs.

2 (2) Local governments may use the funds derived from a
3 levy authorized in subsection (1) to contract with other
4 units of local government to purchase services from regional
5 jails and juvenile detention programs consistent with the
6 purposes of the levy as stated in subsection (1).

7 NEW SECTION. Section 3. Imposition of levy without a
8 vote. In order to carry out the provisions of [LC 66, LC 67,
9 LC 68, and LC 70], a local government may impose a levy
10 authorized in [section 2] without submitting the levy to a
11 vote of the qualified electors.

12 **Section 4.** Section 15-10-402, MCA, is amended to read:

13 "15-10-402. Property tax limited to 1986 levels. (1)
14 Except as provided in subsections (2) and (3), the amount of
15 taxes levied on property described in 15-6-133, 15-6-134,
16 15-6-136, 15-6-142, and 15-6-144 may not, for any taxing
17 jurisdiction, exceed the amount levied for taxable year
18 1986.

19 (2) The limitation contained in subsection (1) does not
20 apply to levies for rural improvement districts, Title 7,
21 chapter 12, part 21; special improvement districts, Title 7,
22 chapter 12, part 41; elementary and high school districts,
23 Title 20; regional jails and juvenile detention programs
24 authorized under [section 2]; or bonded indebtedness.

25 (3) New construction or improvements to or deletions

1 from property described in subsection (1) are subject to
2 taxation at 1986 levels.

3 (4) As used in this section, the "amount of taxes
4 levied" and the "amount levied" mean the actual dollar
5 amount of taxes imposed on an individual piece of property,
6 notwithstanding an increase or decrease in value due to
7 inflation, reappraisal, adjustments in the percentage
8 multiplier used to convert appraised value to taxable value,
9 changes in the number of mills levied, or increase or
10 decrease in the value of a mill."

11 **Section 5.** Section 15-10-412, MCA, is amended to read:

12 "15-10-412. Property tax limited to 1986 levels --
13 clarification -- extension to all property classes. Section
14 15-10-402 is interpreted and clarified as follows:

15 (1) The limitation to 1986 levels is extended to apply
16 to all classes of property described in Title 15, chapter 6,
17 part 1.

18 (2) The limitation on the amount of taxes levied is
19 interpreted to mean that, except as otherwise provided in
20 this section, the actual tax liability for an individual
21 property is capped at the dollar amount due in each taxing
22 unit for the 1986 tax year. In tax years thereafter, the
23 property must be taxed in each taxing unit at the 1986 cap
24 or the product of the taxable value and mills levied,
25 whichever is less for each taxing unit, except in a taxing

1 unit that levied a tax in tax years 1983 through 1985 but
 2 did not levy a tax in 1986, in which case the actual tax
 3 liability for an individual property is capped at the dollar
 4 amount due in that taxing unit for the 1985 tax year.

5 (3) The limitation on the amount of taxes levied does
 6 not mean that no further increase may be made in the total
 7 taxable valuation of a taxing unit as a result of:

- 8 (a) annexation of real property and improvements into a
 9 taxing unit;
- 10 (b) construction, expansion, or remodeling of
 11 improvements;
- 12 (c) transfer of property into a taxing unit;
- 13 (d) subdivision of real property;
- 14 (e) reclassification of property;
- 15 (f) increases in the amount of production or the value
 16 of production for property described in 15-6-131 or
 17 15-6-132;
- 18 (g) transfer of property from tax-exempt to taxable
 19 status;
- 20 (h) revaluations caused by:
- 21 (i) cyclical reappraisal; or
- 22 (ii) expansion, addition, replacement, or remodeling of
 23 improvements; or
- 24 (i) increases in property valuation pursuant to
 25 15-7-111(4) through (8) in order to equalize property values

1 annually.

2 (4) The limitation on the amount of taxes levied does
 3 not mean that no further increase may be made in the taxable
 4 valuation or in the actual tax liability on individual
 5 property in each class as a result of:

- 6 (a) a revaluation caused by:
- 7 (i) construction, expansion, replacement, or remodeling
 8 of improvements that adds value to the property; or
- 9 (ii) cyclical reappraisal;
- 10 (b) transfer of property into a taxing unit;
- 11 (c) reclassification of property;
- 12 (d) increases in the amount of production or the value
 13 of production for property described in 15-6-131 or
 14 15-6-132;
- 15 (e) annexation of the individual property into a new
 16 taxing unit;
- 17 (f) conversion of the individual property from
 18 tax-exempt to taxable status; or
- 19 (g) increases in property valuation pursuant to
 20 15-7-111(4) through (8) in order to equalize property values
 21 annually.
- 22 (5) Property in classes four, twelve, and fourteen is
 23 valued according to the procedures used in 1986, including
 24 the designation of 1982 as the base year, until the
 25 reappraisal cycle beginning January 1, 1986, is completed

1 and new valuations are placed on the tax rolls and a new
2 base year designated, if the property is:

- 3 (a) new construction;
- 4 (b) expanded, deleted, replaced, or remodeled
- 5 improvements;
- 6 (c) annexed property; or
- 7 (d) property converted from tax-exempt to taxable
- 8 status.

9 (6) Property described in subsections (5)(a) through
10 (5)(d) that is not class four, class twelve, or class
11 fourteen property is valued according to the procedures used
12 in 1986 but is also subject to the dollar cap in each taxing
13 unit based on 1986 mills levied.

14 (7) The limitation on the amount of taxes, as clarified
15 in this section, is intended to leave the property appraisal
16 and valuation methodology of the department of revenue
17 intact. Determinations of county classifications, salaries
18 of local government officers, and all other matters in which
19 total taxable valuation is an integral component are not
20 affected by 15-10-401 and 15-10-402 except for the use of
21 taxable valuation in fixing tax levies. In fixing tax
22 levies, the taxing units of local government may anticipate
23 the deficiency in revenues resulting from the tax
24 limitations in 15-10-401 and 15-10-402, while understanding
25 that regardless of the amount of mills levied, a taxpayer's

1 liability may not exceed the dollar amount due in each
2 taxing unit for the 1986 tax year unless:

3 (a) the taxing unit's taxable valuation decreases by 5%
4 or more from the 1986 tax year. If a taxing unit's taxable
5 valuation decreases by 5% or more from the 1986 tax year, it
6 may levy additional mills to compensate for the decreased
7 taxable valuation, but in no case may the mills levied
8 exceed a number calculated to equal the revenue from
9 property taxes for the 1986 tax year in that taxing unit.

10 (b) a levy authorized under Title 20 raised less
11 revenue in 1986 than was raised in either 1984 or 1985, in
12 which case the taxing unit may, after approval by the voters
13 in the taxing unit, raise each year thereafter an additional
14 number of mills but may not levy more revenue than the
15 3-year average of revenue raised for that purpose during
16 1984, 1985, and 1986;

17 (c) a levy authorized in 50-2-111 that was made in 1986
18 was for less than the number of mills levied in either 1984
19 or 1985, in which case the taxing unit may, after approval
20 by the voters in the taxing unit, levy each year thereafter
21 an additional number of mills but may not levy more than the
22 3-year average number of mills levied for that purpose
23 during 1984, 1985, and 1986.

24 (8) The limitation on the amount of taxes levied does
25 not apply to the following levy or special assessment

1 categories, whether or not they are based on commitments
 2 made before or after approval of 15-10-401 and 15-10-402:
 3 (a) rural improvement districts;
 4 (b) special improvement districts;
 5 (c) levies pledged for the repayment of bonded
 6 indebtedness, including tax increment bonds;
 7 (d) city street maintenance districts;
 8 (e) tax increment financing districts;
 9 (f) satisfaction of judgments against a taxing unit;
 10 (g) street lighting assessments;
 11 (h) revolving funds to support any categories specified
 12 in this subsection (8);
 13 (i) levies for economic development authorized pursuant
 14 to 90-5-112(4); and
 15 (j) levies authorized under [section 2] for regional
 16 jails and juvenile detention programs; and
 17 ~~(j)~~(k) elementary and high school districts.
 18 (9) The limitation on the amount of taxes levied does
 19 not apply in a taxing unit if the voters in the taxing unit
 20 approve an increase in tax liability following a resolution
 21 of the governing body of the taxing unit containing:
 22 (a) a finding that there are insufficient funds to
 23 adequately operate the taxing unit as a result of 15-10-401
 24 and 15-10-402;
 25 (b) an explanation of the nature of the financial

1 emergency;
 2 (c) an estimate of the amount of funding shortfall
 3 expected by the taxing unit;
 4 (d) a statement that applicable fund balances are or by
 5 the end of the fiscal year will be depleted;
 6 (e) a finding that there are no alternative sources of
 7 revenue;
 8 (f) a summary of the alternatives that the governing
 9 body of the taxing unit has considered; and
 10 (g) a statement of the need for the increased revenue
 11 and how it will be used.
 12 (10) (a) The limitation on the amount of taxes levied
 13 does not apply to levies required to address the funding of
 14 relief of suffering of inhabitants caused by famine,
 15 conflagration, or other public calamity.
 16 (b) The limitation set forth in this chapter on the
 17 amount of taxes levied does not apply to levies to support a
 18 city-county board of health as provided in Title 50, chapter
 19 2, if the governing bodies of the taxing units served by the
 20 board of health determine, after a public hearing, that
 21 public health programs require funds to ensure the public
 22 health. A levy for the support of a local board of health
 23 may not exceed the 5-mill limit established in 50-2-111.
 24 (11) The limitation on the amount of taxes levied by a
 25 taxing jurisdiction subject to a statutory maximum mill levy

1 does not prevent a taxing jurisdiction from increasing its
2 number of mills beyond the statutory maximum mill levy to
3 produce revenue equal to its 1986 revenue.

4 (12) The limitation on the amount of taxes levied does
5 not apply to a levy increase to repay taxes paid under
6 protest in accordance with 15-1-402."

7 NEW SECTION. Section 6. Codification instruction.
8 [Sections 1 through 3] are intended to be codified as an
9 integral part of Title 7, chapter 6, and the provisions of
10 Title 7, chapter 6, apply to [sections 1 through 3].

11 NEW SECTION. Section 7. Coordination instruction. (1)
12 If ___ Bill No. ___ [LC 66] is not passed and approved, then
13 the reference to LC 66 in [section 3] is void.

14 (2) If ___ Bill No. ___ [LC 67] is not passed and
15 approved, then the reference to LC 67 in [section 3] is
16 void.

17 (3) If ___ Bill No. ___ [LC 68] is not passed and
18 approved, then the reference to LC 68 in [section 3] is
19 void.

20 (4) If ___ Bill No. ___ [LC 70] is not passed and
21 approved, then the reference to LC 70 in [section 3] is
22 void.

23 NEW SECTION. Section 8. Effective date. [This act] is
24 effective July 1, 1991.

-End-

1 HOUSE BILL NO. 74

2 INTRODUCED BY STRIZICH

3 BY REQUEST OF THE JOINT INTERIM SUBCOMMITTEE

4 ON ADULT AND JUVENILE DETENTION

5
6 A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE PERMISSIVE
7 LEVIES FOR REGIONAL JAILS AND JUVENILE DETENTION PROGRAMS;
8 TO EXCLUDE THESE LEVIES FROM THE PROPERTY TAX LIMITATIONS OF
9 INITIATIVE MEASURE NO. 105; TO ALLOW IMPOSITION OF
10 PERMISSIVE LEVIES WITHOUT A VOTE; AMENDING SECTIONS
11 15-10-402 AND 15-10-412, MCA; AND PROVIDING AN EFFECTIVE
12 DATE."
13

14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 NEW SECTION. Section 1. Definitions. As used in
16 [sections 1 through 3], unless the context requires
17 otherwise, the following definitions apply:

18 (1) "Detention" means the holding or temporary
19 placement of a youth in a facility other than the youth's
20 own home for the purpose of ensuring the continued custody
21 of the youth at any time after the youth is taken into
22 custody and before final disposition of his case.

23 (2) "Jail" means a facility used for the confinement of
24 adults accused or convicted of criminal offenses.

25 (3) "Juvenile detention program" means services to

1 provide for the lawful detention or shelter care of youth.

2 The term includes:

3 (a) youth evaluations ordered by the court under
4 41-5-523; and

5 (b) programs for the transportation of youth to
6 appropriate detention facilities or shelter care facilities.

7 (4) "Local government" has the same meaning as provided
8 in 7-12-1103.

9 (5) "Regional jail" means a jail established and
10 maintained by two or more units of local government as
11 authorized in 7-32-2201.

12 (6) "Shelter care" has the same meaning as provided in
13 41-5-103.

14 (7) "Youth" means an individual who is less than 18
15 years of age who is alleged to be a delinquent youth or
16 youth in need of supervision as those terms are defined in
17 41-5-103.

18 NEW SECTION. Section 2. Permissive levies for regional
19 jails and juvenile detention programs. (1) A local
20 government may impose the following levies on the taxable
21 value of all property within its jurisdiction in an amount
22 determined by the governing body:

23 (a) a levy for the planning, operation, renovation, and
24 maintenance of regional jails; and

25 (b) a levy for the establishment and operation of

1 juvenile detention programs.

2 (2) Local governments may use the funds derived from a
3 levy authorized in subsection (1) to contract with other
4 units of local government to purchase services from regional
5 jails and juvenile detention programs consistent with the
6 purposes of the levy as stated in subsection (1).

7 **NEW SECTION. Section 3.** Imposition of levy without a
8 vote. In order to carry out the provisions of [LC 66, LC 67,
9 LC 68, and LC 70], a local government may impose a levy
10 authorized in [section 2] without submitting the levy to a
11 vote of the qualified electors.

12 **Section 4.** Section 15-10-402, MCA, is amended to read:

13 **"15-10-402. Property tax limited to 1986 levels.** (1)
14 Except as provided in subsections (2) and (3), the amount of
15 taxes levied on property described in 15-6-133, 15-6-134,
16 15-6-136, 15-6-142, and 15-6-144 may not, for any taxing
17 jurisdiction, exceed the amount levied for taxable year
18 1986.

19 (2) The limitation contained in subsection (1) does not
20 apply to levies for rural improvement districts, Title 7,
21 chapter 12, part 21; special improvement districts, Title 7,
22 chapter 12, part 41; elementary and high school districts,
23 Title 20; regional jails and juvenile detention programs
24 authorized under [section 2]; or bonded indebtedness.

25 (3) New construction or improvements to or deletions

1 from property described in subsection (1) are subject to
2 taxation at 1986 levels.

3 (4) As used in this section, the "amount of taxes
4 levied" and the "amount levied" mean the actual dollar
5 amount of taxes imposed on an individual piece of property,
6 notwithstanding an increase or decrease in value due to
7 inflation, reappraisal, adjustments in the percentage
8 multiplier used to convert appraised value to taxable value,
9 changes in the number of mills levied, or increase or
10 decrease in the value of a mill."

11 **Section 5.** Section 15-10-412, MCA, is amended to read:

12 **"15-10-412. Property tax limited to 1986 levels --**
13 **clarification -- extension to all property classes.** Section
14 15-10-402 is interpreted and clarified as follows:

15 (1) The limitation to 1986 levels is extended to apply
16 to all classes of property described in Title 15, chapter 6,
17 part 1.

18 (2) The limitation on the amount of taxes levied is
19 interpreted to mean that, except as otherwise provided in
20 this section, the actual tax liability for an individual
21 property is capped at the dollar amount due in each taxing
22 unit for the 1986 tax year. In tax years thereafter, the
23 property must be taxed in each taxing unit at the 1986 cap
24 or the product of the taxable value and mills levied,
25 whichever is less for each taxing unit, except in a taxing

1 unit that levied a tax in tax years 1983 through 1985 but
 2 did not levy a tax in 1986, in which case the actual tax
 3 liability for an individual property is capped at the dollar
 4 amount due in that taxing unit for the 1985 tax year.

5 (3) The limitation on the amount of taxes levied does
 6 not mean that no further increase may be made in the total
 7 taxable valuation of a taxing unit as a result of:

8 (a) annexation of real property and improvements into a
 9 taxing unit;

10 (b) construction, expansion, or remodeling of
 11 improvements;

12 (c) transfer of property into a taxing unit;

13 (d) subdivision of real property;

14 (e) reclassification of property;

15 (f) increases in the amount of production or the value
 16 of production for property described in 15-6-131 or
 17 15-6-132;

18 (g) transfer of property from tax-exempt to taxable
 19 status;

20 (h) revaluations caused by:

21 (i) cyclical reappraisal; or

22 (ii) expansion, addition, replacement, or remodeling of
 23 improvements; or

24 (i) increases in property valuation pursuant to
 25 15-7-111(4) through (8) in order to equalize property values

1 annually.

2 (4) The limitation on the amount of taxes levied does
 3 not mean that no further increase may be made in the taxable
 4 valuation or in the actual tax liability on individual
 5 property in each class as a result of:

6 (a) a revaluation caused by:

7 (i) construction, expansion, replacement, or remodeling
 8 of improvements that adds value to the property; or

9 (ii) cyclical reappraisal;

10 (b) transfer of property into a taxing unit;

11 (c) reclassification of property;

12 (d) increases in the amount of production or the value
 13 of production for property described in 15-6-131 or
 14 15-6-132;

15 (e) annexation of the individual property into a new
 16 taxing unit;

17 (f) conversion of the individual property from
 18 tax-exempt to taxable status; or

19 (g) increases in property valuation pursuant to
 20 15-7-111(4) through (8) in order to equalize property values
 21 annually.

22 (5) Property in classes four, twelve, and fourteen is
 23 valued according to the procedures used in 1986, including
 24 the designation of 1982 as the base year, until the
 25 reappraisal cycle beginning January 1, 1986, is completed

1 and new valuations are placed on the tax rolls and a new
2 base year designated, if the property is:

- 3 (a) new construction;
- 4 (b) expanded, deleted, replaced, or remodeled
- 5 improvements;
- 6 (c) annexed property; or
- 7 (d) property converted from tax-exempt to taxable
- 8 status.

9 (6) Property described in subsections (5)(a) through
10 (5)(d) that is not class four, class twelve, or class
11 fourteen property is valued according to the procedures used
12 in 1986 but is also subject to the dollar cap in each taxing
13 unit based on 1986 mills levied.

14 (7) The limitation on the amount of taxes, as clarified
15 in this section, is intended to leave the property appraisal
16 and valuation methodology of the department of revenue
17 intact. Determinations of county classifications, salaries
18 of local government officers, and all other matters in which
19 total taxable valuation is an integral component are not
20 affected by 15-10-401 and 15-10-402 except for the use of
21 taxable valuation in fixing tax levies. In fixing tax
22 levies, the taxing units of local government may anticipate
23 the deficiency in revenues resulting from the tax
24 limitations in 15-10-401 and 15-10-402, while understanding
25 that regardless of the amount of mills levied, a taxpayer's

1 liability may not exceed the dollar amount due in each
2 taxing unit for the 1986 tax year unless:

3 (a) the taxing unit's taxable valuation decreases by 5%
4 or more from the 1986 tax year. If a taxing unit's taxable
5 valuation decreases by 5% or more from the 1986 tax year, it
6 may levy additional mills to compensate for the decreased
7 taxable valuation, but in no case may the mills levied
8 exceed a number calculated to equal the revenue from
9 property taxes for the 1986 tax year in that taxing unit.

10 (b) a levy authorized under Title 20 raised less
11 revenue in 1986 than was raised in either 1984 or 1985, in
12 which case the taxing unit may, after approval by the voters
13 in the taxing unit, raise each year thereafter an additional
14 number of mills but may not levy more revenue than the
15 3-year average of revenue raised for that purpose during
16 1984, 1985, and 1986;

17 (c) a levy authorized in 50-2-111 that was made in 1986
18 was for less than the number of mills levied in either 1984
19 or 1985, in which case the taxing unit may, after approval
20 by the voters in the taxing unit, levy each year thereafter
21 an additional number of mills but may not levy more than the
22 3-year average number of mills levied for that purpose
23 during 1984, 1985, and 1986.

24 (8) The limitation on the amount of taxes levied does
25 not apply to the following levy or special assessment

1 categories, whether or not they are based on commitments
 2 made before or after approval of 15-10-401 and 15-10-402:
 3 (a) rural improvement districts;
 4 (b) special improvement districts;
 5 (c) levies pledged for the repayment of bonded
 6 indebtedness, including tax increment bonds;
 7 (d) city street maintenance districts;
 8 (e) tax increment financing districts;
 9 (f) satisfaction of judgments against a taxing unit;
 10 (g) street lighting assessments;
 11 (h) revolving funds to support any categories specified
 12 in this subsection (8);
 13 (i) levies for economic development authorized pursuant
 14 to 90-5-112(4); and
 15 (j) levies authorized under [section 2] for regional
 16 jails and juvenile detention programs; and
 17 ~~†j~~(k) elementary and high school districts.
 18 (9) The limitation on the amount of taxes levied does
 19 not apply in a taxing unit if the voters in the taxing unit
 20 approve an increase in tax liability following a resolution
 21 of the governing body of the taxing unit containing:
 22 (a) a finding that there are insufficient funds to
 23 adequately operate the taxing unit as a result of 15-10-401
 24 and 15-10-402;
 25 (b) an explanation of the nature of the financial

1 emergency;
 2 (c) an estimate of the amount of funding shortfall
 3 expected by the taxing unit;
 4 (d) a statement that applicable fund balances are or by
 5 the end of the fiscal year will be depleted;
 6 (e) a finding that there are no alternative sources of
 7 revenue;
 8 (f) a summary of the alternatives that the governing
 9 body of the taxing unit has considered; and
 10 (g) a statement of the need for the increased revenue
 11 and how it will be used.
 12 (10) (a) The limitation on the amount of taxes levied
 13 does not apply to levies required to address the funding of
 14 relief of suffering of inhabitants caused by famine,
 15 conflagration, or other public calamity.
 16 (b) The limitation set forth in this chapter on the
 17 amount of taxes levied does not apply to levies to support a
 18 city-county board of health as provided in Title 50, chapter
 19 2, if the governing bodies of the taxing units served by the
 20 board of health determine, after a public hearing, that
 21 public health programs require funds to ensure the public
 22 health. A levy for the support of a local board of health
 23 may not exceed the 5-mill limit established in 50-2-111.
 24 (11) The limitation on the amount of taxes levied by a
 25 taxing jurisdiction subject to a statutory maximum mill levy

1 does not prevent a taxing jurisdiction from increasing its
2 number of mills beyond the statutory maximum mill levy to
3 produce revenue equal to its 1986 revenue.

4 (12) The limitation on the amount of taxes levied does
5 not apply to a levy increase to repay taxes paid under
6 protest in accordance with 15-1-402."

7 NEW SECTION. Section 6. Codification instruction.
8 [Sections 1 through 3] are intended to be codified as an
9 integral part of Title 7, chapter 6, and the provisions of
10 Title 7, chapter 6, apply to [sections 1 through 3].

11 NEW SECTION. Section 7. Coordination instruction. (1)
12 If Senate Bill No. 37 is not passed and approved, then the
13 reference to Senate Bill No. 37 in [section 3] is void.

14 (2) If Senate Bill No. 59 is not passed and approved,
15 then the reference to Senate Bill No. 59 in [section 3] is
16 void.

17 (3) If Senate Bill No. 38 is not passed and approved,
18 then the reference to Senate Bill No. 38 in [section 3] is
19 void.

20 (4) If House Bill No. 70 is not passed and approved,
21 then the reference to House Bill No. 70 in [section 3] is
22 void.

23 NEW SECTION. Section 8. Effective date. [This act] is
24 effective July 1, 1991.

-End-

GOVERNOR'S AMENDMENTS TO
HOUSE BILL 74
(REFERENCE COPY, AS AMENDED)
April 22, 1991

I. Title, line 6.
Following: "AUTHORIZE"
Insert: "A"

I. Title, line 7.
Strike: "LEVIES FOR REGIONAL JAILS AND"
Insert: "LEVY FOR"

II. Title, line 8.
Following: "EXCLUDE"
Strike: "THESE LEVIES"
Insert: "THE LEVY"

III. Title, lines 9 and 10.
Following: "105;" on line 9
Strike: remainder of line 9 through "VOTE;" on line 10

IV. Page 1, line 16.
Strike: "through 3"
Insert: "and 2"

V. Page 1, lines 23 and 24.
Strike: subsection (2) in its entirety
Re-number: subsequent subsections

VI. Page 2, lines 9 through 11.
Strike: subsection (5) in its entirety
Re-number: subsequent subsections

VII. Page 2, lines 18 and 19.
Following: "Section 2."
Strike: "Permissive levies for regional jails and"
Insert: "Levy for"
Following: "(1)" on line 19
Strike: "A"
Insert: "If approved by a majority of the qualified electors
voting on the question, a"

VIII. Page 2, line 20.
Following: "impose"
Strike: "the following levies"
Insert: "a levy"

IX. Page 2, line 22.
Following: "body"
Strike: ":"

X. Page 2, lines 23 and 24.
Strike: subsection (a) in its entirety

XI. Page 2, line 25.
Strike: "(b) a levy"
Following: "for the"
Insert: "purpose of financing the"

XII. Page 3, lines 4 and 5.
Following: "from" on line 4
Strike: "regional jails and"
Insert: "available"

XIII. Page 3, lines 7 through 11.
Strike: section 3 in its entirety
Re-number: subsequent sections

XIV. Page 3, line 23.
Following: "20;"
Strike: "regional jails and"

XV. Page 9, lines 15 and 16.
Following: "for" on line 15
Strike: "regional jails and"

XVI. Page 11, lines 8 and 10.
Strike: "through 3"
Insert: "and 2"

XVII. Page 11, lines 11 through 22.
Strike: section 7 in its entirety
Re-number: subsequent section

Gov. Amend.
HB 74

1 HOUSE BILL NO. 74
 2 INTRODUCED BY STRIZICH
 3 BY REQUEST OF THE JOINT INTERIM SUBCOMMITTEE
 4 ON ADULT AND JUVENILE DETENTION

5
 6 A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE A
 7 ~~PERMISSIVE--LEVIES--FOR--REGIONAL--JAILS--AND~~ LEVY FOR JUVENILE
 8 ~~DETENTION PROGRAMS; TO EXCLUDE THESE--LEVIES~~ THE LEVY FROM
 9 THE PROPERTY TAX LIMITATIONS OF INITIATIVE MEASURE NO. 105;
 10 ~~TO ALLOW IMPOSITION OF PERMISSIVE--LEVIES--WITHOUT--A--VOTE;~~
 11 AMENDING SECTIONS 15-10-402 AND 15-10-412, MCA; AND
 12 PROVIDING AN EFFECTIVE DATE."
 13

14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 NEW SECTION. Section 1. Definitions. As used in
 16 [sections 1 ~~through--3~~ AND 2], unless the context requires
 17 otherwise, the following definitions apply:

18 (1) "Detention" means the holding or temporary
 19 placement of a youth in a facility other than the youth's
 20 own home for the purpose of ensuring the continued custody
 21 of the youth at any time after the youth is taken into
 22 custody and before final disposition of his case.

23 ~~(2)--"Jail"--means--a--facility--used--for--the--confinement--of~~
 24 ~~adults--accused--or--convicted--of--criminal--offenses.~~

25 ~~(3)(2)~~ (2) "Juvenile detention program" means services to

1 provide for the lawful detention or shelter care of youth.
 2 The term includes:

3 (a) youth evaluations ordered by the court under
 4 41-5-523; and

5 (b) programs for the transportation of youth to
 6 appropriate detention facilities or shelter care facilities.

7 ~~(4)(3)~~ (3) "Local government" has the same meaning as
 8 provided in 7-12-1103.

9 ~~(5)--"Regional--jail"--means--a--jail--established--and~~
 10 ~~maintained--by--two--or--more--units--of--local--government--as~~
 11 ~~authorized--in--7-32-2201.~~

12 ~~(6)(4)~~ (4) "Shelter care" has the same meaning as provided
 13 in 41-5-103.

14 ~~(7)(5)~~ (5) "Youth" means an individual who is less than 18
 15 years of age who is alleged to be a delinquent youth or
 16 youth in need of supervision as those terms are defined in
 17 41-5-103.

18 NEW SECTION. Section 2. ~~Permissive levies for regional~~
 19 ~~jails and LEVY FOR~~ juvenile detention programs. (1) A IF
 20 APPROVED BY A MAJORITY OF THE QUALIFIED ELECTORS VOTING ON
 21 THE QUESTION, A local government may impose the--following
 22 levies A LEVY on the taxable value of all property within
 23 its jurisdiction in an amount determined by the governing
 24 body:

25 ~~(a)--a--levy--for--the--planning, operation, renovation, and~~



1 ~~maintenance-of-regional-jails,-and~~

2 (b)--a---levy for the PURPOSE OF FINANCING THE
 3 establishment and operation of juvenile detention programs.

4 (2) Local governments may use the funds derived from a
 5 levy authorized in subsection (1) to contract with other
 6 units of local government to purchase services from ~~regional~~
 7 ~~jails-and~~ AVAILABLE juvenile detention programs consistent
 8 with the purposes of the levy as stated in subsection (1).

9 ~~NEW-SECTION--Section-3--Imposition--of--levy--without-a~~
 10 ~~vote--in-order-to-carry-out-the-provisions-of--(bE-66,-bE-67,~~
 11 ~~bE-68,-and-bE-70)--a-local--government--may--impose--a--levy~~
 12 ~~authorized--in--{section-2}-without-submitting-the-levy-to-a~~
 13 ~~vote-of-the-qualified-electors-~~

14 **Section 3.** Section 15-10-402, MCA, is amended to read:

15 *15-10-402. Property tax limited to 1986 levels. (1)
 16 Except as provided in subsections (2) and (3), the amount of
 17 taxes levied on property described in 15-6-133, 15-6-134,
 18 15-6-136, 15-6-142, and 15-6-144 may not, for any taxing
 19 jurisdiction, exceed the amount levied for taxable year
 20 1986.

21 (2) The limitation contained in subsection (1) does not
 22 apply to levies for rural improvement districts, Title 7,
 23 chapter 12, part 21; special improvement districts, Title 7,
 24 chapter 12, part 41; elementary and high school districts,
 25 Title 20; ~~regional-jails-and~~ juvenile detention programs

1 authorized under [section 2]; or bonded indebtedness.

2 (3) New construction or improvements to or deletions
 3 from property described in subsection (1) are subject to
 4 taxation at 1986 levels.

5 (4) As used in this section, the "amount of taxes
 6 levied" and the "amount levied" mean the actual dollar
 7 amount of taxes imposed on an individual piece of property,
 8 notwithstanding an increase or decrease in value due to
 9 inflation, reappraisal, adjustments in the percentage
 10 multiplier used to convert appraised value to taxable value,
 11 changes in the number of mills levied, or increase or
 12 decrease in the value of a mill."

13 **Section 4.** Section 15-10-412, MCA, is amended to read:

14 *15-10-412. Property tax limited to 1986 levels --
 15 clarification -- extension to all property classes. Section
 16 15-10-402 is interpreted and clarified as follows:

17 (1) The limitation to 1986 levels is extended to apply
 18 to all classes of property described in Title 15, chapter 6,
 19 part 1.

20 (2) The limitation on the amount of taxes levied is
 21 interpreted to mean that, except as otherwise provided in
 22 this section, the actual tax liability for an individual
 23 property is capped at the dollar amount due in each taxing
 24 unit for the 1986 tax year. In tax years thereafter, the
 25 property must be taxed in each taxing unit at the 1986 cap

1 or the product of the taxable value and mills levied,
 2 whichever is less for each taxing unit, except in a taxing
 3 unit that levied a tax in tax years 1983 through 1985 but
 4 did not levy a tax in 1986, in which case the actual tax
 5 liability for an individual property is capped at the dollar
 6 amount due in that taxing unit for the 1985 tax year.

7 (3) The limitation on the amount of taxes levied does
 8 not mean that no further increase may be made in the total
 9 taxable valuation of a taxing unit as a result of:

- 10 (a) annexation of real property and improvements into a
- 11 taxing unit;
- 12 (b) construction, expansion, or remodeling of
- 13 improvements;
- 14 (c) transfer of property into a taxing unit;
- 15 (d) subdivision of real property;
- 16 (e) reclassification of property;
- 17 (f) increases in the amount of production or the value
- 18 of production for property described in 15-6-131 or
- 19 15-6-132;
- 20 (g) transfer of property from tax-exempt to taxable
- 21 status;
- 22 (h) revaluations caused by:
- 23 (i) cyclical reappraisal; or
- 24 (ii) expansion, addition, replacement, or remodeling of
- 25 improvements; or

1 (i) increases in property valuation pursuant to
 2 15-7-111(4) through (8) in order to equalize property values
 3 annually.

4 (4) The limitation on the amount of taxes levied does
 5 not mean that no further increase may be made in the taxable
 6 valuation or in the actual tax liability on individual
 7 property in each class as a result of:

- 8 (a) a revaluation caused by:
- 9 (i) construction, expansion, replacement, or remodeling
- 10 of improvements that adds value to the property; or
- 11 (ii) cyclical reappraisal;
- 12 (b) transfer of property into a taxing unit;
- 13 (c) reclassification of property;
- 14 (d) increases in the amount of production or the value
- 15 of production for property described in 15-6-131 or
- 16 15-6-132;
- 17 (e) annexation of the individual property into a new
- 18 taxing unit;
- 19 (f) conversion of the individual property from
- 20 tax-exempt to taxable status; or
- 21 (g) increases in property valuation pursuant to
- 22 15-7-111(4) through (8) in order to equalize property values
- 23 annually.
- 24 (5) Property in classes four, twelve, and fourteen is
- 25 valued according to the procedures used in 1986, including

1 the designation of 1982 as the base year, until the
2 reappraisal cycle beginning January 1, 1986, is completed
3 and new valuations are placed on the tax rolls and a new
4 base year designated, if the property is:

- 5 (a) new construction;
- 6 (b) expanded, deleted, replaced, or remodeled
7 improvements;
- 8 (c) annexed property; or
- 9 (d) property converted from tax-exempt to taxable
10 status.

11 (6) Property described in subsections (5)(a) through
12 (5)(d) that is not class four, class twelve, or class
13 fourteen property is valued according to the procedures used
14 in 1986 but is also subject to the dollar cap in each taxing
15 unit based on 1986 mills levied.

16 (7) The limitation on the amount of taxes, as clarified
17 in this section, is intended to leave the property appraisal
18 and valuation methodology of the department of revenue
19 intact. Determinations of county classifications, salaries
20 of local government officers, and all other matters in which
21 total taxable valuation is an integral component are not
22 affected by 15-10-401 and 15-10-402 except for the use of
23 taxable valuation in fixing tax levies. In fixing tax
24 levies, the taxing units of local government may anticipate
25 the deficiency in revenues resulting from the tax

1 limitations in 15-10-401 and 15-10-402, while understanding
2 that regardless of the amount of mills levied, a taxpayer's
3 liability may not exceed the dollar amount due in each
4 taxing unit for the 1986 tax year unless:

5 (a) the taxing unit's taxable valuation decreases by 5%
6 or more from the 1986 tax year. If a taxing unit's taxable
7 valuation decreases by 5% or more from the 1986 tax year, it
8 may levy additional mills to compensate for the decreased
9 taxable valuation, but in no case may the mills levied
10 exceed a number calculated to equal the revenue from
11 property taxes for the 1986 tax year in that taxing unit.

12 (b) a levy authorized under Title 20 raised less
13 revenue in 1986 than was raised in either 1984 or 1985, in
14 which case the taxing unit may, after approval by the voters
15 in the taxing unit, raise each year thereafter an additional
16 number of mills but may not levy more revenue than the
17 3-year average of revenue raised for that purpose during
18 1984, 1985, and 1986;

19 (c) a levy authorized in 50-2-111 that was made in 1986
20 was for less than the number of mills levied in either 1984
21 or 1985, in which case the taxing unit may, after approval
22 by the voters in the taxing unit, levy each year thereafter
23 an additional number of mills but may not levy more than the
24 3-year average number of mills levied for that purpose
25 during 1984, 1985, and 1986.

1 (8) The limitation on the amount of taxes levied does
2 not apply to the following levy or special assessment
3 categories, whether or not they are based on commitments
4 made before or after approval of 15-10-401 and 15-10-402:

- 5 (a) rural improvement districts;
- 6 (b) special improvement districts;
- 7 (c) levies pledged for the repayment of bonded
8 indebtedness, including tax increment bonds;
- 9 (d) city street maintenance districts;
- 10 (e) tax increment financing districts;
- 11 (f) satisfaction of judgments against a taxing unit;
- 12 (g) street lighting assessments;
- 13 (h) revolving funds to support any categories specified
14 in this subsection (8);
- 15 (i) levies for economic development authorized pursuant
16 to 90-5-112(4); and
- 17 (j) levies authorized under [section 2] for regional
18 jails-and juvenile detention programs; and
- 19 (k) elementary and high school districts.

20 (9) The limitation on the amount of taxes levied does
21 not apply in a taxing unit if the voters in the taxing unit
22 approve an increase in tax liability following a resolution
23 of the governing body of the taxing unit containing:

- 24 (a) a finding that there are insufficient funds to
25 adequately operate the taxing unit as a result of 15-10-401

1 and 15-10-402;

- 2 (b) an explanation of the nature of the financial
3 emergency;

- 4 (c) an estimate of the amount of funding shortfall
5 expected by the taxing unit;

- 6 (d) a statement that applicable fund balances are or by
7 the end of the fiscal year will be depleted;

- 8 (e) a finding that there are no alternative sources of
9 revenue;

- 10 (f) a summary of the alternatives that the governing
11 body of the taxing unit has considered; and

- 12 (g) a statement of the need for the increased revenue
13 and how it will be used.

14 (10) (a) The limitation on the amount of taxes levied
15 does not apply to levies required to address the funding of
16 relief of suffering of inhabitants caused by famine,
17 conflagration, or other public calamity.

18 (b) The limitation set forth in this chapter on the
19 amount of taxes levied does not apply to levies to support a
20 city-county board of health as provided in Title 50, chapter
21 2, if the governing bodies of the taxing units served by the
22 board of health determine, after a public hearing, that
23 public health programs require funds to ensure the public
24 health. A levy for the support of a local board of health
25 may not exceed the 5-mill limit established in 50-2-111.

1 (11) The limitation on the amount of taxes levied by a
 2 taxing jurisdiction subject to a statutory maximum mill levy
 3 does not prevent a taxing jurisdiction from increasing its
 4 number of mills beyond the statutory maximum mill levy to
 5 produce revenue equal to its 1986 revenue.

6 (12) The limitation on the amount of taxes levied does
 7 not apply to a levy increase to repay taxes paid under
 8 protest in accordance with 15-1-402."

9 NEW SECTION. Section 5. Codification instruction.
 10 [Sections 1 through--3 AND 2] are intended to be codified as
 11 an integral part of Title 7, chapter 6, and the provisions
 12 of Title 7, chapter 6, apply to [sections 1 through--3 AND
 13 2].

14 ~~NEW SECTION--Section 7--Coordination instruction: (1)~~
 15 ~~If--Senate--Bill--No--37--is--not--passed--and--approved--then--the~~
 16 ~~reference--to--Senate--Bill--No--37--in--{section--3}--is--void--~~

17 ~~(2)--If--Senate--Bill--No--59--is--not--passed--and--approved,~~
 18 ~~then--the--reference--to--Senate--Bill--No--59--in--{section--3}--is~~
 19 ~~void--~~

20 ~~(3)--If--Senate--Bill--No--38--is--not--passed--and--approved,~~
 21 ~~then--the--reference--to--Senate--Bill--No--38--in--{section--3}--is~~
 22 ~~void--~~

23 ~~(4)--If--House--Bill--No--70--is--not--passed--and--approved,~~
 24 ~~then--the--reference--to--House--Bill--No--70--in--{section--3}--is~~
 25 ~~void--~~

1 NEW SECTION. Section 6. Effective date. [This act] is
 2 effective July 1, 1991.

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