

HOUSE BILL NO. 760

Introduced: 02/12/83

Referred to Committee on Local Government: 02/12/83

Hearing: 2/17/83

Died in Committee

House BILL NO. 760
 INTRODUCED BY *RUSH* *Don* *Gregg* *Hoff* *Thayer*
Lynd *J. Jackson* *Stinson* *E. Smith*

A BILL FOR AN ACT ENTITLED: "THE COUNTY TAX STABILITY TRUST FUND ACT; PROVIDING FOR A TRUST FUND CONSISTING OF REVENUES OF A LIMITED MILL LEVY TO BE DEPOSITED IN TRUST UNTIL THE COUNTY ELECTORATE PROVIDES, BY REFERENDUM, FOR THE USE OF A PORTION OF THE TRUST FUND PRINCIPAL; PROVIDING MAXIMUM MILL LEVIES AND TRUST FUND AMOUNTS; PROVIDING FOR THE DEPOSIT OR USE OF INTEREST AND INCOME OF THE FUND; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Short title. [This act] may be cited as the "County Tax Stability Trust Fund Act".

Section 2. Purpose. The purpose of [this act] is to enable counties in Montana to establish trust funds from tax revenues received during years when county tax bases have increased because of nonrenewable resource wealth and to use those funds to offset future decreases of such tax revenues once the resource is exhausted.

Section 3. Establishment of tax stability trust fund -- source of funds. (1) The governing body of any county may by resolution establish and maintain a tax stability trust fund. The fund is subject to the limitations and

restrictions imposed by 7-6-2313 through 7-6-2321. The principal of the fund comprises all sums transferred to it in accordance with subsection (2) and, except as provided in [section 4], the interest and other income of the fund.

(2) After establishing a tax stability trust fund, the governing body, in fixing the mill levy for the property tax levied by the county for its annual budget under 7-6-2321, may fix an additional number of mills, not to exceed the limit established in [section 5], to provide a revenue increase for that year which will permit the county to receive revenue during that fiscal year in excess of what may be required to provide for the budgeted purposes of the county. The excess sums received therefrom must be transferred from the general fund of the county into the tax stability trust fund.

Section 4. Disposition of interest or income of trust fund. Money in the tax stability trust fund may be deposited or invested as provided in 7-6-2701. Interest or income on trust fund money may be deposited:

(1) in the trust fund to increase the principal of the trust fund; or

(2) in the county general fund to be used during the following fiscal year for any general fund purpose.

Section 5. Limits -- mill levy and trust fund amount. The maximum mill levy to raise revenue for the tax stability

1 trust fund and the total amount of money in the trust fund
2 of a county may not exceed the following:

3 Taxable Value of	Maximum Mills	Maximum Trust
4 County	Per Year	Fund Amount
5 less than \$50 million	7 mills	\$5 million
6 over \$50 million and less		
7 than \$150 million	5 mills	\$7.5 million
8 over \$150 million	3 mills	\$10 million

9 Section 6. Use of trust fund principal -- election. If
10 the governing body determines that it is necessary for the
11 county to use a portion of the principal of the tax
12 stability trust fund, it shall submit the question of
13 whether to use a specific amount of the trust fund principal
14 to the electors of the county at the next regular election.
15 If the ballot question on using trust fund principal is
16 approved by a majority of the electors of the county voting
17 on the question, that portion of the principal approved for
18 county use may be transferred to the county general fund for
19 use by the county for any general fund purpose.

20 Section 7. Effective date. This act is effective May
21 1, 1983.

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