## HOUSE BILL NO. 677

# INTRODUCED BY BENEDICT, MCCAFFREE, ZOOK, PECK, SCHYE, THOMAS

## IN THE HOUSE

	IN THE HOUSE
FEBRUARY 7, 1991	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
FEBRUARY 8, 1991	FIRST READING.
MARCH 19, 1991	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
MARCH 20, 1991	PRINTING REPORT.
APRIL 2, 1991	SECOND READING, DO PASS.
APRIL 3, 1991	ENGROSSING REPORT.
APRIL 4, 1991	THIRD READING, PASSED. AYES, 65; NOES, 33.
	TRANSMITTED TO SENATE.
	IN THE SENATE
APRIL 4, 1991	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
APRIL 5, 1991	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
APRIL 9, 1991	SECOND READING, CONCURRED IN.
APRIL 10, 1991	THIRD READING, CONCURRED IN. AYES, 39; NOES, 11.
	RETURNED TO HOUSE.
	IN THE HOUSE
APRIL 11, 1991	RECEIVED FROM SENATE.
	SENT TO ENROLLING.
APRIL 16, 1991	REPORTED CORRECTLY ENROLLED.

SIGNED BY PRESIDENT.

APRIL 17, 1991

SIGNED BY SPEAKER.

DELTY	VERED	ጥር	COVE	RNOR.
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				DEBIVERED TO GOVERNOR.
APRIL 2	22,	1991		RETURNED FROM GOVERNOR WITH RECOMMENDED AMENDMENTS.
APRIL 2	23,	1991		SECOND READING, GOVERNOR'S AMENDMENTS CONCURRED IN.
			IN T	HE SENATE
APRIL 2	23,	1991		SECOND READING, GOVERNOR'S AMENDMENTS CONCURRED IN.
APRIL 2	24,	1991		THIRD READING, GOVERNOR'S AMENDMENTS CONCURRED IN.

# IN THE HOUSE

APRIL 24, 1991 SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

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1	HOUSE BILL NO. 677	
2	INTRODUCED BY Beaudich Meleffer Jook Park	
3	So by Thom-	

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A COUNTY TO LEVY UP TO 1 MILL FOR THE SUPPORT OF COUNTY LITERACY PROGRAMS: PROVIDING THAT THE LEVY IN SUPPORT OF COUNTY 6 LITERACY PROGRAMS IS NOT SUBJECT TO LIMITATIONS ON PROPERTY 7 TAXES SET FORTH IN TITLE 15. CHAPTER 10. PART 4, MCA; AND AMENDING SECTION 15-10-412, MCA." 9

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

NEW SECTION. Section 1. Authorization to levy tax and establish fund for county literacy programs. (1) The governing body of a county may, in its discretion, establish a fund and levy up to 1 mill on each dollar of taxable property in the county for the support of county literacy programs. The tax levy is in addition to all other tax levies.

- (2) The governing body may, by resolution, make expenditures from the fund solely for the support of literacy programs within the county.
- Section 2. Section 15-10-412, MCA, is amended to read: 22
- 23 "15-10-412. Property tax limited to 1986 levels --24 clarification -- extension to all property classes. Section

15-10-402 is interpreted and clarified as follows:

- 1 . (1) The limitation to 1986 levels is extended to apply 2 to all classes of property described in Title 15. chapter 6. 3 part 1.
- (2) The limitation on the amount of taxes levied is 5 interpreted to mean that, except as otherwise provided in 6 this section, the actual tax liability for an individual 7 property is capped at the dollar amount due in each taxing 8 unit for the 1986 tax year. In tax years thereafter, the 9 property must be taxed in each taxing unit at the 1986 cap 10 or the product of the taxable value and mills levied. 11 whichever is less for each taxing unit, except in a taxing 12 unit that levied a tax in tax years 1983 through 1985 but 13 did not levy a tax in 1986, in which case the actual tax 14 liability for an individual property is capped at the dollar 15 amount due in that taxing unit for the 1985 tax year.
- 16 (3) The limitation on the amount of taxes levied does 17 not mean that no further increase may be made in the total 18 taxable valuation of a taxing unit as a result of:
- 19 (a) annexation of real property and improvements into a 20 taxing unit:
- 21 (b) construction, expansion, remodeling οf 22 improvements:
- 23 (c) transfer of property into a taxing unit;
- 24 subdivision of real property;
- 25 (e) reclassification of property;

- 1 (f) increases in the amount of production or the value 2 of production for property described in 15-6-131 or 3 15-6-132;
- 4 (g) transfer of property from tax-exempt to taxable 5 status;
- (h) revaluations caused by:
- 7 (i) cyclical reappraisal; or
- 8 (ii) expansion, addition, replacement, or remodeling of 9 improvements; or
- 10 (i) increases in property valuation pursuant to
  11 15-7-111(4) through (8) in order to equalize property values
  12 annually.
- 13 (4) The limitation on the amount of taxes levied does
  14 not mean that no further increase may be made in the taxable
  15 valuation or in the actual tax liability on individual
  16 property in each class as a result of:
- 17 (a) a revaluation caused by:
- 18 (i) construction, expansion, replacement, or remodeling
  19 of improvements that adds value to the property; or
- 20 (ii) cyclical reappraisal;
- 21 (h) transfer of property into a taxing unit;
- 22 (c) reclassification of property;
- 23 (d) increases in the amount of production or the value
- 24 of production for property described in 15-6-131 or
- 25 15-6-132:

- 1 (e) annexation of the individual property into a new 2 taxing unit;
- 3 (f) conversion of the individual property from

(g) increases in property valuation pursuant to

- 4 tax-exempt to taxable status; or
- 6 15-7-111(4) through (8) in order to equalize property values
- 7 annually.

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- 8 (5) Property in classes four, twelve, and fourteen is
- 9 valued according to the procedures used in 1986, including
- 10 the designation of 1902 as the base year, until the
- 11 reappraisal cycle beginning January 1, 1986, is completed
- 12 and new valuations are placed on the tax rolls and a new
- 13 base year designated, if the property is:
  - (a) new construction;
- 15 (b) expanded, deleted, replaced, or remodeled
- 16 improvements;
- 17 (c) annexed property; or
- (d) property converted from tax-exempt to taxable
- 19 status.
- 20 (6) Property described in subsections (5)(a) through
- 21 (5)(d) that is not class four, class twelve, or class
- 22 fourteen property is valued according to the procedures used
- 23 in 1986 but is also subject to the dollar cap in each taxing
- 24 unit based on 1986 mills levied.
- 25 (7) The limitation on the amount of taxes, as clarified

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1 in this section, is intended to leave the property appraisal 2 and valuation methodology of the department of revenue 3 intact. Determinations of county classifications, salaries of local government officers, and all other matters in which 4 5 total taxable valuation is an integral component are not 6 affected by 15-10-401 and 15-10-402 except for the use of 7 taxable valuation in fixing tax levies. In fixing tax 8 levies, the taxing units of local government may anticipate 9 the deficiency in revenues resulting from the tax 10 limitations in 15-10-401 and 15-10-402, while understanding that regardless of the amount of mills levied, a taxpayer's 11 12 liability may not exceed the dollar amount due in each taxing unit for the 1986 tax year unless: 13

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

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21 (b) a levy authorized under Title 20 raised less
22 revenue in 1986 than was raised in either 1984 or 1985, in
23 which case the taxing unit may, after approval by the voters
24 in the taxing unit, raise each year thereafter an additional
25 number of mills but may not levy more revenue than the

- 1 3-year average of revenue raised for that purpose during
- 2 1984, 1985, and 1986;

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- 3 (c) a levy authorized in 50-2-111 that was made in 1986
- 4 was for less than the number of mills levied in either 1984
- 5 or 1985, in which case the taxing unit may, after approval
  - by the voters in the taxing unit, levy each year thereafter
- 7 an additional number of mills but may not levy more than the
- 8 3-year average number of mills levied for that purpose
- 9 during 1984, 1985, and 1986.
- 10 (8) The limitation on the amount of taxes levied does
- 11 not apply to the following levy or special assessment
- 12 categories, whether or not they are based on commitments
- 13 made before or after approval of 15-10-401 and 15-10-402:
- 14 (a) rural improvement districts;
  - (b) special improvement districts;
- 16 (c) levies pledged for the repayment of bonded
- 17 indebtedness, including tax increment bonds;
- 18 (d) city street maintenance districts:
- 19 (e) tax increment financing districts;
- 20 (f) satisfaction of judgments against a taxing unit;
- 21 (g) street lighting assessments;
- 22 (h) revolving funds to support any categories specified
- 23 in this subsection (8):
- 24 (i) levies for economic development authorized pursuant
- 25 to 90-5-112(4); and

1 (j) elementary and high school districts.

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- (9) The limitation on the amount of taxes levied does not apply in a taxing unit if the voters in the taxing unit approve an increase in tax liability following a resolution of the governing body of the taxing unit containing:
- (a) a finding that there are insufficient funds to adequately operate the taxing unit as a result of 15-10-401 and 15-10-402;
- 9 (b) an explanation of the nature of the financial
  10 emergency;
- (c) an estimate of the amount of funding shortfallexpected by the taxing unit;
- (d) a statement that applicable fund balances are or by
  the end of the fiscal year will be depleted;
  - (e) a finding that there are no alternative sources of revenue;
- 17 (f) a summary of the alternatives that the governing 18 body of the taxing unit has considered; and
  - (g) a statement of the need for the increased revenue and how it will be used.
  - (10) (a) The limitation on the amount of taxes levied does not apply to levies required to address the funding of relief of suffering of inhabitants caused by famine, conflagration, or other public calamity.
    - (b) The limitation set forth in this chapter on the

- amount of taxes levied does not apply to levies to support:
- 2 (i) a city-county board of health as provided in Title
- 3 50, chapter 2, if the governing bodies of the taxing units
- 4 served by the board of health determine, after a public
- 5 hearing, that public health programs require funds to ensure
- the public health. A levy for the support of a local board
- 7 of health may not exceed the 5-mill limit established in
- 8 50-2-111.
- 9 (ii) county literacy programs under [section 1].
- 10 (11) The limitation on the amount of taxes levied by a
- 11 taxing jurisdiction subject to a statutory maximum mill levy
- 12 does not prevent a taxing jurisdiction from increasing its
- 13 number of mills beyond the statutory maximum mill levy to
- 14 produce revenue equal to its 1986 revenue.
- 15 (12) The limitation on the amount of taxes levied does
- 16 not apply to a levy increase to repay taxes paid under
- 17 protest in accordance with 15-1-402."

-End-

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#### HB 0677/02

# APPROVED BY COMMITTEE ON TAXATION

1	HOUSE BILL NO. 677
2	INTRODUCED BY BENEDICT, MCCAFFREE, ZOOK, PECK, SCHYE, THOMAS
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A COUNTY TO
5	LEVY UP TO 1 MILL FOR THE SUPPORT OF COUNTY LITERACY
6	PROGRAMS;PROVIBINGTHATTHELEVYINSUPPORT-OF-COUNTY
7	biferacyprogramsisnot that give first priority to
8	PROVIDING DIRECT INSTRUCTION TO ADULTS, WHICH LEVY IS
9	SUBJECT TO LIMITATIONS ON PROPERTY TAXES SET FORTH IN TITLE
10	15, CHAPTER 10, PART 4, MCA: AND-AMENDING-SECTION-15-10-412,
11	MEA PROVIDING FOR THE ADMINISTRATION OF A COUNTY ADULT
12	LITERACY FUND BY A COUNTY ADULT LITERACY BOARD; AND
13	ESTABLISHING CONDITIONS FOR THE USE OF COUNTY LITERACY
14	FUNDS."
15	
16	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
17	NEW SECTION. Section 1. AUTHOFIZATION COUNTY ADULT
18	LITERACY PROGRAMS AUTHORIZATION to levy tax and establish
19	fund for-county-literacyprograms. (1) (A) The governing
20	body of a county may, in its discretion, establish a fund
21	and levy up to 1 mill on each dollar of taxable property in
22	the county for the support of county literacy programs THAT
23	GIVE FIRST PRIORITY TO PROVIDING DIRECT INSTRUCTION TO
24	ADULTS. The tax levy is in addition to all other tax levies.

(2)(B) The governing--body--may,--by--resolution,-make

1	expenditures-from-the fund solely MAY BE USED ONLY for the
2	support of ADULT literacy programs within the county.
3	(2) (A) IF A COUNTY LEVIES A PROPERTY TAX FOR ADULT
4	LITERACY PROGRAMS, THE COUNTY GOVERNING BODY SHALL APPOINT A
5	COUNTY ADULT LITERACY BOARD TO ADMINISTER THE EXPENDITURE OF
6	FUNDS FROM THE COUNTY ADULT LITERACY FUND ESTABLISHED IN
7	SUBSECTION (1).
8	(B) THE COUNTY ADULT LITERACY BOARD SHALL COORDINATE
9	ALL ADULT LITERACY PROGRAMS RECEIVING COUNTY ADULT LITERACY
10	FUNDS. THE BOARD MAY ADOPT POLICIES CONCERNING PROGRAM
11	STANDARDS AND FINANCIAL ACCOUNTABILITY FOR ORGANIZATIONS
12	RECEIVING ADULT LITERACY FUNDS. THE BOARD MAY REQUIRE THAT
13	ADULT LITERACY PROGRAMS MATCH ADULT LITERACY FUNDS WITH
14	FEDERAL, STATE, OR PRIVATE MONEY. THE BOARD MAY, WITH THE
15	CONCURRENCE OF THE APPROPRIATE COUNTY OFFICIALS, ARRANGE FOR
16	COUNTY IN-KIND SERVICES TO SUPPORT ADULT LITERACY PROGRAMS.
17	(C) COUNTY ADULT LITERACY FUNDING MAY BE EXPENDED ONLY
18	ON LITERACY PROGRAMS FOR PERSONS WHO ARE AT LEAST 19 YEARS
19	OF AGE AND WHOSE HIGH SCHOOL CLASS HAS GRADUATED.
20	Section-27Section-15-10-4127-MCA7-is-amended-to-read:
21	#15-10-412:Property-taxlimitedto1986~+levels
22	clarificationextension-to-all-property-classesSection
23	15-10-402-is-interpreted-and-clarified-as-follows:

tl)--The-limitation-to-1986-levels-is-extended-to--apply

to-all-classes-of-property-described-in-Title-15,-chapter-6,

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1	part-1.
2	(2)Thelimitationontheamount-of-taxes-levied-is
3	interpreted-to-mean-thaty-except-asotherwiseprovidedin
4	thissectionytheactualtax-liability-for-an-individual
5	property-is-capped-at-the-dollar-amount-duc-ineachtaxing
6	unitforthe1986tax-yearIn-tax-years-thereafter;-the
7	property-must-be-taxed-in-each-taxing-unit-at-the1986cap
8	ortheproductofthetaxablevalueand-mills-levied,
9	whichever-is-less-for-each-taxing-unity-except-inataxing
10	unitthatlevieda-tax-in-tax-years-1983-through-1985-but
11	did-not-levy-a-tax-in-1986;-in-whichcasetheactualtax
12	liability-for-an-individual-property-is-capped-at-the-dollar
13	amount-due-in-that-taxing-unit-for-the-1985-tax-year:
14	(3)Thelimitationon-the-amount-of-taxes-levied-does
15	not-mean-that-no-further-increase-may-be-made-inthetotal
16	taxable-valuation-of-a-taxing-unit-as-a-result-of:
17	(a)annexation-of-real-property-and-improvements-into-a
18	taxing-unit;
19	(b)construction;expansion;orremodelingof
20	improvements;
21	tc)transfer-of-property-into-a-taxing-unit;
22	(d)subdivision-of-real-property;
23	(e)reclassification-of-property;
24	(f)increases-in-the-amount-of-production-or-thevalue
25	ofproductionforpropertydescribedin15-6-131or

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T	15-0-1327
2	(g)transfer-of-propertyfromtax-exempttotaxable
3	status,
4	<pre>(h)revaluations-caused-by:</pre>
5	<pre>fitcyclical-reappraisal;-or</pre>
6	<pre>fit)-expansion;addition;-replacement;-or-remodeling-of</pre>
7	improvements;-or
8	(i)increasesinpropertyvaluationpursuantto
9	15-7-111(4)-through-(8)-in-order-to-equalize-property-values
10	annually-
11	(4)Thelimitationon-the-amount-of-taxes-levied-does
12	not-mean-that-no-further-increase-may-be-made-in-the-taxable
13	valuation-or-intheactualtaxliabilityonindividual
14	property-in-each-class-as-a-result-of-
15	(a)a-revaluation-caused-by:
16	(i)construction;-expansion;-replacement;-or-remodeling
17	of-improvements-that-adds-value-to-the-property;-or
18	(ii)-cyclical-reappraisal;
19	(b)transfer-of-property-into-a-taxing-unit;
20	<pre>tc)reclassification-of-property;</pre>
21	(d)increasesin-the-amount-of-production-or-the-value
22	ofproductionforpropertydescribedin15-6-131or
23	±5-6-±32 <sub>7</sub>
24	tetannexationoftheindividual-property-into-a-new

taxing-unit;

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1	ff}conversionoftheindividualpropertyfrom
2	tax-exempt-to-taxable-status;-or
3	(g)increasesinpropertyvaluationpursuantto
4	±5-7-111(4)-through-(8)-in-order-to-equalize-property-values
5	annually-
6	(5)Property-in-classes-four;-twelve;-andfourteenis
7	valuedaccordingto-the-procedures-used-in-1986;-including
8	thedesignationof1982asthebaseyear,untilthe
9	reappreisal-cycle-beginning-January-1;1986;iscompleted
10	andnewvaluationsareplaced-on-the-tax-rolls-and-a-new
11	base-year-designated;-if-the-property-is:
12	ta)new-construction;
13	<pre>fb;expanded;deleted;replaced;orremodeled</pre>
14	improvements;
15	<pre>fc}annexed-property;or</pre>
16	(d)propertyconvertedfromtax-exempttotaxable
17	status;
18	<pre>(6)Property-described-insubsections(5)(a)through</pre>
19	(5)(d)thatisnotclassfour,classtwelve,-or-class
20	fourteen-property-is-valued-according-to-the-procedures-used
21	in-1986-but-is-also-subject-to-the-dollar-cap-in-each-taxing
22	unit-based-on-1986-mills-levied-
23	(7)The-limitation-on-the-amount-of-taxes;-as-clarified
24	in-this-section;-is-intended-to-leave-the-property-appraisal
25	and-valuationmethodologyofthedepartmentofrevenue

intact -- Determinations -- of-county-classifications -- salaries of-local-government-officersy-and-all-other-matters-in-which total-taxable-valuation-is-an--integral--component--are--not affected-by--15-10-401--and-15-10-402-except-for-the-use-of taxable-valuation--in--fixing--tax--levies---In--fixing--tax levies, -- the -taxing -units - of -local -government - may - anticipate the--deficiency--in--revenues---resulting---from---the---tax limitations--:n-15-10-401-and-15-10-4027-while-understanding that-regardless-of-the-amount-of-mills-levied,-a--taxpayer's liability--may--not--exceed--the--dollar--amount-due-in-each taxing-unit-for-the-1986-tax-year-unless: (a)--the-taxing-unit's-taxable-valuation-decreases-by-5% or-more-from-the-1986-tax-year--If-a-taxing--unit+s--taxable valuation-decreases-by-5%-or-more-from-the-1986-tax-year,-it may--levy--additional--mills-to-compensate-for-the-decreased taxable-valuation;-but-in--no--case--may--the--mills--levied exceed--a--number--calculated--to--equal--the--revenue--from property-taxes-for-the-1986-tax-year-in-that-taxing-unittb)--a--levy--authorized--under--Title--20--raised--less

revenue--in--1986-than-was-raised-in-either-1984-or-1985--in which-case-the-taxing-unit-may;-after-approval-by-the-voters in-the-taxing-unity-raise-each-year-thereafter-an-additional number-of-mills-but-may--not--levy--more--revenue--than--the d-year--nverage--of--revenue--raised-for-that-purpose-during 1984;-1985;-and-1986;

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1	(c)a-levy-authorized-in-50-2-lll-that-was-made-in-1986
2	was-for-less-than-the-number-of-mills-levied-in-either1984
3	or1985;in-which-case-the-taxing-unit-may;-after-approvat
4	by-the-voters-in-the-taxing-unity-levy-each-yearthereafter
5	an-additional-number-of-mills-but-may-not-levy-more-than-the
6	3-yearaveragenumberofmillsleviedfor-that-purpose
7	during-1984;-1985;-and-1986;
8	(8)The-limitation-on-the-amount-of-taxeslevieddoes
9	notapplytothefollowinglevyorspecial-assessment
10	categories;-whether-or-not-theyarebasedoncommitments
11	made-before-or-after-approval-of-15-10-401-and-15-10-402:
12	ta)rural-improvement-districts;
13	<pre>fb)special-improvement-districts;</pre>
14	(c)leviespledgedfortherepaymentofbonded
15	indebtednessy-including-tax-increment-bonds;
16	<pre>fdjcity-street-maintenance-districts;</pre>
17	<pre>fe)tax-increment-financing-districts;</pre>
18	<pre>ff)satisfaction-of-judgments-against-a-taxing-unit;</pre>
19	fg}street-lighting-assessments;
20	<pre>th)revolving-funds-to-support-any-categories-specified</pre>
21	in-this-subsection-(8)?
22	<pre>fi)levies-for-economic-development-authorized-pursuant</pre>
23	to-98-5-112(4);-and
24	(j)elementary-and-high-school-districts-
25	(9)The-limitation-on-the-amount-of-taxeslevieddoes

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1	notapply-in-a-taxing-unit-ir-the-votets-in-the-taxing unit-
2	approve-an-increase-in-tax-liability-following-aresolution
3	of-the-governing-body-of-the-taxing-unit-containing:
4	(a)afindingthatthereareinsufficient-funds-to
5	adequately-operate-the-taxing-unit-as-a-result-of15-10-401
6	and-15-10-4027
7	(b)anexplanationofthenatureofthe-financial
8	emergency?
9	<pre>(c)an-estimate-oftheamountoffundingshortfall</pre>
0	expected-by-the-taxing-unit;
1	(d)a-statement-that-applicable-fund-balances-are-or-by
2	the-end-of-the-fiscal-year-will-be-depleted;
3	<pre>(e)afinding-that-there-are-no-alternative-sources-of</pre>
4	revenue;
5	(f)a-summary-of-the-alternativesthatthegoverning
.6	body-of-the-taxing-unit-has-considered;-and
.7	(g)astatementof-the-need-for-the-increased-revenue
8.	and-how-it-will-be-used:
.9	(10)-(a)-The-limitation-on-the-amountoftaxeslevied
0	doesnot-apply-to-levies-required-to-address-the-funding-of
?1	reliefofsufferingofinhabitantscausedbyfamine;
2	conflagration,-or-other-public-calamity-
23	(b)Thelimitationsetforthin-this-chapter-on-the
24	amount-of-taxes-levied-does-not-apply-to-levies-to-support $\pm$
25	tita-city-county-board-of-health-as-provided-inTitle

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1	507chapter27-if-the-governing-bodies-of-the-taxing-units
2	served-by-the-board-ofhealthdetermine;afterapublic
3	hearing;-that-public-health-programs-require-funds-to-ensure
4	thepublichealth:-A-levy-for-the-support-of-a-local-board
5	of-health-may-not-exceed-the5-milllimitestablishedin
6	50-2-ttt-
7	(ii)-county-literacy-programs-under-{section-l}-
8	(11)-Thelimitationon-the-amount-of-taxes-levied-by-
9	taxing-jurisdiction-subject-to-a-statutory-maximum-mill-tev
10	does-not-prevent-a-taxing-jurisdiction-fromincreasingit:
11	numberofmillsbeyond-the-statutory-maximum-mill-levy-to
12	produce-revenue-equal-to-its-1986-revenue-
13	(12)-The-limitation-on-the-amount-of-taxeslevieddoe:
14	notapplytoalevyincreaseto-repay-taxes-paid-unde
15	protest-in-accordance-with-15-1-402-"
	-End-

-9- HB 677

2	INTRODUCED BY BENEDICT, MCCAFFREE, ZOOK, PECK, SCHYE, THOMAS
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A COUNTY TO
5	LEVY UP TO 1 MILL FOR THE SUPPORT OF COUNTY LITERACY
6	PROGRAMS7PROVIDINGPHATPHELEVYINSUPPORP-OP-COUNTY
7	biteracyprogramsisnot that give first priority to
8	PROVIDING DIRECT INSTRUCTION TO ADULTS, WHICH LEVY IS
9	SUBJECT TO LIMITATIONS ON PROPERTY TAXES SET FORTH IN TITLE
.0	15, CHAPTER 10, PART 4, MCA; AND-AMENDING-SECTION-15-19-412,
.1	MEA PROVIDING FOR THE ADMINISTRATION OF A COUNTY ADULT
2	LITERACY FUND BY A COUNTY ADULT LITERACY BOARD; AND
. 3	ESTABLISHING CONDITIONS FOR THE USE OF COUNTY LITERACY
.4	FUNDS."
.5	
6	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
7	NEW SECTION. Section 1. ADEROTIZATION COUNTY ADULT
8	LITERACY PROGRAMS AUTHORIZATION to levy tax and establish
9	fund for-county-literacy-programs. (1) $(A)$ The governing
0	body of a county may, in its discretion, establish a fund
1	and levy up to 1 mill on each dollar of taxable property in
2	the county for the support of county literacy programs THAT
3	GIVE FIRST PRIORITY TO PROVIDING DIRECT INSTRUCTION TO
4	ADULTS. The tax levy is in addition to all other tax levies.
	•

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Ţ	expendieures-from-ene fund sofety mai be used only for the
2	support of ADULT literacy programs within the county.
3	(2) (A) IF A COUNTY LEVIES A PROPERTY TAX FOR ADULT
4	LITERACY PROGRAMS, THE COUNTY GOVERNING BODY SHALL APPOINT A
5	COUNTY ADULT LITERACY BOARD TO ADMINISTER THE EXPENDITURE OF
6	FUNDS FROM THE COUNTY ADULT LITERACY FUND ESTABLISHED IN
7	SUBSECTION (1).
В	(B) THE COUNTY ADULT LITERACY BOARD SHALL COORDINATE
9	ALL ADULT LITERACY PROGRAMS RECEIVING COUNTY ADULT LITERACY
.0	FUNDS. THE BOARD MAY ADOPT POLICIES CONCERNING PROGRAM
1	STANDARDS AND FINANCIAL ACCOUNTABILITY FOR ORGANIZATIONS
2	RECEIVING ADULT LITERACY FUNDS. THE BOARD MAY REQUIRE THAT
.3	ADULT LITERACY PROGRAMS MATCH ADULT LITERACY FUNDS WITH
.4	FEDERAL, STATE, OR PRIVATE MONEY. THE BOARD MAY, WITH THE
.5	CONCURRENCE OF THE APPROPRIATE COUNTY OFFICIALS, ARRANGE FOR
.6	COUNTY IN-KIND SERVICES TO SUPPORT ADULT LITERACY PROGRAMS.
.7	(C) COUNTY ADULT LITERACY FUNDING MAY BE EXPENDED ONLY
.8	ON LITERACY PROGRAMS FOR PERSONS WHO ARE AT LEAST 19 YEARS
.9	OF AGE AND WHOSE HIGH SCHOOL CLASS HAS GRADUATED.
0	Section-2Section-15-10-4127-MCA7-is-amended-to-read:
!1	"15-10-412:Property-taxlimitedto1986levels
2 2	clarificationextension-to-all-property-classesSection
13	15-10-402-is-interpreted-and-clarified-as-follows:
24	<pre>ft)The-limitation-to-1986-levels-is-extended-toapply</pre>
25	to-all-classes-of-property-described-in-Title-157-chapter-67

1	part-l-	1	15-6-1327
2	(2)Thelimitationontheamount-of-taxes-levied-is	2	(g)transfer-of-propertyfromtax-exempttotaxable
3	interpreted-to-mean-that;-except-asotherwiseprovidedin	3	status;
4	thissection;theactualtax-liability-for-an-individual	4	{h}revaluations-caused-by:
5	property-is-capped-at-the-dollar-amount-due-ineachtaxing	5	<pre>ti)cyclical-reappraisal;-or</pre>
6	unitforthe1986tax-yearIn-tax-years-thereafter;+the	6	<pre>(ii)-expansion;addition;-replacement;-or-remodeling-of</pre>
7	property-must-be-taxed-in-each-taxing-unit-at-the1986cap	7	improvements;-or
8	ortheproductofthetaxablevalueand-mills-levied,	8	(i)increasesinpropertyvaluationpursuantte
9	whichever-is-less-for-each-taxing-unity-except-inataxing	9	15-7-111(4)-through-(8)-in-order-to-equalize-property-values
a	unitthatlevieda-tax-in-tax-years-1983-through-1985-but	10	annually:
1	did-not-levy-a-tax-in-1986;-in-whichcasetheactualtax	11	(4)Thelimitationon-the-amount-of-taxes-levied-does
2	liability-for-an-individual-property-is-capped-at-the-dollar	12	not-mean-that-no-further-increase-may-be-made-in-the-taxable
3	amount-due-in-that-taxing-unit-for-the-1985-tax-year-	13	valuation-or-in-the-actualtaxliabilityonindividua
.4	(3)Thelimitationon-the-amount-of-taxes-levied-does	14	property-in-each-class-as-a-result-of-
.5	not-mean-that-no-further-increase-may-be-made-inthetotal	15	(a)a-revaluation-caused-by:
.6	taxable-valuation-of-a-taxing-unit-as-a-result-of:	16	fi)construction;-expansion;-replacement;-or-remodeling
.7	(a)annexation-of-real-property-and-improvements-into-a	17	of-improvements-that-adds-value-to-the-property;-or
. 8	taxing-unit;	18	<pre>fit)-cyclical-reappraisal7</pre>
9	<pre>fb;construction;expansion;ortemodelingof</pre>	19	<pre>tb)transfer-of-property-into-a-taxing-unit;</pre>
20	improvements;	20	<pre>(c)reclassification-of-property;</pre>
21	<pre>fe}transfer-of-property-into-a-taxing-unit;</pre>	21	(d)increasesin-the-amount-of-production-or-the-valu
2	(d)subdivision-of-real-property;	22	ofproductionforpropertydescribedin15-6-131o
23	te)reclassification-of-property;	23	15-6-132;
24	(f)increases-in-the-amount-of-production-or-thevalue	24	<pre>(e)annexationoftheindividual-property-into-a-ne</pre>
25	ofproductionforpropertydescribedin15-6-131or	25	taxing-unit;

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1	<pre>{f}conversionoftheindividualpropertyfrom</pre>
2	tax-exempt-to-taxable-status;-or
3	(g)increasesinpropertyvaluationpursuantto
4	15-7-111(4)-through-(8)-in-order-to-equalize-property-values
5	annually-
6	(5)Property-in-classes-foury-twelvey-andfourteenis
7	valuedaccordingto-the-procedures-used-in-1986,-including
8	thedesignationof1982asthebaseyearyuntilthe
9	reappraisal-cycle-beginning-danuary-1719867iscompleted
10	andnewvaluationsareplaced-on-the-tax-rolls-and-a-new
11	base-year-designated; -if-the-property-is:
12	(a)new-construction;
13	<pre>{b}expandedydeletedyreplacedyorremodeled</pre>
14	improvements;
15	(c)annexed-property;-or
16	(d)propertyconvertedfromtax-exempttotaxable
17	status.
18	<pre>(6)Property-described-insubsections(5)(a)through</pre>
19	(5)(d)thatisnotclassfouryclasstwelvey-or-class
20	fourteen-property-is-valued-according-to-the-procedures-used
21	in-1986-but-is-also-subject-to-the-dollar-cap-in-each-taxing
22	unit-based-on-1986-mills-levied-
23	(7)The-limitation-on-the-amount-of-taxes-ras-clarified
24	in-this-section;-is-intended-to-leave-the-property-appraisal
25	and-valuationmethodologyofthedepartmentofrevenue

intact:--Beterminations--of-county-classifications;-salaries of-local-government-officers;-and-all-other-matters-in-which total-taxable-valuation-is-an--integral--component--are--not affected--by--15-10-401--and-15-10-402-except-for-the-use-of taxable-valuation--in--fixing--tax--levies;--In--fixing--tax levies;--the-taxing-units-of-local-government-may-anticipate the--deficiency--in--revenues---resulting---from---the---tax limitations--in-15-10-401-and-15-10-402;-while-understanding that-regardless-of-the-amount-of-mills-levied;-a--taxpayer-s liability--may--not--exceed--the--dollar--amount-due-in-each taxing-unit-for-the-1906-tax-year-unless:

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

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

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1	tca-levy-authorized-in-50-2-111-that-was-made-in-1986	1	notapply-in-a-taxing-unit-if-the-voters-in-the-taxing-unit
2	was-for-less-than-the-number-of-mills-levied-in-either1984	2	approve-an-increase-in-tax-liability-following-aresolution
3	or1985,in-which-case-the-taxing-unit-may,-after-approval	3	of-the-governing-body-of-the-taxing-unit-containing:
4	by-the-voters-in-the-taxing-unit;-levy-each-yearthereafter	4	(a)afindingthatthereareinsufficient-funds-to
5	an-additional-number-of-mills-but-may-not-levy-more-than-the	5	adequately-operate-the-taxing-unit-as-a-result-of15-10-401
6	3-yearaveragenumberofmillsleviedfor-that-purpose	6	and-15-10-402;
7	during-1984;-1985;-and-1986;	7	(b)anexplanationofthenatureofthe-financial
8	+8}The-limitation-on-the-amount-of-taxeslevieddoes	8	emergency;
9	notapplytothefollowinglevyorspecial-assessment	9	(c)an-estimate-oftheamountoffundingshortfall
.D	categories;-whether-or-not-theyarebaseduncommitments	10	expected-by-the-taxing-unit;
1	made-before-or-after-approval-of-15-10-401-and-15-10-402:	11	(d)a-statement-that-applicable-fund-balances-are-or-by
2	ta)rural-improvement-districts;	12	the-end-of-the-fiscal-year-will-be-depleted;
.3	<pre>tb;special-improvement-districts;</pre>	13	(e)afinding-that-there-are-no-alternative-sources-of
.4	<pre>fe}leviespledgedfortherepaymentofbonded</pre>	14	revenue;
. 5	indebtedness;-including-tax-increment-bonds;	15	(f)a-summary-of-the-alternativesthatthegoverning
6	<pre>(d)city-street-maintenance-districts;</pre>	16	body-of-the-taxing-unit-has-considered;-and
17	<pre>(e)tax-increment-financing-districts;</pre>	17	(g)astatementof-the-need-for-the-increased-revenue
8	<pre>(f)satisfaction-of-judgments-against-a-taxing-unit;</pre>	18	and-how-it-will-be-used:
9	(g)street-lighting-assessments;	19	(10)-(a)-The-limitation-on-the-amountoftaxeslevied
20	(h)revolving-funds-to-support-any-categories-specified	20	doesnot-apply-to-levies-required-to-address-the-funding-of
21	in-this-subsection-(8);	21	reliefofsufferingofinhabitantscausedbyfamine;
22	(i)levies-for-economic-development-authorized-pursuant	22	conflagration,-or-other-public-calamity:
23	to-90-5-112(4);-and	23	(b)Thelimitationsetforthin-this-chapter-on-the
24	(j)elementary-and-high-school-districts-	24	amount-of-taxes-levied-does-not-apply-to-levies-to-support:
25	<pre>f9}The-limitation-on-the-amount-of-taxeslevieddoes</pre>	25	tija-city-county-board-of-health-as-provided-inTitle

1	50,chapter2,-if-the-governing-bodies-of-the-taxing-units
2	served-by-the-board-ofhealthdetermine;afterapublic
3	hearing;-that-public-health-programs-require-funds-to-ensure
4	thepublichealthr-A-levy-for-the-support-of-a-local-board
5	of-health-may-not-exceed-the5-milllimitestablishedin
6	50-2-1117
7	<pre>{ii}-county-literacy-programs-under-fsection-l}-</pre>
8	(11)-Thelimitationon-the-amount-of-taxes-levied-by-a
9	taxing-jurisdiction-subject-to-a-statutory-maximum-mill-levy
10	does-not-prevent-a-taxing-jurisdiction-fromincreasingits
11	numberofmillsbeyond-the-statutory-maximum-mill-levy-to
12	produce-revenue-equal-to-its-1986-revenue-
13	(12)-The-limitation-on-the-amount-of-taxeslevieddocs
14	notapplytoalevyincreaseto-repay-taxes-paid-under
15	protest-in-accordance-with-15-1-402-4

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1	HOUSE BILL NO. 077
2	INTRODUCED BY BENEDICT, MCCAFFREE, ZOOK, PECK, SCHYE, THOMAS
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A COUNTY TO
5	LEVY UP TO 1 MILL FOR THE SUPPORT OF COUNTY LITERACY
6	PROGRAMS;PROVIDINGTHATTHEBEVYINSUPPORT-OF-COUNTY
7	biteracyprogramsisnot that give first priority to
8	PROVIDING DIRECT INSTRUCTION TO ADULTS, WHICH LEVY IS
9	SUBJECT TO LIMITATIONS ON PROPERTY TAXES SET FORTH IN TITLE
10	15, CHAPTER 10, PART 4, MCA; AND-AMENDING-SECTION-15-10-4127
11	Mea PROVIDING FOR THE ADMINISTRATION OF A COUNTY ADULT
12	LITERACY FUND BY A COUNTY ADULT LITERACY BOARD; AND
13	ESTABLISHING CONDITIONS FOR THE USE OF COUNTY LITERACY
14	FUNDS."
15	
16	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
17	NEW SECTION. Section 1. TAUTHOTIZATION COUNTY ADULT
18	LITERACY PROGRAMS AUTHORIZATION to levy tax and establish
19	fund for-county-literacyprograms. (1) $(A)$ The governing
20	body of a county may, in its discretion, establish a fund
21	and levy up to 1 mill on each dollar of taxable property in
22	the county for the support of county literacy programs $\overline{\text{THAT}}$
23	GIVE FIRST PRIORITY TO PROVIDING DIRECT INSTRUCTION TO
24	ADULTS. The tax levy is in addition to all other tax levies.

(2)(B) The governing-body-may,--by-resolution,-make

2	support of ADULT literacy programs within the county.
3	(2) (A) IF A COUNTY LEVIES A PROPERTY TAX FOR ADULT
4	LITERACY PROGRAMS, THE COUNTY GOVERNING BODY SHALL APPOINT A
5	COUNTY ADULT LITERACY BOARD TO ADMINISTER THE EXPENDITURE OF
6	FUNDS FROM THE COUNTY ADULT LITERACY FUND ESTABLISHED IN
7	SUBSECTION (1).
8	(B) THE COUNTY ADULT LITERACY BOARD SHALL COORDINATE
9	ALL ADULT LITERACY PROGRAMS RECEIVING COUNTY ADULT LITERACY
.0	FUNDS. THE BOARD MAY ADOPT POLICIES CONCERNING PROGRAM
1	STANDARDS AND FINANCIAL ACCOUNTABILITY FOR ORGANIZATIONS
. 2	RECEIVING ADULT LITERACY FUNDS. THE BOARD MAY REQUIRE THAT
.3	ADULT LITERACY PROGRAMS MATCH ADULT LITERACY FUNDS WITH
L <b>4</b>	FEDERAL, STATE, OR PRIVATE MONEY. THE BOARD MAY, WITH THE
15	CONCURRENCE OF THE APPROPRIATE COUNTY OFFICIALS, ARRANGE FOR
16	COUNTY IN-KIND SERVICES TO SUPPORT ADULT LITERACY PROGRAMS.
17	(C) COUNTY ADULT LITERACY FUNDING MAY BE EXPENDED ONL
18	ON LITERACY PROGRAMS FOR PERSONS WHO ARE AT LEAST 19 YEAR
19	OF AGE AND WHOSE HIGH SCHOOL CLASS HAS GRADUATED.
20	Section-2:Section-15-10-412;-MCA;-is-amended-to-read:
21	#15-10-412:Property-taxlimitedto1986levels
	clarificationextension-to-all-property-classesSection
22	
23	15-10-402-is-interpreted-and-clarified-as-foliows:
24	(1)The-limitation-to-1986-levels-is-extended-toappl
25	+o-all-classes-of-property-described-in-Title-157-chapter-6

expenditures-from-the fund solely MAY BE USED ONLY for the

1	part-l+	1	15-6-132;
2	<pre>+2}Thelimitationontheamount-of-taxes-levied-is</pre>	2	(g)transfer-of-propertyfromtax-exempttotaxable
3	interpreted-to-mean-that;-except-asotherwiseprovidedin	3	status;
4	thissection;theactualtax-liability-for-an-individual	4	(h)revaluations-caused-by:
5	property-is-capped-at-the-dollar-amount-due-ineachtaxing	5	(i)cyclical-reappraisal;-or
6	unitforthe1986tax-yearIn-tax-years-thereafter;-the	6	tit-expansionaddition-replacement-or-remodeling-of
7	property-must-be-taxed-in-each-taxing-unit-at-the1986cap	7	improvements;-or
8	ortheproductofthetaxablevalueand-mills-levied,	8	(i)increasesinpropertyvaluationpursuantto
9	whichever-is-less-for-each-taxing-unity-except-inataxing	9	15-7-111(4)-through-(8)-in-order-to-equalize-property-values
10	unitthatlevieda-tax-in-tax-years-1983-through-1985-but	10	annually
11	did-not-levy-a-tax-in-1986;-in-whichcasetheactualtax	11	(4)Thelimitationon-the-amount-of-taxes-levied-does
12	liability-for-an-individual-property-is-capped-at-the-dollar	12	not-mean-that-no-further-increase-may-be-made-in-the-taxable
13	amount-due-in-that-taxing-unit-for-the-1985-tax-year-	13	valuation-or-intheactualtaxliabilityonindividual
14	(3)Thelimitationon-the-amount-of-taxes-levied-does	14	property-in-each-class-as-a-result-of:
15	not-mean-that-no-further-increase-may-be-made-inthetotal	15	(a)a-revaluation-caused-by:
16	taxable-valuation-of-a-taxing-unit-as-a-result-of-	16	<pre>fi)construction;-expansion;-replacement;-or-remodeling</pre>
17	<pre>fa)annexation-of-real-property-and-improvements-into-a</pre>	17	of-improvements-that-adds-value-to-the-property;-or
18	taxing-unit;	18	(ii)-cyclical-reappraisal;
19	(b)construction;expansion;orremodelingof	19	<pre>(b)transfer-of-property-into-a-taxing-unit;</pre>
20	improvemente;	20	<pre>(c)reclassification-of-property;</pre>
21	<pre>(c)transfer-of-property-into-a-taxing-unit;</pre>	21	(d)increasesin-the-amount-of-production-or-the-value
22	<pre>{d}subdivision-of-real-property;</pre>	22	ofproductionforpropertydescribedin15-6-131or
23	(e)reclassification-of-property;	23	15-6-1327
24	(f)increases-in-the-amount-of-production-or-thevalue	24	te)annexationoftheindividual-property-into-a-new
25	ofproductionforpropertydescribedin15-6-131or	25	taxing-unit;

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1	(f)conversionoftheindividualpropertyfrom
2	tax-exempt-to-taxable-status;-or
3	(g)increasesinpropertyvaluationpursuantto
4	15-7-111(4)-through-(8)-in-order-to-equalize-property-values
5	annually:
6	<pre>+5}Property-in-classes-four;-twelve;-andfourteenis</pre>
7	valuedaccordingto-the-procedures-used-in-19867-including
В	thedesignationof1982asthebaseyear;untilthe
9	reappraisal-cycle-beginning-January-1;1986;iscompleted
10	andnewvaluationsareplaced-on-the-tax-rolls-and-a-new
11	base-year-designated;-if-the-property-is:
12	(a)new-construction;
13	(b)expanded;deleted;replaced;orremodeled
14	improvements;
15	{c}annexed-property;-or
16	<pre>{d}propertyconvertedfromtax-exempttotaxable</pre>
17	status:
18	<pre>+6}Property-described-insubsections(5)(a)through</pre>
19	(5)(d)thatisnotclassfour;classtwelve;-or-class
20	fourteen-property-is-valued-according-to-the-procedures-used
21	in-1986-but-is-also-subject-to-the-dollar-cap-in-each-taxing
22	unit-based-on-1986-mills-levied.
23	(7)The-limitation-on-the-amount-of-taxes;-as-clarified
24	in-this-section,-is-intended-to-leave-the-property-appraisal
25	and-valuationmethodologyofthedepartmentofrevenue

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intact --- Beterminations -- of -county-classifications -- salaries of-local-government-officers,-and-all-other-matters-in-which total-taxable-valuation-is-an--integral--component--are--not affected--by--15-18-401--and-15-18-402-except-for-the-use-of taxable-valuation--in--fixing--tax--levies---In--fixing--tax levies, -- the taxing-units-of-local-government-may-anticipate the--deficiency--in--revenues---resulting---from---the---tax limitations--in-15-10-401-and-15-10-4027-while-understanding that-regardless-of-the-amount-of-mills-levied,-a--taxpayer's liability--may--not--exceed--the--dollar--amount-due-in-each taxing-unit-for-the-1986-tax-year-unless: {a}--the-taxing-unitis-taxable-valuation-decreases-by-5% or-more-from-the-1986-tax-year--If-a-taxing--unit+s--taxable valuation-decreases-by-5%-or-more-from-the-1986-tax-year;-it may--levy--additional--mills-to-compensate-for-the-decreased taxable-valuation;-but-in--no--case--may--the--mills--levied exceed--a--number--calculated--to--equal--the--revenue--from property-taxes-for-the-1986-tax-year-in-that-taxing-unit-(b)--a--levy--authorized--under--Title--20--raised--less revenue--in--1986-than-was-raised-in-either-1984-or-1985;-in which-case-the-taxing-unit-mayy-after-approval-by-the-voters

in-the-taxing-unit;-raise-each-year-thereafter-an-additional

number-of-mills-but-may--not--levy--more--revenue--than--the

3-year--average--of--revenue--raised-for-that-purpose-during

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1984;-1985;-and-1986;

1	(c)a-levy-authorized-in-50-2-111-that-was-made-in-1986	1	notapply-in-a-taxing-unit-if-the-voters-in-the-taxing-unit
2	was-for-less-than-the-number-of-mills-levied-in-either1984	2	approve-an-increase-in-tax-liability-following-aresolution
3	or1985;in-which-case-the-taxing-unit-may;-after-approval	3	of-the-governing-body-of-the-taxing-unit-containing:
4	by-the-voters-in-the-taxing-unit;-levy-each-yearthereafter	4	ta}afindingthatthereareinsufficient-funds-to
5	an-additional-number-of-mills-but-may-not-levy-more-than-the	5	adequately-operate-the-taxing-unit-as-a-result-of15-10-401
6	3-yearaveragenumberofmillsleviedfor-that-purpose	6	and-15-10-402;
7	during-1984,-1985,-and-1986.	7	<pre>tb)anexplanationofthenatureofthe-financial</pre>
8	(8)The-limitation-on-the-amount-of-taxeslevieddoes	8	emergency;
9	notapplytothefollowinglevyorspecial-assessment	9	(c)an-estimate-oftheamountoffundingshortfall
0	categories;-whether-or-not-theyarebasedoncommitments	10	expected-by-the-taxing-unit;
1	made-before-or-after-approval-of-15-10-401-and-15-10-402:	11	(d)a-statement-that-applicable-fund-balances-are-or-by
2	ta)rural-improvement-districts;	12	the-end-of-the-fiscal-year-will-be-depleted;
3	<pre>(b)special-improvement-districts;</pre>	13	te)afinding-that-there-are-no-alternative-sources-of
4	<pre>te&gt;leviespledgedfortherepaymentofbonded</pre>	14	revenue;
.5	indebtednessy-including-tax-increment-bonds;	15	ff)a-summary-of-the-alternativesthatthegoverning
6	<pre>{d}city-street-maintenance-districts;</pre>	16	body-of-the-taxing-unit-has-considered;-and
7	<pre>te)tax-increment-financing-districts;</pre>	17	(g)astatementof-the-need-for-the-increased-revenue
В	<pre>ffsatisfaction-of-judgments-against-a-taxing-unit;</pre>	18	and-how-it-will-be-used:
9	<pre>fg}street-lighting-assessments;</pre>	19	(10)-(a)-The-limitation-on-the-amountoftaxeslevie
0	th}revolving-funds-to-support-eny-categories-specified	20	doesnot-apply-to-levies-required-to-address-the-funding-o
1	in-this-subsection-(0);	21	reliefofsufferingofinhabitantscausedbyfamine
2	fitlevies-for-economic-development-authorized-pursuant	22	conflagration;-or-other-public-calamity;
3	to-98-5-112 <del>14);-and</del>	23	fb;~~Thelimitationsetforthin-this-chapter-on-th
4	fj}elementary-and-high-school-districts-	24	amount-of-taxes-levied-does-not-apply-to-levies-to-support:
5	<pre>f9}The-limitation-on-the-amount-of-taxeslevieddoes</pre>	25	tila-city-county-board-of-health-as-provided-inTitl

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1	507chapter27-11-the-governing-bodies-of-the-taxing-units
2	served-by-the-board-ofhealthdetermine;afterapublic
3	hearing,-that-public-health-programs-require-funds-to-ensure
4	thepublichealth:-A-levy-for-the-support-of-a-local-board
5	of-health-may-not-exceed-the5-milllimitestablishedin
6	50-2-111-
7	tity-county-literacy-programs-under-faction-1).
8	(11)-Thelimitationon-the-amount-of-taxes-levied-by-a
9	taxing-jurisdiction-subject-to-a-statutory-maximum-mill-levy
10	does-not-prevent-a-taxing-jurisdiction-fromincreasingits
11	numberofmillsbeyond-the-statutory-maximum-mill-levy-to
12	produce-revenue-equal-to-its-1986-revenue:
13	(12)-The-limitation-on-the-amount-of-taxeslevieddoes
14	notapplytoalevyincreaseto-repay-taxes-paid-under
15	protest-in-accordance-with-15-1-402:

-End-

## GOVERNOR'S AMENDMENTS TO HOUSE BILL 677 (REFERENCE COPY, AS AMENDED) April 22, 1991

1. Page 1, line 24. Following: "levies"

Insert: "and is subject to limitations on property taxes set forth in 15-10-402"

52nd Legislature

22

23 24

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2	INTRODUCED BY BENEDICT, MCCAFFREE, ZOOK, PECK, SCHYE, THOMAS
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A COUNTY TO
5	LEVY UP TO 1 MILL FOR THE SUPPORT OF COUNTY LITERACY
6	PROGRAMS;PROVIDINGTHATTHELEVYINSUPPORT-OF-COUNTY
7	biteracyprogramsisnot THAT GIVE FIRST PRIORITY TO
8	PROVIDING DIRECT INSTRUCTION TO ADULTS, WHICH LEVY IS
9	SUBJECT TO LIMITATIONS ON PROPERTY TAXES SET FORTH IN TITLE
L O	15, CHAPTER 10, PART 4, MCA; AND-AMENDING-SECTION-15-10-412,
11	MCA PROVIDING FOR THE ADMINISTRATION OF A COUNTY ADULT
1.2	LITERACY FUND BY A COUNTY ADULT LITERACY BOARD; AND
13	ESTABLISHING CONDITIONS FOR THE USE OF COUNTY LITERACY
14	FUNDS."
15	
16	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
17	NEW SECTION. Section 1. TAUTHOTIZATION COUNTY ADULT
18	LITERACY PROGRAMS AUTHORIZATION to levy tax and establish
19	fund for-county-literacyprograms. (1) (A) The governing
20	body of a county may, in its discretion, establish a fund
21	and levy up to 1 mill on each dollar of taxable property in

the county for the support of county literacy programs THAT

GIVE FIRST PRIORITY TO PROVIDING DIRECT INSTRUCTION TO

ADULTS. The tax levy is in addition to all other tax levies
AND IS SUBJECT TO LIMITATIONS ON PROPERTY TAXES SET FORTH IN

HOUSE BILL NO. 677

M		
Montana	Legislative	Council

1	<u>15-10-402</u> .
2	(2)(B) The governingbodymay7byresolution7make
3	expenditures from the fund solely MAY BE USED ONLY for the
4	support of ADULT literacy programs within the county.
5	(2) (A) IF A COUNTY LEVIES A PROPERTY TAX FOR ADULT
6	LITERACY PROGRAMS, THE COUNTY GOVERNING BODY SHALL APPOINT A
7	COUNTY ADULT LITERACY BOARD TO ADMINISTER THE EXPENDITURE OF
8	FUNDS FROM THE COUNTY ADULT LITERACY FUND ESTABLISHED IN
9	SUBSECTION (1).
10	(B) THE COUNTY ADULT LITERACY BOARD SHALL COORDINATE
11	ALL ADULT LITERACY PROGRAMS RECEIVING COUNTY ADULT LITERACY
12	FUNDS. THE BOARD MAY ADOPT POLICIES CONCERNING PROGRAM
13	STANDARDS AND FINANCIAL ACCOUNTABILITY FOR ORGANIZATIONS
14	RECEIVING ADULT LITERACY FUNDS. THE BOARD MAY REQUIRE THAT
15	ADULT LITERACY PROGRAMS MATCH ADULT LITERACY FUNDS WITH
16	FEDERAL, STATE, OR PRIVATE MONEY. THE BOARD MAY, WITH THE
17	CONCURRENCE OF THE APPROPRIATE COUNTY OFFICIALS, ARRANGE FOR
18	COUNTY IN-KIND SERVICES TO SUPPORT ADULT LITERACY PROGRAMS.
19	(C) COUNTY ADULT LITERACY FUNDING MAY BE EXPENDED ONLY
20	ON LITERACY PROGRAMS FOR PERSONS WHO ARE AT LEAST 19 YEARS
21	OF AGE AND WHOSE HIGH SCHOOL CLASS HAS GRADUATED.
22	Section-2:Section-15-10-412;-MCA;-is-amended-to-read:
23	#15-10-412Propertytaxlimitedto1986levels
24	clarificationextension-to-all-property-classesSection
25	15-10-402-is-interpreted-and-clarified-as-follows:

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1	ti)Thelimitation-to-1986-levels-is-extended-to-apply	1	(f)increasesin-the-amount-of-production-or-the-value
2	to-all-classes-of-property-described-in-Title-157-chapter-67	2	ofproductionforpropertydescribedin15-6-131or
3	part-1-	3	15-6-1327
4	(2)The-limitation-on-the-amountoftaxesleviedis	4	tg)transferofpropertyfromtax-exempt-to-taxable
5	interpretedtomeanthat,-except-as-otherwise-provided-in	5	status;
6	this-section,-the-actual-taxliabilityforanindividual	6	<pre>fh)revaluations-caused-by:</pre>
7	propertyiscapped-at-the-dollar-amount-due-in-each-taxing	7	ti)cyclical-reappraisal;-or
8	unit-for-the-1986-tax-yearIntaxyearsthereafter,the	8	(ii)-expansion,-addition,-replacement,-or-remodelingof
9	propertymustbe-taxed-in-each-taxing-unit-at-the-1986-cap	9	improvements;-of
LO	or-the-productofthetaxablevalueandmillslevied;	10	(i)increasesinpropertyvaluationpursuantto
11	whicheverisless-for-each-taxing-unit;-except-in-a-taxing	11	15-7-111(4)-through-(0)-in-order-to-equalize-property-values
12	unit-that-levied-a-tax-in-tax-years-1983through1985but	12	annually.
L3	didnotlevyatax-in-19867-in-which-case-the-actual-tax	13	<pre>f4jThe-limitation-on-the-amount-of-taxeslevieddoes</pre>
14	liability-for-an-individual-property-is-capped-at-the-dollar	14	not-mean-that-no-further-increase-may-be-made-in-the-taxable
15	amount-due-in-that-taxing-unit-for-the-1985-tax-year-	15	valuationorintheactualtaxliability-on-individual
L6	(3)The-limitation-on-the-amount-of-taxeslevieddoes	16	property-in-each-class-as-a-result-of:
L7	notmeanthat-no-further-increase-may-be-made-in-the-total	17	fa)a-revaluation-caused-by:
<b>.8</b>	taxable-valuation-of-a-taxing-unit-as-a-result-of-	18	<pre>ti)constructiony-expansiony-replacementy-or-remodeling</pre>
19	<pre>fa)annexation-of-real-property-and-improvements-into-a</pre>	19	of-improvements-that-adds-value-to-the-property;-or
20	taxing-unit;	20	<pre>fii)-cyclical-reappraisal;</pre>
21	<pre>fb)construction;expansion;orremodelingof</pre>	21	(b)transfer-of-property-into-a-taxing-unit;
22	improvements;	22	<pre>(c)reclassification-of-property;</pre>
23	<pre>(c)transfer-of-property-into-a-taxing-unit;</pre>	23	{d}increases-in-the-amount-of-production-or-thevalue
24	<pre>td)subdivision-of-real-property;</pre>	24	ofproductionforpropertydescribedin15-6-131or
25	te)reclassification-of-property;	25	15-6-132;

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1	tetannexation-of-the-individual-propertyintoanew
2	taxing-unit;
3	(f)conversionoftheindividualpropertyfrom
4	tax-exempt-to-taxable-status;-or
5	(g)increasesinpropertyvaluationpursuantto
6	15-7-111(4)-through-(8)-in-order-to-equalize-property-values
7	annually.
8	(5)Propertyinclasses-foury-twelvey-and-fourteen-is
9	valued-according-to-the-procedures-used-in19867including
10	thedesignationof1982asthebaseyear;untilthe
11	reappraisalcyclebeginningJanuary-17-19867-is-completed
12	and-new-valuations-are-placed-on-the-taxrollsandanew
13	base-year-designated; -if-the-property-is:
14	fa)new-construction;
15	<pre>fb)expanded;deleted;replaced;orremodeled</pre>
16	improvements;
17	{c}annexed-property;-or
18	<pre>(d)propertyconvertedfromtax-exempttotaxable</pre>
19	Status
20	<pre>f6}Propertydescribedinsubsections-(5)(a)-through</pre>
21	(5)(d)-that-isnotclassfouryclasstwelveyorclass
22	fourteen-property-is-valued-according-to-the-procedures-used
23	in-1986-but-is-also-subject-to-the-dollar-cap-in-each-taxing
24	unit-based-on-1986-mills-levied-
25	(7)The-limitation-on-the-amount-of-taxesy-as-clarified

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in-this-sectiony-is-intended-to-leave-the-property-appraisal and--valuation--methodology--of--the--department--of-revenue intact--Beterminations-of-county--classificationsy--salaries of-local-government-officers;-and-all-other-matters-in-which total--taxable--valuation--is--an-integral-component-are-not affected-by-15-10-401-and-15-10-402-except-for--the--use--of taxable--valuation--in--fixing--tax--levies---in--fixing-tax leviesy-the-taxing-units-of-local-government-may--anticipate the---deficiency---in---revenues---resulting--from--the--tax limitations-in-15-10-401-and-15-10-4027-while--understanding that--regardless-of-the-amount-of-mills-levied,-a-taxpayer+s liability-may-not-exceed--the--dollar--amount--due--in--each taxing-unit-for-the-1986-tax-year-unless: ta) -- the -taxing-unit's -taxable - valuation - decreases - by - 5% or-more-from-the-1986-tax-year:-If-a-taxing-unit-s-taxable valuation-decreases-by-5%-or-more-from-the-1986-tax-yeary-it may-levy-additional-mills-to-compensate--for--the--decreased taxable--valuation; --but--in--no--case--may-the-mills-levied exceed--a--number--calculated--to--equal--the--revenue--from property-taxes-for-the-1986-tax-year-in-that-taxing-unittb;--a--levy--authorized--under--Title--20--raised--less

revenue-in-1986-than-was-raised-in-either-1984-or--19857--in

which-case-the-taxing-unit-may--after-approval-by-the-voters

in-the-taxing-unity-raise-each-year-thereafter-an-additional

number -- of -- mills -- but -- may -- not -- levy -more - revenue - than - the

1	3-year-average-of-revenue-raisedforthatpurposeduring
2	19847-19857-and-19867
3	tc;a-levy-authorized-in-50-2-111-that-was-made-in-1986
4	wasfor-less-than-the-number-of-mills-levied-in-either-1984
5	or-1985;-in-which-case-the-taxing-unit-may;afterapproval
6	bythe-voters-in-the-taxing-unit;-levy-each-year-thereafter
7	an-additional-number-of-mills-but-may-not-levy-more-than-the
8	3-year-average-numberofmillsleviedforthatpurpose
9	during-1984;-1985;-and-1986;
0	<pre>†8}Thelimitationon-the-amount-of-taxes-levied-does</pre>
1	not-applytothefollowinglevyorspecialassessment
2	categories;whetherornotthey-are-based-on-commitments
3	made-before-or-after-approval-of-15-10-401-and-15-10-402:
4	<pre>fa)rural-improvement-districts;</pre>
5	<pre>fb)special-improvement-districts;</pre>
6	<pre>fc}leviespledgedfortherepaymentofbonded</pre>
7	indebtedness;-including-tax-increment-bonds;
8	<pre>fd)city-street-maintenance-districts;</pre>
9	<pre>te;tax-increment-financing-districts;</pre>
0	<pre>ff)satisfaction-of-judgments-against-a-taxing-unit;</pre>
1	<pre>fg}street-lighting-assessments;</pre>
2	(h)revolving-funds-to-support-any-categories-specified
3	in-this-subsection-(8);
4	fi>levies-for-economic-development-authorized-pursuant
5	to-98-5-122+41;-and

_	(3, 0.0000001 -000 0.000
2	<pre>+9}Thelimitationon-the-amount-of-taxes-levied-does</pre>
3	not-apply-in-a-taxing-unit-if-the-voters-in-the-taxinguni
4	approvean-increase-in-tax-liability-following-a-resolution
5	of-the-governing-body-of-the-taxing-unit-containing:
6	(a)a-finding-thatthereareinsufficientfundst
7	adequatelyoperate-the-taxing-unit-as-a-result-of-15-10-40
8	and-15-10-402;
9	(b)an-explanationofthenatureofthefinancia
0	emergency?
1	{c}anestimateoftheamountof-funding-shortfal
2	expected-by-the-taxing-unit;
3	(d)a-statement-that-applicable-fund-balances-are-or-b
4	the-end-of-the-fiscal-year-will-be-depleted;
.5	te)a-finding-that-there-are-no-alternative-sourceso
6	fevenue;
.7	(f)asummaryofthe-alternatives-that-the-governing
8	body-of-the-taxing-unit-has-considered;-and
.9	<pre>fg)a-statement-of-the-need-for-theincreasedrevenu</pre>
0	and-how-it-will-be-used:
1	(10)-(a)-Thelimitationonthe-amount-of-taxes-levie
2	does-not-apply-to-levies-required-to-address-the-funding
3	reliefofsufferingofinhabitantscausedbyfamine
4	conflagration;-or-other-public-calamity.

25

tb)--The-limitation-set-forth-in--this--chapter--on--the

1	amount-of-taxes-levied-does-not-apply-to-levies-to-support:
2	tilacity-county-board-of-health-as-provided-in-Title
3	507-chapter-27-if-the-governing-bodies-of-thetaxingunits
4	servedbytheboardofhealth-determine;-after-a-public
5	hearingy-that-public-health-programs-require-funds-to-ensure
6	the-public-health:-A-levy-for-the-support-of-alocalboard
7	ofhealthmaynotexceed-the-5-mill-limit-established-in
8	50-2-111-
9	<pre>fii)-county-literacy-programs-under-fsection-lj;</pre>
10	(11)-The-limitation-on-the-amount-of-taxes-leviedbya
11	taxing-jurisdiction-subject-to-a-statutory-maximum-mill-levy
12	doesnotprevent-a-taxing-jurisdiction-from-increasing-its
13	number-of-mills-beyond-the-statutory-maximummilllevyto
14	produce-revenue-equal-to-its-1986-revenue-
15	(12)-Thelimitationon-the-amount-of-taxes-levied-does
16	not-apply-to-a-levyincreasetorepaytaxespaidunder
17	protest-in-accordance-with-15-1-402.4

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-End-