

HOUSE BILL NO. 704

INTRODUCED BY MARKS, CAMPBELL, WALDRON,
JACK MOORE, HARPER, KEYSER, PECK, KOEHNKE

IN THE HOUSE

February 7, 1985	Introduced and referred to Committee on Taxation.
February 20, 1985	Committee recommend bill do pass as amended. Report adopted.
February 21, 1985	Bill printed and placed on members' desks.
February 23, 1985	Second reading, do pass. Considered correctly engrossed.
February 26, 1985	Third reading, passed. Transmitted to Senate.

IN THE SENATE

March 4, 1985	Introduced and referred to Committee on Taxation.
April 22, 1985	Committee recommend bill be concurrent in as amended. Report adopted.
April 25, 1985	Second reading, concurred in as amended. Third reading, concurred in. Ayes, 41; Noes, 7. Returned to House with amendments.

IN THE HOUSE

April 25, 1985

Received from Senate.

On motion, rules suspended to allow Senate amendments on second reading.

Second reading, amendments concurred in.

Third reading, amendments concurred in.

Sent to enrolling.

Reported correctly enrolled.

HOUSE BILL NO. 704

INTRODUCED BY

Markus *Waldron* *Thorn*

Thorn *Keyser* *Park* *Fach*

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE EXCLUSION OF THE TAXABLE VALUE OF PROPERTY UNDER A PROTEST PROCEEDING FROM THE TAXABLE VALUATION OF A COUNTY OR A SCHOOL DISTRICT FOR THE PURPOSE OF SETTING PROPERTY TAX LEVIES; PROVIDING THAT PAYMENT TO THE COUNTY OR SCHOOL DISTRICT FROM THE PROTEST FUND ON SUCH PROPERTY MUST BE USED TO LOWER SUBSEQUENT TAX LEVIES; AMENDING SECTIONS 7-6-2321 AND 20-9-142, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 7-6-2321, MCA, is amended to read:

"7-6-2321. Fixing of tax levy. (1) On the second Monday in August and after the approval and adoption of the final budget, the board of county commissioners shall fix the tax levy for each fund at a rate which will raise the amount set out in the budget as the amount necessary to be raised by tax levy for the fund during the current fiscal year. The taxable valuation of the county for the current fiscal year shall be the basis for determining the amount of the tax levy for each fund. Each tax levy shall be at a rate no higher than is required on that basis, without including any amount for anticipated tax delinquency, to produce the

amount set out in the budget, without including any amount for anticipated tax delinquency, as being the amount to be raised by tax levy.

(2) (a) The taxable value of property which was protested under the provisions of 15-8-113 through 15-8-115 and which remains under protest on the second Monday in August of the current year must be excluded from the county's taxable valuation in computing mill levies to fund the amounts necessary to be raised under the provisions of subsection (1) or fund amounts necessary under any other provision of law providing for a levy on the taxable valuation of the county or any district or portion thereof.

(b) If tax money that was collected on property excluded under subsection (2)(a) is not required to be refunded to the taxpayer from the protest fund at the conclusion of a protest proceeding, such money shall be used to reduce subsequent property tax levies of the appropriate funds or levies from which it was previously withheld in protest.

(3) The tax levy shall be made in the manner provided by 15-10-201."

Section 2. Section 20-9-142, MCA, is amended to read:

"20-9-142. Fixing and levying taxes by board of county commissioners. (1) On the second Monday in August, the county superintendent shall place before the board of county



1 commissioners the final adopted budget of the district and
2 any emergency budget adopted by the district during the
3 previous school fiscal year. It shall be the duty of the
4 board of county commissioners to fix and levy on all the
5 taxable value of all the real and personal property within
6 the district all district and county taxation required to
7 finance, within the limitations provided by law, the final
8 budget and any emergency budget of the district.

9 (2) (a) The taxable value of property which was
10 protested under the provisions of 15-8-113 through 15-8-115
11 and which remains under protest on the second Monday in
12 August of the current year must be excluded from the
13 district's taxable valuation in computing the mill levies to
14 fund the final adopted budget of the district and any
15 emergency budget adopted by the district during the previous
16 school fiscal year.

17 (b) If tax money that was collected on property
18 excluded under subsection (2)(a) is not required to be
19 refunded to the taxpayer from the protest fund at the
20 conclusion of a protest proceeding, such money shall be used
21 to reduce subsequent property tax levies and may not be
22 added to district reserves."

23 NEW SECTION. Section 3. Effective date. This act is
24 effective July 1, 1985.

-End-

APPROVED BY COMMITTEE
ON TAXATION

HOUSE BILL NO. 704

INTRODUCED BY MARKS, CAMPBELL, WALDRON,
JACK MOORE, HARPER, KEYSER, PECK, KOEHNKE

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE EXCLUSION
OF THE TAXABLE VALUE OF PROPERTY UNDER A PROTEST PROCEEDING
FROM THE TAXABLE VALUATION OF A COUNTY OR A SCHOOL DISTRICT
FOR THE PURPOSE OF SETTING PROPERTY TAX LEVIES; PROVIDING
THAT PAYMENT TO THE COUNTY OR SCHOOL DISTRICT FROM THE
PROTEST FUND ON SUCH PROPERTY MUST BE USED TO LOWER
SUBSEQUENT TAX LEVIES; AMENDING SECTIONS 7-6-2321,
15-10-202, AND 20-9-142, MCA; AND PROVIDING AN EFFECTIVE
DATE."

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

Section 1. Section 7-6-2321, MCA, is amended to read:

"7-6-2321. Fixing of tax levy. (1) On the second
Monday in August and after the approval and adoption of the
final budget, the board of county commissioners shall fix
the tax levy for each fund at a rate which will raise the
amount set out in the budget as the amount necessary to be
raised by tax levy for the fund during the current fiscal
year. The taxable valuation of the county for the current
fiscal year shall be the basis for determining the amount of
the tax levy for each fund. Each tax levy shall be at a rate

no higher than is required on that basis, without including
any amount for anticipated tax delinquency, to produce the
amount set out in the budget, without including any amount
for anticipated tax delinquency, as being the amount to be
raised by tax levy.

(2) (a) The taxable value of property which was
protested under the provisions of 15-8-113 through 15-8-115
and which remains under protest on the second FIRST Monday
in August of the current year must be excluded from the
county's taxable valuation in computing mill levies to fund
the amounts necessary to be raised under the provisions of
subsection (1) or fund amounts necessary under any other
provision of law providing for a levy on the taxable
valuation of the county or any district or portion thereof.

(b) If tax money that was collected on property
excluded under subsection (2)(a) is not required to be
refunded to the taxpayer from the protest fund at the
conclusion of a protest proceeding, such money shall be used
to reduce subsequent property tax levies of the appropriate
funds or levies from which it was previously withheld in
protest.

(2)(3) The tax levy shall be made in the manner
provided by 15-10-201."

Section 2. Section 20-9-142, MCA, is amended to read:

"20-9-142. Fixing and levying taxes by board of county



1 commissioners. (1) On the second Monday in August, the
 2 county superintendent shall place before the board of county
 3 commissioners the final adopted budget of the district and
 4 any emergency budget adopted by the district during the
 5 previous school fiscal year. It shall be the duty of the
 6 board of county commissioners to fix and levy on all the
 7 taxable value of all the real and personal property within
 8 the district all district and county taxation required to
 9 finance, within the limitations provided by law, the final
 10 budget and any emergency budget of the district.

11 (2) (a) The taxable value of property which was
 12 protested under the provisions of 15-8-113 through 15-8-115
 13 and which remains under protest on the second FIRST Monday
 14 in August of the current year must be excluded from the
 15 district's taxable valuation in computing the mill levies to
 16 fund the final adopted budget of the district and any
 17 emergency budget adopted by the district during the previous
 18 school fiscal year.

19 (b) If tax money that was collected on property
 20 excluded under subsection (2)(a) is not required to be
 21 refunded to the taxpayer from the protest fund at the
 22 conclusion of a protest proceeding, such money shall be used
 23 to reduce subsequent property tax levies and may not be
 24 added to district reserves."

25 SECTION 3. SECTION 15-10-202, MCA, IS AMENDED TO READ:

1 "15-10-202. Certification of taxable values and
 2 millage rates. At the time that the assessment roll is
 3 prepared and published, the department of revenue shall
 4 certify to each taxing authority the taxable value within
 5 the jurisdiction of the taxing authority. The department
 6 shall also send to each taxing authority a written statement
 7 of its best estimate of the total assessed value of all new
 8 construction and improvements not included on the previous
 9 assessment roll and the value of deletions from the previous
 10 assessment roll. Exclusive of such new construction,
 11 improvements, and deletions, and the taxable value of
 12 property which was protested under the provisions of
 13 15-8-113 through 15-8-115 and which remains under protest on
 14 the first Monday in August of the current year, the
 15 department shall certify to each taxing authority a millage
 16 rate which will provide the same ad valorem revenue for each
 17 taxing authority as was levied during the prior year. For
 18 the purpose of calculating the certified millage, the
 19 department shall use 95% of the taxable value appearing on
 20 the roll, exclusive of properties appearing for the first
 21 time on the assessment roll."

22 NEW SECTION. Section 4. Effective date. This act is
 23 effective July 1, 1985.

-End-

1 HOUSE BILL NO. 704

2 INTRODUCED BY MARKS, CAMPBELL, WALDRON,
3 JACK MOORE, HARPER, KEYSER, PECK, KOEHNKE
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE EXCLUSION
6 OF THE TAXABLE VALUE OF PROPERTY UNDER A PROTEST PROCEEDING
7 FROM THE TAXABLE VALUATION OF A COUNTY OR A SCHOOL DISTRICT
8 FOR THE PURPOSE OF SETTING PROPERTY TAX LEVIES; PROVIDING
9 THAT PAYMENT TO THE COUNTY OR SCHOOL DISTRICT FROM THE
10 PROTEST FUND ON SUCH PROPERTY MUST BE USED TO LOWER
11 SUBSEQUENT TAX LEVIES; AMENDING SECTIONS 7-6-2321,
12 15-10-202, AND 20-9-142, MCA; AND PROVIDING AN EFFECTIVE
13 DATE."
14

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

16 Section 1. Section 7-6-2321, MCA, is amended to read:

17 "7-6-2321. Fixing of tax levy. (1) On the second
18 Monday in August and after the approval and adoption of the
19 final budget, the board of county commissioners shall fix
20 the tax levy for each fund at a rate which will raise the
21 amount set out in the budget as the amount necessary to be
22 raised by tax levy for the fund during the current fiscal
23 year. The taxable valuation of the county for the current
24 fiscal year shall be the basis for determining the amount of
25 the tax levy for each fund. Each tax levy shall be at a rate

1 no higher than is required on that basis, without including
2 any amount for anticipated tax delinquency, to produce the
3 amount set out in the budget, without including any amount
4 for anticipated tax delinquency, as being the amount to be
5 raised by tax levy.

6 (2) (a) The taxable value of property which was
7 protested under the provisions of 15-8-113 through 15-8-115
8 and which remains under protest on the second FIRST Monday
9 in August of the current year must be excluded from the
10 county's taxable valuation in computing mill levies to fund
11 the amounts necessary to be raised under the provisions of
12 subsection (1) or fund amounts necessary under any other
13 provision of law providing for a levy on the taxable
14 valuation of the county or any district or portion thereof.

15 (b) If tax money that was collected on property
16 excluded under subsection (2)(a) is not required to be
17 refunded to the taxpayer from the protest fund at the
18 conclusion of a protest proceeding, such money shall be used
19 to reduce subsequent property tax levies of the appropriate
20 funds or levies from which it was previously withheld in
21 protest.

22 ~~(2)~~(3) The tax levy shall be made in the manner
23 provided by 15-10-201."

24 Section 2. Section 20-9-142, MCA, is amended to read:

25 "20-9-142. Fixing and levying taxes by board of county

1 commissioners. (1) On the second Monday in August, the
 2 county superintendent shall place before the board of county
 3 commissioners the final adopted budget of the district and
 4 any emergency budget adopted by the district during the
 5 previous school fiscal year. It shall be the duty of the
 6 board of county commissioners to fix and levy on all the
 7 taxable value of all the real and personal property within
 8 the district all district and county taxation required to
 9 finance, within the limitations provided by law, the final
 10 budget and any emergency budget of the district.

11 (2) (a) The taxable value of property which was
 12 protested under the provisions of 15-8-113 through 15-8-115
 13 and which remains under protest on the second FIRST Monday
 14 in August of the current year must be excluded from the
 15 district's taxable valuation in computing the mill levies to
 16 fund the final adopted budget of the district and any
 17 emergency budget adopted by the district during the previous
 18 school fiscal year.

19 (b) If tax money that was collected on property
 20 excluded under subsection (2)(a) is not required to be
 21 refunded to the taxpayer from the protest fund at the
 22 conclusion of a protest proceeding, such money shall be used
 23 to reduce subsequent property tax levies and may not be
 24 added to district reserves."

25 SECTION 3. SECTION 15-10-202, MCA, IS AMENDED TO READ:

1 "15-10-202. Certification of taxable values and
 2 millage rates. At the time that the assessment roll is
 3 prepared and published, the department of revenue shall
 4 certify to each taxing authority the taxable value within
 5 the jurisdiction of the taxing authority. The department
 6 shall also send to each taxing authority a written statement
 7 of its best estimate of the total assessed value of all new
 8 construction and improvements not included on the previous
 9 assessment roll and the value of deletions from the previous
 10 assessment roll. Exclusive of such new construction,
 11 improvements, and deletions, and the taxable value of
 12 property which was protested under the provisions of
 13 15-8-113 through 15-8-115 and which remains under protest on
 14 the first Monday in August of the current year, the
 15 department shall certify to each taxing authority a millage
 16 rate which will provide the same ad valorem revenue for each
 17 taxing authority as was levied during the prior year. For
 18 the purpose of calculating the certified millage, the
 19 department shall use 95% of the taxable value appearing on
 20 the roll, exclusive of properties appearing for the first
 21 time on the assessment roll."

22 NEW SECTION. Section 4. Effective date. This act is
 23 effective July 1, 1985.

-End-

STANDING COMMITTEE REPORT Page 1 of 5.

HB 704
Page 2 Of 5.

SENATE

April 19, 19. 85

April 19, 19. 85

MR. PRESIDENT

We, your committee on..... Taxation
having had under consideration..... House Bill No. 704
third reading copy (blue)
color

(Senator Towe)

EXCLUDE PROTESTED PROPERTY VALUATION FOR COUNTY
AND SCHOOL LEVIES.

Respectfully report as follows: That..... House Bill No. 704

be amended as follows:

1. Title, line 7.
Following: "COUNTY"
Insert: ", MUNICIPALITY,"

2. Title, line 8.
Following: "LEVIES"
Insert: "IF THE TAXABLE VALUE OF SUCH PROPERTY UNDER
PROTEST EXCEEDS 5% OF THE TAXING JURISDICTION'S TAXABLE
VALUATION"

3. Title, line 9.
Following: "COUNTY"
Insert: ", MUNICIPALITY,"

4. Title, line 11.
Following: "LEVIES;"
Insert: "REQUESTING THE REVENUE OVERSIGHT COMMITTEE TO
CONSIDER THE ADVISABILITY OF CREATING A STATEWIDE PROTEST
FUND;"

5. Title, line 12.
Following: line 11
Insert: "7-6-4232,"

(continued)

6. Page 1, line 23.
Following: "year."
Strike: "The"
Insert: "Except as provided in subsection (2), the"

7. Page 2, lines 6 and 7.
Following: "which" on line 6
Strike: remainder of line 6 through line 7
Insert: "is the subject of a protest"

8. Page 2, line 10.
Following: "valuation"
Insert: "if the taxable value of such property remaining
under protest exceeds 5% of the county's taxable valuation"

9. Page 2, line 21.
Following: "protest"
Strike: "."
Insert: ", except for statewide education and university
mill levies. The county shall calculate such levies by
crediting the revenue from released protest funds directly
to the revenue section of the budget and not to the cash
reserves. If the crediting of such revenue reduces to zero
the amount necessary to be raised by tax levy, the county
treasurer shall refund any excess protest fund revenue to
the taxpayers. If a taxpayer is delinquent in the payment of
prior taxes, the county may offset the delinquency rather
than make a refund. A copy of the calculations made in
fixing the tax levies under this subsection and calculations
of any refunds must be delivered to the legislative auditor,
the office of public instruction, and the department of
revenue."

10. Page 2, line 24.
Following: line 23
Insert: "Section 2. Section 7-6-4232, MCA, is amended to
read:

(continued)

DEWESS

DEWESS

Report signed

Report signed

continued

TET

Chairman.

mi

continued

TET

April 19, 1985

April 19, 1985

"7-6-4232. Fixing of tax levy. (1) On the second Monday in August and after the approval and adoption of the final budget, the council shall fix the tax levy for each fund at a rate, not exceeding limits prescribed by law, which will raise the amount set out in the budget as the amount necessary to be raised by tax levy for that fund during the current fiscal year. Except as provided in subsections (2) and (4), the taxable valuation of the city for the current fiscal year shall be the basis for determining the amount of the tax levy for each fund, and each tax levy shall be at a rate no higher than is required on that basis, without including any amount for anticipated tax delinquency, to raise the amount set out in the budget.

(2) If the council considers that a levy made for a bond sinking or interest fund will not provide a sufficient amount to pay all bond principal and interest becoming due during the current fiscal year or within 6 months after the current fiscal year because of anticipated tax delinquency, the council may fix the levy at a rate it considers necessary to raise the amount for making the payments of principal and interest over and above the anticipated tax delinquency.

(3) Each levy shall be made in the manner provided by 15-10-201.

(4) (a) The taxable value of property which is the subject of a protest and which remains under protest on the first Monday in August of the current year must be excluded from the city's taxable valuation if the taxable value of such property remaining under protest exceeds 5% of the city's taxable valuation in computing mill levies to fund the amounts necessary to be raised under the provisions of subsection (1).

(b) If tax money that was collected on property excluded under subsection (4)(a) is not required to be refunded to the taxpayer from the protest fund at the conclusion of a protest proceeding, such money shall be used to reduce subsequent property tax levies of the appropriate funds or levies from which it was previously withheld in protest. The city shall calculate such levies by crediting the revenue from released protest funds directly to the revenue section of the budget and not to the cash reserves. If the crediting of such revenue reduces to zero the amount necessary to be raised by tax levy, the city shall refund any excess protest fund revenue to the taxpayers. If a taxpayer is delinquent in the payment of prior taxes, the city may offset the delinquency rather than make a refund.

(continued)

A copy of the calculations made in fixing the tax levies under this subsection and calculations of any refunds must be delivered to the legislative auditor, the office of public instruction, and the department of revenue.

Renumber: subsequent sections

11. Page 3, line 8.

Following: "the district"

Insert: ", except as provided in subsection (2),"

12. Page 3, lines 11 and 12.

Following: "which" on line 11

Strike: remainder of line 11 through line 12

Insert: "is the subject of the protest"

13. Page 3, line 15.

Following: "valuation"

Insert: "if the taxable value of such property remaining under protest exceeds 5% of the district's taxable valuation"

14. Page 3, lines 23 and 24.

Following: "levies" on line 23

Strike: "and may not be added to district reserves"

Insert: ". The district shall calculate such levies by crediting the revenue from released protest funds directly to the revenue section of the budget and not to the cash reserves. If the crediting of such revenue reduces to zero the amount necessary to be raised by tax levy, the county treasurer shall refund on behalf of the district any excess protest fund revenue to the taxpayers. If a taxpayer is delinquent in the payment of prior taxes, the county treasurer may offset the delinquency rather than make a refund. A copy of the calculations made in fixing the tax levies under this subsection and calculations of any refunds must be delivered to the legislative auditor, the office of public instruction, and the department of revenue."

15. Page 4, lines 12 and 13.

Following: "which" on line 12

Strike: remainder of line 12 through "15-8-115" on line 13

Insert: "is the subject of a protest"

(continued)

Report adopted

continued

JET

continued

JET

April 19, 1985

16. Page 4, line 14.

Following: "year"


Insert: "if the taxable value of such property remaining under protest exceeds 5% of that taxing jurisdiction's taxable valuation"

17. Page 4, line 22.

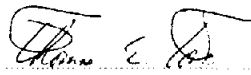
Following: line 21

Insert: "NEW SECTION. Section 5. Revenue oversight committee consideration of advisability of statewide protest fund. The revenue oversight committee is requested to consider the advisability of creating a statewide protest fund for taxes paid under protest and to suggest procedures for payment into the fund, administration of the fund, payment of litigation costs associated with protests based on state law, and satisfaction from the fund of judgments against taxing jurisdictions. If the revenue oversight committee accepts this request, it shall report its findings and recommendations and any proposed legislation to the 50th legislature."

Renumber: subsequent section


AND AS AMENDED
BE CONCURRED IN

Report accepted


.....
Senator Thomas E. Towe, Chairman

COMMITTEE OF THE WHOLE AMENDMENT

Page 1 of 2

APR 23, 85
DATE

Page 2 of 2
HB 704

APR 23, 19 85

SENATE

8:00
TIME

9. AMEND SENATE TAXATION COMMITTEE REPORT OF APRIL 19 ON
HOUSE BILL NO.704 AS FOLLOWS:

MR. CHAIRMAN: I MOVE TO AMEND HOUSE BILL No. 704

Amendment No.10.
Page 3, subsection (4) (a) on inserted material
Following: "year"
Strike: "must"
Insert: "may"

third reading copy (blue) as follows:
Color

1. Title, line 5.
Following: "AN ACT"
Strike: "REQUIRING"
Insert: "ALLOWING"

2. Title, line 7.
Following: "COUNTY"
Strike: "OR"
Insert: "AND"

3. Title, line 9.
Following: "COUNTY"
Strike: "OR"
Insert: "AND"

4. Page 2, line 9.
Following: "year"
Strike: "must"
Insert: "may"

5. Page 3, line 14.
Following: "year"
Strike: "must"
Insert: "may"

6. Page 4, line 2.
Following: "rates."
Insert: "(1)"

7. Page 4, line 14.
Following: "year."
Insert: "and if requested to do so by the county
commissioners,"

8. Page 4, line 22.
Following: line 21
Insert: "(2) The county commissioners shall inform the
department of revenue in writing by July 15 as to whether
the county wishes to exclude protested values from the tax
base for the purpose of calculating certified mill levies.
The decision of the county commissioners shall apply to all
taxing jurisdictions within the county."

PC3HB704.881


MAZUREK

ADOPT
REJECT

RECEIVED

(CONTINUED)





1 HOUSE BILL NO. 704

2 INTRODUCED BY MARKS, CAMPBELL, WALDRON,
3 JACK MOORE, HARPER, KEYSER, PECK, KOEHNKE

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING ALLOWING THE
6 EXCLUSION OF THE TAXABLE VALUE OF PROPERTY UNDER A PROTEST
7 PROCEEDING FROM THE TAXABLE VALUATION OF A COUNTY,
8 MUNICIPALITY, OR AND A SCHOOL DISTRICT FOR THE PURPOSE OF
9 SETTING PROPERTY TAX LEVIES IF THE TAXABLE VALUE OF SUCH
10 PROPERTY UNDER PROTEST EXCEEDS 5 PERCENT OF THE TAXING
11 JURISDICTION'S TAXABLE VALUATION; PROVIDING THAT PAYMENT TO
12 THE COUNTY, MUNICIPALITY, OR AND SCHOOL DISTRICT FROM THE
13 PROTEST FUND ON SUCH PROPERTY MUST BE USED TO LOWER
14 SUBSEQUENT TAX LEVIES; REQUESTING THE REVENUE OVERSIGHT
15 COMMITTEE TO CONSIDER THE ADVISABILITY OF CREATING A
16 STATEWIDE PROTEST FUND; AMENDING SECTIONS 7-6-2321,
17 7-6-4232, 15-10-202, AND 20-9-142, MCA; AND PROVIDING AN
18 EFFECTIVE DATE."

19
20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

21 Section 1. Section 7-6-2321, MCA, is amended to read:

22 "7-6-2321. Fixing of tax levy. (1) On the second
23 Monday in August and after the approval and adoption of the
24 final budget, the board of county commissioners shall fix
25 the tax levy for each fund at a rate which will raise the

1 amount set out in the budget as the amount necessary to be
2 raised by tax levy for the fund during the current fiscal
3 year. The EXCEPT AS PROVIDED IN SUBSECTION (2), THE taxable
4 valuation of the county for the current fiscal year shall be
5 the basis for determining the amount of the tax levy for
6 each fund. Each tax levy shall be at a rate no higher than
7 is required on that basis, without including any amount for
8 anticipated tax delinquency, to produce the amount set out
9 in the budget, without including any amount for anticipated
10 tax delinquency, as being the amount to be raised by tax
11 levy.

12 (2) (a) The taxable value of property which was
13 protested under the provisions of 15-8-113 through 15-8-115
14 IS THE SUBJECT OF A PROTEST and which remains under protest
15 on the second FIRST Monday in August of the current year
16 must MAY be excluded from the county's taxable valuation IF
17 THE TAXABLE VALUE OF SUCH PROPERTY REMAINING UNDER PROTEST
18 EXCEEDS 5% OF THE COUNTY'S TAXABLE VALUATION in computing
19 mill levies to fund the amounts necessary to be raised under
20 the provisions of subsection (1) or fund amounts necessary
21 under any other provision of law providing for a levy on the
22 taxable valuation of the county or any district or portion
23 thereof.

24 (b) If tax money that was collected on property
25 excluded under subsection (2)(a) is not required to be

1 refunded to the taxpayer from the protest fund at the
 2 conclusion of a protest proceeding, such money must be used
 3 to reduce subsequent property tax levies of the appropriate
 4 funds or levies from which it was previously withheld in
 5 protest, EXCEPT FOR STATEWIDE EDUCATION AND UNIVERSITY MILL
 6 LEVIES. THE COUNTY SHALL CALCULATE SUCH LEVIES BY CREDITING
 7 THE REVENUE FROM RELEASED PROTEST FUNDS DIRECTLY TO THE
 8 REVENUE SECTION OF THE BUDGET AND NOT TO THE CASH RESERVES.
 9 IF THE CREDITING OF SUCH REVENUE REDUCES TO ZERO THE AMOUNT
 10 NECESSARY TO BE RAISED BY TAX LEVY, THE COUNTY TREASURER
 11 SHALL REFUND ANY EXCESS PROTEST FUND REVENUE TO THE
 12 TAXPAYERS. IF A TAXPAYER IS DELINQUENT IN THE PAYMENT OF
 13 PRIOR TAXES, THE COUNTY MAY OFFSET THE DELINQUENCY RATHER
 14 THAN MAKE A REFUND. A COPY OF THE CALCULATIONS MADE IN
 15 FIXING THE TAX LEVIES UNDER THIS SUBSECTION AND CALCULATIONS
 16 OF ANY REFUNDS MUST BE DELIVERED TO THE LEGISLATIVE AUDITOR,
 17 THE OFFICE OF PUBLIC INSTRUCTION, AND THE DEPARTMENT OF
 18 REVENUE.

19 {2}(3) The tax levy shall be made in the manner
 20 provided by 15-10-201."

21 SECTION 2. SECTION 7-6-4232, MCA, I' AMENDED TO READ:

22 "7-6-4232. Fixing of tax levy. (1) On the second
 23 Monday in August and after the approval and adoption of the
 24 final budget, the council shall fix the tax levy for each
 25 fund at a rate, not exceeding limits prescribed by law

1 which will raise the amount set out in the budget as the
 2 amount necessary to be raised by tax levy for that fund
 3 during the current fiscal year. ~~The Except as provided in~~
 4 subsections (2) and (4), the taxable valuation of the city
 5 for the current fiscal year shall be the basis for
 6 determining the amount of the tax levy for each fund, and
 7 each tax levy shall be at a rate no higher than is required
 8 on that basis, without including any amount for anticipated
 9 tax delinquency, to raise the amount set out in the budget.

10 (2) If the council considers that a levy made for a
 11 bond sinking or interest fund will not provide a sufficient
 12 amount to pay all bond principal and interest becoming due
 13 during the current fiscal year or within 6 months after the
 14 current fiscal year because of anticipated tax delinquency,
 15 the council may fix the levy at a rate it considers
 16 necessary to raise the amount for making the payments of
 17 principal and interest over and above the anticipated tax
 18 delinquency.

19 (3) Each levy shall be made in the manner provided by
 20 15-10-201.

21 (4) (a) The taxable value of property which is the
 22 subject of a protest and which remains under protest on the
 23 first Monday in August of the current year ~~must~~ MAY be
 24 excluded from the city's taxable valuation if the taxable
 25 value of such property remaining under protest exceeds 5% of

1 the city's taxable valuation in computing mill levies to
 2 fund the amounts necessary to be raised under the provisions
 3 of subsection (1).

4 (b) If tax money that was collected on property
 5 excluded under subsection (4)(a) is not required to be
 6 refunded to the taxpayer from the protest fund at the
 7 conclusion of a protest proceeding, such money shall be used
 8 to reduce subsequent property tax levies of the appropriate
 9 funds or levies from which it was previously withheld in
 10 protest. The city shall calculate such levies by crediting
 11 the revenue from released protest funds directly to the
 12 revenue section of the budget and not to the cash reserves.
 13 If the crediting of such revenue reduces to zero the amount
 14 necessary to be raised by tax levy, the city shall refund
 15 any excess protest fund revenue to the taxpayers. If a
 16 taxpayer is delinquent in the payment of prior taxes, the
 17 city may offset the delinquency rather than make a refund.
 18 A copy of the calculations made in fixing the tax levies
 19 under this subsection and calculations of any refunds must
 20 be delivered to the legislative auditor, the office of
 21 public instruction, and the department of revenue."

22 Section 3. Section 20-9-142, MCA, is amended to read:
 23 "20-9-142. Fixing and levying taxes by board of county
 24 commissioners. (1) On the second Monday in August, the
 25 county superintendent shall place before the board of county

1 commissioners the final adopted budget of the district and
 2 any emergency budget adopted by the district during the
 3 previous school fiscal year. It shall be the duty of the
 4 board of county commissioners to fix and levy on all the
 5 taxable value of all the real and personal property within
 6 the district, EXCEPT AS PROVIDED IN SUBSECTION (2), all
 7 district and county taxation required to finance, within the
 8 limitations provided by law, the final budget and any
 9 emergency budget of the district.

10 (2) (a) The taxable value of property which was
 11 protested--under-the-provisions-of-15-8-113-through-15-8-115
 12 IS THE SUBJECT OF A PROTEST and which remains under protest
 13 on the second FIRST Monday in August of the current year
 14 must MAY be excluded from the district's taxable valuation
 15 IF THE TAXABLE VALUE OF SUCH PROPERTY REMAINING UNDER
 16 PROTEST EXCEEDS 5% OF THE DISTRICT'S TAXABLE VALUATION in
 17 computing the mill levies to fund the final adopted budget
 18 of the district and any emergency budget adopted by the
 19 district during the previous school fiscal year.

20 (b) If tax money that was collected on property
 21 excluded under subsection (2)(a) is not required to be
 22 refunded to the taxpayer from the protest fund at the
 23 conclusion of a protest proceeding, such money shall be used
 24 to reduce subsequent property tax levies and--may--not--be
 25 added--to--district--reserves. THE DISTRICT SHALL CALCULATE

1 SUCH LEVIES BY CREDITING THE REVENUE FROM RELEASED PROTEST
 2 FUNDS DIRECTLY TO THE REVENUE SECTION OF THE BUDGET AND NOT
 3 TO THE CASH RESERVES. IF THE CREDITING OF SUCH REVENUE
 4 REDUCES TO ZERO THE AMOUNT NECESSARY TO BE RAISED BY TAX
 5 LEVY, THE COUNTY TREASURER SHALL REFUND ON BEHALF OF THE
 6 DISTRICT ANY EXCESS PROTEST FUND REVENUE TO THE TAXPAYERS.
 7 IF A TAXPAYER IS DELINQUENT IN THE PAYMENT OF PRIOR TAXES,
 8 THE COUNTY TREASURER MAY OFFSET THE DELINQUENCY RATHER THAN
 9 MAKE A REFUND. A COPY OF THE CALCULATIONS MADE IN FIXING THE
 10 TAX LEVIES UNDER THIS SUBSECTION AND CALCULATIONS OF ANY
 11 REFUNDS MUST BE DELIVERED TO THE LEGISLATIVE AUDITOR, THE
 12 OFFICE OF PUBLIC INSTRUCTION, AND THE DEPARTMENT OF
 13 REVENUE."

14 SECTION 4. SECTION 15-10-202, MCA, IS AMENDED TO READ:
 15 "15-10-202. Certification of taxable values and
 16 millage rates. (1) At the time that the assessment roll is
 17 prepared and published, the department of revenue shall
 18 certify to each taxing authority the taxable value within
 19 the jurisdiction of the taxing authority. The department
 20 shall also send to each taxing authority a written statement
 21 of its best estimate of the total assessed value of all new
 22 construction and improvements not included on the previous
 23 assessment roll and the value of deletions from the previous
 24 assessment roll. Exclusive of such new construction,
 25 improvements, and deletions, and the taxable value of

1 property which was--protested--under--the--provisions--of
 2 15-8-113--through--15-8-115 IS THE SUBJECT OF A PROTEST and
 3 which remains under protest on the first Monday in August of
 4 the current year IF THE TAXABLE VALUE OF SUCH PROPERTY
 5 REMAINING UNDER PROTEST EXCEEDS 5% OF THAT TAXING
 6 JURISDICTION'S TAXABLE VALUATION, AND IF REQUESTED TO DO SO
 7 BY THE COUNTY COMMISSIONERS, the department shall certify to
 8 each taxing authority a millage rate which will provide the
 9 same ad valorem revenue for each taxing authority as was
 10 levied during the prior year. For the purpose of calculating
 11 the certified millage, the department shall use 95% of the
 12 taxable value appearing on the roll, exclusive of properties
 13 appearing for the first time on the assessment roll.

14 (2) THE COUNTY COMMISSIONERS SHALL INFORM THE
 15 DEPARTMENT OF REVENUE IN WRITING BY JULY 15 AS TO WHETHER
 16 THE COUNTY WISHES TO EXCLUDE PROTESTED VALUES FROM THE TAX
 17 BASE FOR THE PURPOSE OF CALCULATING CERTIFIED MILL LEVIES.
 18 THE DECISION OF THE COUNTY COMMISSIONERS SHALL APPLY TO ALL
 19 TAXING JURISDICTIONS WITHIN THE COUNTY."

20 NEW SECTION. SECTION 5. REVENUE OVERSIGHT COMMITTEE
 21 CONSIDERATION OF ADVISABILITY OF STATEWIDE PROTEST FUND.
 22 THE REVENUE OVERSIGHT COMMITTEE IS REQUESTED TO CONSIDER THE
 23 ADVISABILITY OF CREATING A STATEWIDE PROTEST FUND FOR TAXES
 24 PAID UNDER PROTEST AND TO SUGGEST PROCEDURES FOR PAYMENT
 25 INTO THE FUND, ADMINISTRATION OF THE FUND, PAYMENT OF

1 LITIGATION COSTS ASSOCIATED WITH PROTESTS BASED ON STATE
2 LAW, AND SATISFACTION FROM THE FUND OF JUDGMENTS AGAINST
3 TAXING JURISDICTIONS. IF THE REVENUE OVERSIGHT COMMITTEE
4 ACCEPTS THIS REQUEST, IT SHALL REPORT ITS FINDINGS AND
5 RECOMMENDATIONS AND ANY PROPOSED LEGISLATION TO THE 50TH
6 LEGISLATURE.

7 NEW SECTION. Section 6. Effective date. This act is
8 effective July 1, 1985.

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