

HOUSE BILL 543

IN THE HOUSE

February 3, 1979	Introduced and referred to Committee on Taxation.
February 15, 1979	Committee recommend bill, do pass.
February 16, 1979	Second reading, do pass.
February 19, 1979	Considered correctly engrossed. Third reading, passed.

IN THE SENATE

February 20, 1979	Introduced and referred to Committee on Taxation.
April 20, 1979	Died in Committee.

1 House BILL NO. 543
 2 INTRODUCED BY League Bandaron Kermis
 3 Menahan Vincent H Robbins Ryan

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND THE
 5 FIREFIGHTERS' RETIREMENT LAW TO PROVIDE THAT A CITY OF THE
 6 FIRST OR SECOND CLASS SHALL LEVY A SPECIAL TAX TO BE PAID
 7 INTO THE DISABILITY AND PENSION FUND WHETHER OR NOT THE FUND
 8 CONTAINS 2% OF THE TAXABLE VALUATION OF ALL TAXABLE PROPERTY
 9 WITHIN THE LIMITS OF THE CITY; TO PROVIDE THAT THE SPECIAL
 10 LEVY SHALL BE 1 TO 4 MILLS AND SHALL PROVIDE A GROWTH IN THE
 11 FUND EQUAL TO 1 MILL; AMENDING SECTIONS 19-11-503 AND
 12 19-11-504, MCA."

13
 14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 Section 1. Section 19-11-503, MCA, is amended to read:
 16 "19-11-503. Special tax levy for fund required. (1)
 17 The purpose of this section is to provide a means by which
 18 each disability and pension fund may be maintained at a
 19 level equal to 2% of the taxable valuation of all taxable
 20 property within the limits of the city or town.

21 (2) Whenever the fund contains less than 2% of the
 22 taxable valuation of all taxable property within the limits
 23 of the city or town, the ~~the~~ governing body of the city or
 24 town shall, at the time of the levy of the annual tax, levy
 25 a special tax as provided in 19-11-504. The special tax

1 shall be collected as other taxes are collected and, when so
 2 collected, shall be paid into the disability and pension
 3 funds."

4 Section 2. Section 19-11-504, MCA, is amended to read:
 5 "19-11-504. Amount of special tax levy. (1) Whenever
 6 ~~the total amount of the fund is less than 2% of the taxable~~
 7 ~~valuation of all taxable property within the limits of the~~
 8 ~~city or town, in cities of the first or second class, the~~
 9 special tax levy shall be:

10 (a) not less than 1 mill or more than 4 mills on each
 11 dollar of taxable valuation of all taxable property within
 12 the limits of the city or town; and

13 (b) an amount sufficient to provide a growth per year
 14 in the fund, considering all sources of income to the fund
 15 and the payment of obligations out of the fund, equal to the
 16 sum produced by 1 mill levied on the taxable valuation of
 17 all the taxable property in the city or town.

18 ~~(2) The special tax levy shall be a fractional part of~~
 19 ~~1 mill whenever~~

20 ~~(a) the total amount of the fund is less than 2% but~~
 21 ~~more than 1% of the taxable valuation of all taxable~~
 22 ~~property within the city or town and~~

23 ~~(b) the special tax levy of a fractional part of 1~~
 24 ~~mill will produce sufficient revenue to cause the fund,~~
 25 ~~considering all sources of income to the fund and all~~

1 ~~payments--to--be--made--out--of--the--fundy--to--exceed--2%--of--the~~
2 ~~taxable-valuation-of-all-taxable-property-within-the-city-or~~
3 ~~towns.~~

4 {3}(2) In cities-of--the--third--class municipalities
5 other than first or second class cities, when the fund
6 contains an amount which is less than 2% of the taxable
7 valuation of all taxable property in the city or town, the
8 city or town council shall levy an annual special tax of not
9 less than 1 mill and not more than 4 mills on each dollar of
10 taxable valuation of all taxable property within the city or
11 town."

-End-

STATE OF MONTANA

REQUEST NO. 442-79

FISCAL NOTE

Form BD-15

In compliance with a written request received 3-2, 19 79, there is hereby submitted a Fiscal Note for HB 543 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 LEGISLATION:

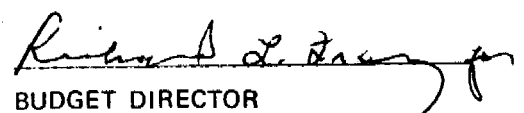
House Bill 543 removes the restriction that fire department relief associations in 1st and 2nd class cities may not assess a mill levy when their trust fund balances exceed 2% of their respective cities' taxable valuations.

ASSUMPTIONS:

1. Of the 13 firemens disability and pension funds of 1st and 2nd class cities, 5 currently have trust fund balances at or near 2% of their respective cities' taxable valuations.
2. In order to amortize their unfunded pension fund liabilities over a 10-year period, each of the 5 entities allowed additional levy authority under the bill, will levy the maximum 4-mill permissive levy during each year of the 1980-1981 biennium.
3. City taxable valuations will not vary significantly from their 1978 values during the 1980-1981 biennium.

LOCAL IMPACT:

If each of the 5 entities authorized additional levy authority under this bill assesses an additional 4 mills during each year of the biennium, such entities will realize combined additional tax revenues of approximately \$368,760 per year.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 3/6/79

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 3 Menahan Vincent H Robbin Ryan

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10 taxable valuation of all taxable property within the city or
11 town."

-End-