

House Bill 73

In The House

January 6, 1981	Introduced and referred to Committee on Taxation.
January 7, 1981	Fiscal note requested.
January 13, 1981	Fiscal note returned.
January 14, 1981	On motion by Chief Sponsor 13 Representatives were added as authers to the pre-filed bill.
April 20, 1981	Committee recommend bill do pass as amended.
	Rerferred to Committee on Appropriations.
April 22. 1981	On motion taken from Committee on Appropriations and place on second reading this day. Motion adopted.
	Second reading do pass as amended.
	On motion rules suspended amd bill placed on third this day.
	Third reading passed.

In The Senate

April 23, 1981	Recieved on 90th Legislative day. No futher action taken.
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1 HOUSE BILL NO. 73
2 INTRODUCED BY VINCENT

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH A SYSTEM
5 OF REVENUE SHARING FROM THE STATE TO MUNICIPALITIES AND
6 COUNTIES."

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
9 Section 1. Short title. [This act] may be cited as the

10 "Montana State-Local Revenue Sharing Act of 1981".

11 Section 2. Purpose. The purpose of [this act] is to
12 share with municipalities and counties a portion of the
13 money derived by state government from broad-based state
14 revenue sources other than property taxes, so that no
15 particular group bears a disproportionate share of the
16 responsibility for municipal and county government finance;
17 to lessen disparities between financial resources and
18 service needs of neighboring municipalities and counties;
19 and to stabilize the local property tax.

20 Section 3. Definitions. As used in [this act], unless
21 the context requires otherwise, the following definitions
22 apply:

23 (1) "Municipality" means an entity incorporated as a
24 city or town under the provisions of any law.

25 (2) "County" means an entity recognized as such by

1 Article XI, section 2, of the Montana Constitution.
2 (3) "Treasurer" means the ex officio state treasurer
3 as provided in 2-15-1002.
4 (4) "Population" means the number of residents of a
5 local government as determined by the latest federal census
6 figures, including census bureau interim population
7 estimates as of July 1 of each year, if the estimate is made
8 for all counties and municipalities. The population of a
9 county includes only those residents not residing in a
10 municipality within the county boundaries.
11 (5) "General tax effort factor" means the taxes
12 imposed by the local government unit divided by the
13 aggregate personal income attributed to the local
14 government.
15 (6) "Personal income" means the income of individuals
16 as determined by the U.S. department of commerce for
17 national income accounts purposes.
18 (7) "Relative income factor" means the fraction whose
19 numerator is the per capita income of the state and whose
20 denominator is the per capita income of the local government
21 unit's population.
22 Section 4. Allocation. (1) Money available for the
23 state-local revenue sharing programs shall be allocated
24 among all municipalities and counties on the following
25 basis:

-2- INTRODUCED BILL

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1 (a) 50% of the available money shall be distributed
2 among municipalities and counties in the same proportion
3 that their populations bear to the total state population;

4 (b) 50% of the available money shall be distributed
5 among municipalities and counties with each local government
6 receiving an amount in the same proportion to 50% of the
7 total amount available as:

8 (i) the population of the local government, multiplied
9 by the general tax effort factor of the local government,
10 multiplied by the relative income factor of the local
11 government bears to

12 (ii) the sum of the products determined under (i) for
13 all local governments of the state.

14 (2) The minimum allocation to any local government is
15 \$200 a year.

16 Section 5. Distribution. (1) The state treasurer shall
17 make the necessary calculations for the allocation of the
18 money available for the state-local revenue sharing program.

19 (2) Beginning October 31, 1981, the state treasurer
20 shall distribute the money allocated to local government on
21 a quarterly basis.

22 Section 6. Use of funds. The municipalities and
23 counties may use the money received from the state-local
24 revenue sharing program in the best interests of the
25 municipality or county as determined by the governing body

1 of the municipality or county.

2 Section 7. Funding. Five percent of the general fund
3 shall be used for revenue sharing with municipalities and
4 counties.

5 Section 8. Severability. If a part of this act is
6 invalid, all valid parts that are severable from the invalid
7 part remain in effect. If a part of this act is invalid in
8 one or more of its applications, the part remains in effect
9 in all valid applications that are severable from the
10 invalid applications.

-End-

STATE OF MONTANA

REQUEST NO. 52-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 9, 1981, there is hereby submitted a Fiscal Note for House Bill 73 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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

An act to establish a system of revenue sharing from the State to municipalities and counties.

ASSUMPTIONS

Assume that the General Fund for fiscal 1982 will be: \$286.274M and for fiscal 1983 will be: (\$303.477M Executive Budget estimates)

FISCAL IMPACT

This bill would allocate \$14.314M (5% of \$286.274M) to local government units in FY1982 and \$15.174M (5% of \$303.477M) to local government units in FY 1983.

In each fiscal year, half of the money (FY82: \$7.157M; FY83: \$7.587M) would be divided among the local government units on the basis of population.

In each fiscal year, the other half of the money would be divided among the local government units on the basis of a formula which takes into account both the level of local income relative to the rest of the state and the level of local taxes. This part of the formula appears to be identical with the one used to allocate money under the Federal revenue sharing.

EFFECT ON LOCAL GOVERNMENTS

The availability of revenue from this source could decrease local reliance on the property tax, producing lower mill levies in some jurisdictions.

LONG-RANGE EFFECTS

It would be advisable to define the "taxes imposed by the local government" (Section 3(5)) and the "personal income" (Section 3(6)) as being those of a definite year. Here it would seem most logical to take them to be statistics for the calendar year prior to the year the allocation is made.

David M. Lewis

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: _____

PREPARED BY THE DEPARTMENT OF REVENUE

STATE OF MONTANA

REQUEST NO. 52-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 7, 1981, there is hereby submitted a Fiscal Note for HB 73 pursuant to Chapter 53, Laws of Montana, 1985 - 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.

FISCAL IMPACT UPON THE DEPARTMENT OF ADMINISTRATION:

In order to compute and mail the allocation to local governments, a new calculator and postage for the quarterly distributions will be necessary.

	<u>FY 82</u>	<u>FY 83</u>
Calculator	\$ 200	
Postage	302	302
	<u>\$ 502</u>	<u>\$ 302</u>

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: _____

Approved by Committee
on Taxation

HOUSE BILL NO. 73

2 INTRODUCED BY VINCENT, NORDTVEDT, HARRINGTON,
3 WALDRON, BERTELSEN, WILLIAMS, VINGER, ZABROCKI,
4 HUENNEKENS, ASAY, KESSLER, BURNETT, SIVERTSEN, RUTH
5
6 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH A SYSTEM
7 OF REVENUE SHARING FROM THE STATE TO MUNICIPALITIES-AND
8 COUNTIES PROPERTY TAXPAYERS; PROVIDING FOR A LOCAL
9 GOVERNMENT REPLACEMENT MILL LEVY; AND PROVIDING AN
10 APPROPRIATION."

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

13 Section 1. Short title. [This act] may be cited as the
14 "Montana State-Local Revenue Sharing Act of 1981".

15 Section 2. Purpose. The purpose of [this act] is to
16 share with municipalities-and-counties PROPERTY TAXPAYERS a
17 portion of the money derived by state government from
18 broad-based state revenue sources other than property taxes,
19 so that no particular group bears a disproportionate share
20 of the responsibility for ~~municipal--and--county--government~~
21 ~~finances--to--lessen--disparities--between--financial--resources~~
22 ~~and--service--needs--of--neighboring--municipalities--and~~
23 ~~counties--and--to--stabilize--the--local--property--tax~~

24 Section-3---Definitions---As-used-in-[this-set]-unless
25 the---context---requires---otherwise---the-following-definitions

1 ~~app~~tyt

2 {1}--"Municipality"--means--an--entity--incorporated--as--a

3 city--or--town--under--the--provisions--of--any--law

4 {2}--"County"--means--an--entity--recognized--as--such--by

5 Article--XIV--section--2--of--the--Montana--Constitution

6 {3}--"Treasurer"--means--the--ex--officio--state--treasurer

7 as--provided--in--2--15--1002*

8 {4}--"Population"--means--the--number--of--residents--of--a

9 local--government--as--determined--by--the--latest--federal--census

10 figures----including--census--bureau--interim--population

11 estimates--as--of--July--1--of--each--year--if--the--estimate--is--made

12 for--all--counties--and--municipalities--The--population--of--a

13 county--includes--only--those--residents--not--residing--in--a

14 municipality--within--the--county--boundaries*

15 {5}--"General--tax--effort--factor"--means--the--taxes

16 imposed--by--the--local--government--unit--divided--by--the

17 aggregate--personal--income--attributed--to--the--local

18 government*

19 {6}--"Personal--income"--means--the--income--of--individuals

20 as--determined--by--the--U.S.--department--of--commerce--for

21 national--income--accounts--purposes*

22 {7}--"Relative--income--factor"--means--the--fraction--whose

23 numerator--is--the--per--capita--income--of--the--state--and--whose

24 denominator--is--the--per--capita--income--of--the--local--government

25 unit's--population*

1 Section-4---Allocation---(1)---Money--available-for-the
 2 state-local-revenue-sharing--programs--shall--be--allocated
 3 among--all--municipalities--and--counties--on--the-following
 4 basis:
 5 (f)---50%--of--the--available--money--shall--be--distributed
 6 among--municipalities--and--counties--in--the--same--proportion
 7 that--their--populations--bear--to--the--total--state--population
 8 (f)---50%--of--the--available--money--shall--be--distributed
 9 among--municipalities--and--counties--with--each--local--government
 10 receiving--an--amount--in--the--same--proportion--to--50%--of--the
 11 total--amount--available--as:
 12 (f)---the--population--of--the--local--government--multiplied
 13 by--the--general--tax--effort--factor--of--the--local--government
 14 multiplied--by--the--relative--income--factor--of--the--local
 15 government--bears--to
 16 (f)---the--sum--of--the--products--determined--under--(f)---for
 17 all--local--governments--of--the--state.
 18 (f)---The--minimum--allocation--to--any--local--government--is
 19 \$200--a--year.
 20 Section-5---Distribution---(1)---The--state--treasurer
 21 shall--make--the--necessary--calculations--for--the--allocation--of
 22 the--money--available--for--the--state--local--revenue--sharing
 23 programs.
 24 (f)---Beginning--October--31--1984--the--state--treasurer
 25 shall--distribute--the--money--allocated--to--local--government--on

1 a--quarterly--basis.
 2 Section-6---Use--of--funds---The--municipalities--and
 3 counties--may--use--the--money--received--from--the--state--local
 4 revenue--sharing--program--in--the--best--interests--of--the
 5 municipality--or--county--as--determined--by--the--governing--body
 6 of--the--municipality--or--county.
 7 Section-7---Funding---Five--percent--of--the--general--fund
 8 shall--be--used--for--revenue--sharing--with--municipalities--and
 9 counties: THE MANDATORY MILL LEVY ESTABLISHED UNDER THE
 10 PROVISIONS OF 20-9-501; AND TO PROVIDE FOR A MAXIMUM
 11 REPLACEMENT MILL LEVY FOR UNITS OF LOCAL GOVERNMENT.
 12 SECTION 3. DEFINITIONS. THE FOLLOWING DEFINITIONS
 13 APPLY TO [SECTIONS 1 THROUGH 6]:
 14 (1) THE TERM "REPLACEMENT MILL LEVY" MEANS THE MAXIMUM
 15 NUMBER OF MILLS THAT A LOCAL GOVERNMENT UNIT IS AUTHORIZED
 16 TO IMPOSE IN ACCORDANCE WITH [SECTION 6].
 17 (2) THE TERM "STATE PAYMENT TO COUNTY" MEANS THE
 18 ANNUAL DOLLAR AMOUNT PAID TO A COUNTY UNDER [SECTION 5(1)].
 19 (3) THE TERM "TOTAL COUNTY LOCAL BUDGET" MEANS THE
 20 TOTAL OF THAT PORTION OF ALL LOCAL GOVERNMENT PROPERTY TAX
 21 FUNDED BUDGETS WITHIN A COUNTY PLUS THE TOTAL OF ALL SCHOOL
 22 DISTRICT BUDGETS WITHIN A COUNTY MINUS STATE AND COUNTY
 23 EQUALIZATION AND LOCAL DISTRICT PERMISSIVE LEVY AMOUNTS OF
 24 THE SCHOOL DISTRICT BUDGETS.
 25 (4) THE TERM "TOTAL LOCAL GOVERNMENT UNIT MILL LEVY"

1 MEANS THE TOTAL NUMBER OF MILLS BEING IMPOSED BY THE LOCAL
 2 GOVERNMENT UNIT IN THE CURRENT TAXABLE YEAR.

3 SECTION 4. APPROPRIATION. (1) THERE IS APPROPRIATED
 4 FROM THE STATE GENERAL FUND TO THE STATE TREASURER FOR
 5 DISTRIBUTION TO COUNTY TREASURERS \$38,000,000 FOR THE
 6 BIENNIAL ENDING JUNE 30, 1983, FOR THE PURPOSE OF FUNDING
 7 REDUCTIONS IN THE MANDATORY RETIREMENT FUND REQUIREMENTS
 8 ESTABLISHED UNDER THE PROVISIONS OF 20-9-501. THE
 9 APPROPRIATIONS SHALL BE DISTRIBUTED IN ACCORDANCE WITH THE
 10 PROVISIONS OF [SECTION 5].

11 (2) THE DOLLAR AMOUNT APPROPRIATED IN THIS SECTION FOR
 12 THE 1982-1983 BIENNIAL SHALL BE MULTIPLIED BY THE RATIO OF
 13 THE PCE FOR THE SECOND QUARTER OF THE YEAR PRIOR TO ANY
 14 FUTURE BIENNIAL APPROPRIATION TO THE PCE FOR THE SECOND
 15 QUARTER OF 1980. "PCE" MEANS THE IMPLICIT PRICE DEFULATOR FOR
 16 PERSONAL CONSUMPTION EXPENDITURES AS PUBLISHED QUARTERLY IN
 17 THE SURVEY OF CURRENT BUSINESS BY THE BUREAU OF ECONOMIC
 18 ANALYSIS OF THE UNITED STATE DEPARTMENT OF COMMERCE.

19 SECTION 5. DISTRIBUTION. THE APPROPRIATION PROVIDED
 20 IN [SECTION 4] SHALL BE DISTRIBUTED IN THE FOLLOWING MANNER:

21 (1) IN EACH YEAR OF THE BIENNIAL THE STATE TREASURER
 22 SHALL PAY TO EACH COUNTY TREASURER IN ACCORDANCE WITH
 23 SUBSECTION (2) AN AMOUNT EQUAL TO THE FRACTION OF THE
 24 STATE'S POPULATION RESIDING IN THE COUNTY ACCORDING TO THE
 25 1980 COUNTY CENSUS PUBLISHED BY THE U.S. BUREAU OF THE

1 CENSUS MULTIPLIED BY ONE-HALF THE APPROPRIATION PROVIDED IN
 2 [SECTION 4].

3 (2) THE STATE TREASURER SHALL MAKE TWO EQUAL PAYMENTS
 4 TO EACH COUNTY ON NOVEMBER 30 AND MAY 30 OF EACH YEAR
 5 FOLLOWING [THE EFFECTIVE DATE OF THIS ACT].

6 (3) THE COUNTY TREASURER SHALL REMIT THE MONEY
 7 RECEIVED UNDER THIS SECTION TO THE CREDIT OF THE RETIREMENT
 8 FUND ESTABLISHED UNDER 20-9-501 AND REDUCE THE MANDATORY
 9 COUNTY LEVY ACCORDINGLY.

10 SECTION 6. LOCAL GOVERNMENT AUTHORIZED TO LEVY
 11 ADDITIONAL MILLS. (1) IN ADDITION TO ANY MILL LEVY
 12 AUTHORIZED BY LAW, THE GOVERNING BODY OF A LOCAL GOVERNMENT
 13 UNIT MAY IMPOSE AN ADDITIONAL REPLACEMENT MILL LEVY LESS
 14 THAN OR EQUAL TO THE PRODUCT OF THE FOLLOWING FORMULA:

15 $(\text{TOTAL LOCAL GOVERNMENT UNIT MILL LEVY}) \times \text{STATE PAYMENT}$
 16 $\text{TO COUNTY} / \text{TOTAL COUNTY LOCAL BUDGET} = \text{REPLACEMENT MILL LEVY}$

17 (2) IF BY INTERLOCAL AGREEMENT OR OTHER STATUTORY
 18 REQUIREMENT A PART OF A COUNTY MILL LEVY IS NOT IMPOSED ON
 19 AN INCORPORATED CITY OR TOWN, THEN THE SAME PROPORTION OF
 20 THE COUNTY REPLACEMENT LEVY SHALL BE REDUCED IN THE
 21 INCORPORATED CITY OR TOWN.

22 (3) THE REPLACEMENT MILL LEVY MAY BE USED BY THE
 23 GOVERNING BODY OF A LOCAL GOVERNMENT UNIT FOR ANY PURPOSE
 24 AUTHORIZED BY LAW.

25 Section 7. Severability. If a part of this act is

1 invalid, all valid parts that are severable from the invalid
2 part remain in effect. If a part of this act is invalid in
3 one or more of its applications, the part remains in effect
4 in all valid applications that are severable from the
5 invalid applications.

-End-

1 **entity**
2 {1}--"Municipality"--means--an--entity--incorporated--as--a
3 city--or--town--under--the--provisions--of--any--law
4 {2}--"County"--means--an--entity--recognized--as--such--by
5 Article--XIV--section--2--of--the--Montana--Constitution
6 {3}--"Treasurer"--means--the--ex--officio--state--treasurer
7 as--provided--in--2--15--1002*
8 {4}--"Population"--means--the--number--of--residents--of--a
9 local--government--as--determined--by--the--latest--federal--census
10 figures--including--census--bureau--interim--population
11 estimates--as--of--July--1--of--each--year--if--the--estimate--is--made
12 for--all--counties--and--municipalities--The--population--of--a
13 county--includes--only--those--residents--not--residing--in--a
14 municipality--within--the--county--boundaries*
15 {5}--"General--tax--effort--factor"--means--the--taxes
16 imposed--by--the--local--government--unit--divided--by--the
17 aggregate--personal--income--attributed--to--the--local
18 government*
19 {6}--"Personal--income"--means--the--income--of--individuals
20 as--determined--by--the--U.S.--Department--of--Commerce--for
21 national--income--accounts--purposes*
22 {7}--"Relative--income--factor"--means--the--fraction--whose
23 numerator--is--the--per--capita--income--of--the--state--and--whose
24 denominator--is--the--per--capita--income--of--the--local--government
25 unit's--population*

1 Section 4--Allocation--{(i)}--Money--available--for--the
 2 state--local--revenue--sharing--programs--shall--be--allocated
 3 among--all--municipalities--and--counties--on--the--following
 4 basis:
 5 {(a)}--50%--of--the--available--money--shall--be--distributed
 6 among--municipalities--and--counties--in--the--same--proportion
 7 that--their--populations--bear--to--the--total--state--population
 8 {(b)}--50%--of--the--available--money--shall--be--distributed
 9 among--municipalities--and--counties--with--each--local--government
 10 receiving--an--amount--in--the--same--proportion--to--50%--of--the
 11 total--amount--available--est
 12 {(c)}--the--population--of--the--local--government--multiplied
 13 by--the--general--tax--effort--factor--of--the--local--government
 14 multiplied--by--the--relative--income--factor--of--the--local
 15 government--bears--to
 16 {(d)}--the--sum--of--the--products--determined--under--{(c)}--for
 17 all--local--governments--of--the--state
 18 {(e)}--The--minimum--allocation--to--any--local--government--is
 19 \$200--a--year.
 20 Section 5--Distribution--{(i)}--The--state--treasurer
 21 shall--make--the--necessary--calculations--for--the--allocation--of
 22 the--money--available--for--the--state--local--revenue--sharing
 23 program.
 24 {(f)}--Beginning--October--31--1981--the--state--treasurer
 25 shall--distribute--the--money--allocated--to--local--government--on

1 a--quarterly--basis.
 2 Section 6--Use--of--funds--the--municipalities--and
 3 counties--may--use--the--money--received--from--the--state--local
 4 revenue--sharing--program--in--the--best--interests--of--the
 5 municipality--or--county--as--determined--by--the--governing--body
 6 of--the--municipality--or--county.
 7 Section 7--Funding--Five--percent--of--the--general--fund
 8 shall--be--used--for--revenue--sharing--with--municipalities--and
 9 counties. THE MANDATORY MILL LEVY ESTABLISHED UNDER THE
 10 PROVISIONS OF 20-9-501-1 AND TO PROVIDE FOR A MAXIMUM
 11 REPLACEMENT MILL LEVY FOR UNITS OF LOCAL GOVERNMENT.
 12 SECTION 3--DEFINITIONS--THE--FOLLOWING--DEFINITIONS
 13 APPLY--TO--SECTIONS 1--THROUGH--631
 14 {(1)}--THE--TERM--"REPLACEMENT MILL LEVY"--MEANS--THE--MAXIMUM
 15 NUMBER--OF--MILLS--THAT--A--LOCAL--GOVERNMENT--UNIT--IS--AUTHORIZED
 16 TO--IMPOSE--IN--ACCORDANCE--WITH--SECTION--631
 17 {(2)}--THE--TERM--"STATE--PAYMENT--TO--COUNTY"--MEANS--THE
 18 ANNUAL--DOLLAR--AMOUNT--PAID--TO--A--COUNTY--UNDER--SECTION--5113
 19 {(3)}--THE--TERM--"TOTAL--COUNTY--LOCAL--BUDGET"--MEANS--THE
 20 TOTAL--OF--THAT--PORTION--OF--ALL--LOCAL--GOVERNMENT--PROPERTY--TAX
 21 BUDGETS--WITHIN--A--COUNTY--PLUS--THE--TOTAL--OF--ALL--SCHOOL
 22 DISTRICT--BUDGETS--WITHIN--A--COUNTY--MINUS--STATE--AND--COUNTY
 23 EQUALIZATION--AND--REAL--DISTRICT--PERMISSIVE--LEVY--AMOUNTS--OF
 24 THE--SCHOOL--DISTRICT--BUDGETS
 25 {(4)}--THE--TERM--"TOTAL--LOCAL--GOVERNMENT--UNIT--MILL--LEVY"

1 MEANS THE TOTAL NUMBER OF MILLS BEING IMPOSED BY THE LOCAL
 2 GOVERNMENT UNIT IN THE CURRENT TAXABLE YEAR.

3 SECTION 3. APPROPRIATION. (1) THERE IS APPROPRIATED
 4 FROM THE STATE GENERAL FUND TO THE STATE TREASURER FOR
 5 DISTRIBUTION TO COUNTY TREASURERS \$20,000,000 \$ XX,XXX,XXX
 6 FOR THE BIENNIAL ENDING JUNE 30, 1983, FOR THE PURPOSE OF
 7 FUNDING REDUCTIONS IN THE MANDATORY RETIREMENT FUND
 8 REQUIREMENTS ESTABLISHED UNDER THE PROVISIONS OF 20-9-501.
 9 THE APPROPRIATIONS SHALL BE DISTRIBUTED IN ACCORDANCE WITH
 10 THE PROVISIONS OF (SECTION 5).
 11 (2) THE DOLLAR AMOUNT APPROPRIATED IN THIS SECTION FOR
 12 THE 1982-1983 BIENNIAL SHALL BE MULTIPLIED BY THE RATIO OF
 13 THE PER EER THE SECOND QUARTER OF THE YEAR PRIOR TO ANY
 14 FUTURE BIENNIAL APPROPRIATION TO THE PER EER THE SECOND
 15 QUARTER OF 1980. "PER EER" MEANS THE IMPLICIT PRICE DEFULATOR FOR
 16 PERSONAL CONSUMPTION EXPENDITURES AS PUBLISHED QUARTERLY IN
 17 THE SURVEY OF CURRENT BUSINESS BY THE BUREAU OF ECONOMIC
 18 ANALYSIS OF THE UNITED STATES DEPARTMENT OF COMMERCE.

19 SECTION 4. DISTRIBUTION. THE APPROPRIATION PROVIDED
 20 IN (SECTION 4) SHALL BE DISTRIBUTED IN THE FOLLOWING MANNER:

21 (1) IN EACH YEAR OF THE BIENNIAL THE STATE TREASURER
 22 SHALL PAY TO EACH COUNTY TREASURER IN ACCORDANCE WITH
 23 SUBSECTION (2) AN AMOUNT EQUAL TO THE FRACTION OF THE
 24 STATE'S POPULATION RESIDING IN THE COUNTY ACCORDING TO THE
 25 1980 COUNTY CENSUS PUBLISHED BY THE U.S. BUREAU OF THE

1 CENSUS MULTIPLIED BY ONE-HALF THE APPROPRIATION PROVIDED IN
 2 (SECTION 4).
 3 (2) THE STATE TREASURER SHALL MAKE TWO EQUAL PAYMENTS
 4 TO EACH COUNTY ON NOVEMBER 30 AND MAY 30 OF EACH YEAR
 5 FOLLOWING (THE EFFECTIVE DATE OF THIS ACT).
 6 (3) THE COUNTY TREASURER SHALL REMIT THE MONEY
 7 RECEIVED UNDER THIS SECTION TO THE CREDIT OF THE RETIREMENT
 8 FUND ESTABLISHED UNDER 20-9-501 AND REDUCE THE MANDATORY
 9 COUNTY LEVY ACCORDINGLY.
 10 SECTION 6. LOCAL GOVERNMENT AUTHORIZED TO LEVY
 11 ADDITIONAL MILLS. (1) IN ADDITION TO ANY MILL LEVY
 12 AUTHORIZED BY LAW, THE GOVERNING BODY OF A LOCAL GOVERNMENT
 13 UNIT MAY IMPOSE AN ADDITIONAL REPLACEMENT MILL LEVY LESS
 14 THAN OR EQUAL TO THE PRODUCT OF THE FOLLOWING FORMULA:
 15 (TOTAL LOCAL GOVERNMENT UNIT MILL LEVY) X STATE PAYMENT
 16 TO COUNTY TOTAL COUNTY LOCAL BUDGET = REPLACEMENT MILL LEVY
 17 (2) IF BY INTERLOCAL AGREEMENT OR OTHER STATUTORY
 18 REQUIREMENT A PART OF A COUNTY MILL LEVY IS NOT IMPOSED ON
 19 AN INCORPORATED CITY OR TOWN, THEN THE SAME PROPORTION OF
 20 THE COUNTY REPLACEMENT LEVY SHALL BE REDUCED IN THE
 21 INCORPORATED CITY OR TOWN.
 22 (3) THE REPLACEMENT MILL LEVY MAY BE USED BY THE
 23 GOVERNING BODY OF A LOCAL GOVERNMENT UNIT FOR ANY PURPOSE
 24 AUTHORIZED BY LAW.
 25 Section 5. Severability. If a part of this act is

1 invalid, all valid parts that are severable from the invalid
2 part remain in effect. If a part of this act is invalid in
3 one or more of its applications, the part remains in effect
4 in all valid applications that are severable from the
5 invalid applications.

6 SECTION 6. EFFECTIVE DATE. THIS ACT IS EFFECTIVE ON
7 PASSAGE AND APPROVAL.

-End-