

HOUSE BILL 269

Introduced by Koehnke, et al.

|      |  |
|------|--|
| 1/17 | Introduced                               |
| 1/18 | Referred to Taxation                     |
| 3/14 | Hearing                                  |
| 3/21 | Committee Report--Bill Passed as Amended |
| 3/29 | 2nd Reading Do Pass as Amended Failed    |

## CONSTITUTIONAL AMENDMENT

1 *HOUSE* BILL NO. *269*  
2 INTRODUCED BY *Boehner, Insler, Carlisle*  
3 *More* *Connelly*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO SUBMIT TO THE  
5 QUALIFIED ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE VIII  
6 OF THE MONTANA CONSTITUTION TO ESTABLISH RESTRICTIONS ON  
7 STATE AND LOCAL SALES TAXES; AND PROVIDING AN EFFECTIVE  
8 DATE."

9  
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 **Section 1.** Article VIII of The Constitution of the  
12 State of Montana is amended by adding a new section 15 that  
13 reads:

14 **Section 15. Sales tax restrictions.** (1) As used in this  
15 section, "sales tax" means a pecuniary charge levied on the  
16 sale of goods or services that is calculated as a percentage  
17 of the purchase price paid and that is collected by the  
18 seller on behalf of the state or local government.

19 (2) No state sales tax may be enacted, increased in  
20 rate, or expanded to include additional goods or services  
21 unless such action is:

22 (a) adopted by a majority vote in each house of the  
23 legislature; and

24 (b) approved by the electorate at the next general  
25 election following adoption by the legislature.

1 (3) The legislature or the people, by initiative or  
2 referendum, may abolish a state sales tax, decrease its  
3 rate, or limit its coverage of any goods or services.

4 (4) No local option sales tax may be enacted,  
5 increased in rate, or expanded to include additional goods  
6 or services unless a local option sales tax is:

7 (a) provided for by law;

8 (b) authorized by a unit of local government  
9 established by law under Article XI, section 1, of the  
10 Montana constitution; and

11 (c) approved by the electors of the local government  
12 unit at the next general election following authorization of  
13 the tax by the governing body of that local government.

14 (5) A local government or the people, by initiative or  
15 referendum, may abolish a local option sales tax, decrease  
16 its rate, or limit its coverage of any goods or services,  
17 provided that revenue from a local option sales tax is not  
18 pledged as payment on bonds or other debts.

19 (6) The legislature may by law authorize, prohibit,  
20 restrict, and regulate local option sales taxes as provided  
21 for by this section.

22 NEW SECTION. **Section 2.** Effective date. If approved  
23 by the electorate, this amendment is effective January 1,  
24 1991.

25 NEW SECTION. **Section 3.** Submission to electorate.

LC 0447/01

1 This amendment shall be submitted to the qualified electors  
2 of Montana at the general election to be held in November  
3 1990 by printing on the ballot the full title of this act  
4 and the following:

5 ☐ FOR establishing restrictions on state and local  
6 option sales taxes.

7 ☐ AGAINST establishing restrictions on state and local  
8 option sales taxes.

-End-

APPROVED BY COMMITTEE  
ON TAXATION

1 HOUSE BILL NO. 269  
2 INTRODUCED BY KOEHNKE, DRISCOLL,  
3 PAVLOVICH, MOORE, CONNELLY  
4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO SUBMIT TO THE  
6 QUALIFIED ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE VIII  
7 OF THE MONTANA CONSTITUTION TO ESTABLISH RESTRICTIONS ON  
8 STATE AND LOCAL SALES TAXES; AND PROVIDING AN EFFECTIVE  
9 DATE."  
10  
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
12 **Section 1.** Article VIII of The Constitution of the  
13 State of Montana is amended by adding a new section 15 that  
14 reads:  
15 Section 15. Sales tax restrictions. (1) As used in this  
16 section, "sales tax" means a pecuniary charge levied on the  
17 sale OR USE of goods or services that is calculated as a  
18 percentage of the purchase price paid and that is collected  
19 by the seller on behalf of the state or local government.  
20 (2) No state STATEWIDE GENERAL sales tax may be  
21 enacted~~7--increased--in--rate,--or---expanded---to---include~~  
22 ~~additional-goods-or-services-unless-such-action-is:~~  
23 ~~{a)--adopted--by--a--majority-vote-in-each-house-of-the~~  
24 ~~legislature,--and~~  
25 ~~{b} UNLESS~~ approved by the electorate at the next

1 general election following adoption by the legislature.  
2 (3) NO STATEWIDE GENERAL SALES TAX MAY BE INCREASED IN  
3 RATE OR EXPANDED TO INCLUDE ADDITIONAL GOODS OR SERVICES  
4 UNLESS SUCH ACTION IS:  
5 (A) ADOPTED BY A VOTE OF TWO-THIRDS OF THE MEMBERS OF  
6 EACH HOUSE OF THE LEGISLATURE; OR  
7 (B) APPROVED BY THE ELECTORATE.  
8 ~~{3}{4}~~ The legislature or the people, by initiative or  
9 referendum, may abolish a state sales tax, decrease its  
10 rate, or limit its coverage of any goods or services.  
11 ~~{4}{5}~~ No local option sales tax may be enacted,  
12 increased in rate, or expanded to include additional goods  
13 or services unless a local option sales tax is:  
14 (a) provided for by law;  
15 (b) authorized by a unit of local government  
16 established by law under Article XI, section 1, of the  
17 Montana constitution; and  
18 (c) approved by the electors of the local government  
19 unit at the next general election following authorization of  
20 the tax by the governing body of that local government.  
21 ~~{5}{6}~~ A local government or the people, by initiative  
22 or referendum, may abolish a local option sales tax,  
23 decrease its rate, or limit its coverage of any goods or  
24 services, provided that revenue from a local option sales  
25 tax is not pledged as payment on bonds or other debts.

1       ~~(6)~~(7) The legislature may by law authorize, prohibit,  
2       restrict, and regulate local option sales taxes as provided  
3       for by this section.

4       NEW SECTION. Section 2. Effective date. If approved  
5       by the electorate, this amendment is effective January 1,  
6       1991.

7       NEW SECTION. SECTION 3. GENERAL TRANSITION. ALL  
8       STATEWIDE AND LOCAL OPTION GENERAL OR SPECIFIC ITEM SALES  
9       TAX LAWS IN EFFECT ON DECEMBER 31, 1990, REMAIN IN EFFECT,  
10      AS IF [THIS ACT] HAD NOT BEEN ADOPTED, UNTIL THEY EXPIRE BY  
11      THEIR OWN LIMITATIONS OR ARE ALTERED OR REPEALED AS PROVIDED  
12      BY LAW.

13      NEW SECTION. Section 4. Submission to electorate.  
14      This amendment shall be submitted to the qualified electors  
15      of Montana at the general election to be held in November  
16      1990 by printing on the ballot the full title of this act  
17      and the following:

18      ☐ FOR establishing restrictions on state ~~and--local~~  
19      option sales taxes. AS FOLLOWS:

20      (1) REQUIRING A VOTE OF THE PEOPLE BEFORE ANY  
21      STATEWIDE GENERAL SALES TAX IS ENACTED; AND

22      (2) ONCE ENACTED, REQUIRING A VOTE OF THE PEOPLE OR A  
23      TWO-THIRDS VOTE OF EACH HOUSE OF THE LEGISLATURE BEFORE A  
24      STATEWIDE GENERAL SALES TAX MAY BE INCREASED IN RATE OR  
25      EXPANDED TO INCLUDE ADDITIONAL GOODS OR SERVICES.

1       ☐ AGAINST establishing restrictions on state ~~and-local~~  
2       option sales taxes. AS FOLLOWS:

3       (1) REQUIRING A VOTE OF THE PEOPLE BEFORE ANY  
4       STATEWIDE GENERAL SALES TAX IS ENACTED; AND  
5       (2) ONCE ENACTED, REQUIRING A VOTE OF THE PEOPLE OR A  
6       TWO-THIRDS VOTE OF EACH HOUSE OF THE LEGISLATURE BEFORE A  
7       STATEWIDE GENERAL SALES TAX MAY BE INCREASED IN RATE OR  
8       EXPANDED TO INCLUDE ADDITIONAL GOODS OR SERVICES.

-End-