

1 House BILL NO. 35
 2 INTRODUCED BY: F. Jendall

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT SETTING COUNTY MILL
 5 LEVIES IN PROPORTION TO THE UNPROTESTED TAXABLE VALUATION IN
 6 THE COUNTY AND EXCLUDING PROTESTED VALUATION; AMENDING
 7 SECTION 16-1904, R.C.M. 1947."

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10 Section 1. Section 16-1904, R.C.M. 1947, is amended to
 11 read as follows:

12 "16-1904. Hearings on budget--adoption--fixing tax
 13 levies. (1) On the Wednesday before the second Monday in
 14 August the county commissioners shall meet at the time and
 15 place designated in the notice provided for in section
 16 16-1903, at which time any taxpayer may appear and be heard
 17 for or against any part of the budget. The hearing shall be
 18 continued from day to day and shall be concluded and the
 19 budget approved and adopted on the second Monday in August
 20 and before the fixing of the tax levies by the board.

21 (2) Upon the conclusion of the hearing the board shall
 22 first determine the amount estimated to accrue to each fund
 23 during the fiscal year from all sources, except the taxation
 24 of property. In so doing the board may not include any
 25 amount which it is anticipated may be received during the

1 fiscal year from the payment of taxes which became
 2 delinquent during a preceding fiscal year. The board shall
 3 then determine separately the amount appropriated for and
 4 authorized to be spent for each item in the budget and shall
 5 specify the fund or funds against which warrants are to be
 6 drawn and issued for each item in the budget and shall
 7 specify the fund or funds against which warrants are to be
 8 drawn for the expenditures authorized. There may not be
 9 added to the amount to be appropriated and authorized to be
 10 spent for an item, or to the total amount appropriated and
 11 authorized to be spent from any fund, any amount or
 12 percentage because of anticipated loss of revenue by reason
 13 of the nonpayment of taxes levied for that fiscal year. The
 14 total expenditures authorized to be made from any fund,
 15 including the reserve added to them, may not exceed the
 16 aggregate of:

17 (a) the cash balance in the fund at the close of the
 18 preceding fiscal year;

19 (b) the amount of estimated revenues to accrue to the
 20 funds; and

21 (c) the amount which may be raised for the fund by a
 22 lawful tax levy during the fiscal year.

23 (3) The board shall then determine the amount to be
 24 raised for each fund by tax levy by adding the cash balance
 25 in the fund at the close of the preceding fiscal year and

1 the amount of the estimated revenues to accrue to the fund
 2 during the current fiscal year. It shall then deduct the
 3 total amount so obtained from the total amount of the
 4 appropriations and authorized expenditures from the fund as
 5 determined by the board. The amount remaining is the amount
 6 necessary to be raised for the fund by tax levy during the
 7 current fiscal year. The board may add to the amount
 8 necessary to be raised for any fund by tax levy during the
 9 current fiscal year, an additional amount as a reserve to
 10 meet expenditures to be made from the fund during the months
 11 of July to November of the next fiscal year. The amount
 12 which may be so added to any fund, as the reserve may not
 13 exceed one-third (1/3) of the total amount appropriated and
 14 authorized to be spent from the fund during the current
 15 fiscal year, after deducting from the amount of the
 16 appropriations and authorized expenditures the total amount
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 18 expenses and payment of emergency warrants. The total amount
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 22 warrants, may not exceed the total amount which may be
 23 raised for the fund by a tax levy which does not exceed the
 24 maximum levy permitted by law to be made for the fund.

25 (4) If the cash balance remaining in any of the several

1 county funds, except the school fund, at the end of a fiscal
 2 year, exceeds the amount to be budgeted to that fund, the
 3 excess may be transferred to other funds as the county
 4 commissioners consider to be in the best interest of the
 5 county after a public hearing. Notice of the hearing must be
 6 given not less than thirty (30) days prior to the hearing by
 7 publication in a newspaper of general circulation in the
 8 county and by posting in five (5) public places. The notice
 9 must state the date, time, and place of the hearing and
 10 state generally the purpose and proposed use of the funds.

11 (5) The budget as finally determined, in addition to
 12 setting out separately each item for which an appropriation
 13 or expenditure is authorized and the fund out of which it is
 14 to be paid, shall set out the total amount appropriated and
 15 authorized to be spent from each fund, the cash balance in
 16 the fund at the close of the preceding fiscal year, the
 17 amount estimated to accrue to the fund from sources other
 18 than taxation, the reserve for the next fiscal year, and the
 19 amount necessary to be raised for each fund by tax levy
 20 during the current fiscal year. The board shall then by
 21 resolution approve and adopt the budget as finally
 22 determined and enter the budget at length in the official
 23 minutes of the board.

24 (6) On the second Monday in August, and after the
 25 approval and adoption of the final budget, the board of

1 county commissioners shall fix the tax levy for each fund at
 2 a rate which will raise the amount set out in the budget as
 3 the amount necessary to be raised by tax levy for the fund
 4 during the current fiscal year. The unprotested taxable
 5 valuation of the county for the current fiscal year shall be
 6 the basis for determining the amount of the tax levy for
 7 each fund. Each tax levy shall be at a rate no higher than
 8 is required on that basis, without including any amount for
 9 anticipated tax delinquency, to produce the amount set out
 10 in the budget without including any amount for anticipated
 11 tax delinquency, as being the amount to be raised by tax
 12 levy. The tax levy shall be made in the manner provided by
 13 section 34-3802.

14 (7) The county clerk and recorder shall, not later than
 15 September 15, forward a full and detailed copy of the final
 16 budget, together with the tax levies, to the department of
 17 intergovernmental relations. If a county clerk and recorder
 18 fails to forward a copy of the budget to the department
 19 within that time, that department shall, before October 1,
 20 notify the board of county commissioners of the county that
 21 a copy of the budget has not been forwarded by the county
 22 clerk and recorder. The board of county commissioners must
 23 then withhold the county clerk and recorder's salary for
 24 September until the county clerk and recorder files with the
 25 board a receipt from the department showing the receipt of a

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-End-

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STATE OF MONTANA

REQUEST NO. 67-75

FISCAL NOTE

Form BD-15

In compliance with a written request received January 21, 19 75, there is hereby submitted a Fiscal Note for House Bill 35 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to exclude protested taxable valuation of a county from the tax base in determining the amount of tax levies.

FISCAL IMPACT:

If the taxable value of property being protested is excluded from the tax base at the time mill levies are set, the effect would be to require an increase in the variable levies in order to raise the necessary amount of revenue. If the value of the protested property is not subsequently reduced, revenues raised under the increased levies will exceed the amount needed to fund current budgets. This excess will be available for carryover to the next taxable year and will have the effect of reducing mill levies in that year. In other words, the impact on local revenues in one year should balance out in the following year.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: January 27, 1975

Approved by Comm.
on Local Government

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