

HOUSE BILL 725

Introduced by Ramirez, et al.

2/15	Introduced
2/16	Referred to Taxation
3/20	Hearing
3/28	Motion Failed to Take From Committee
	Died in Committee

## CONSTITUTIONAL AMENDMENT

1 HOUSE BILL NO. 725  
2 INTRODUCED BY Ramirez  
3  
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 THAT WOULD ESTABLISH LIMITATIONS  
7 ON THE GROWTH OF TOTAL STATE TAXES FOR EACH FISCAL YEAR; AND  
8 PROVIDING AN EFFECTIVE 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. Limitations on growth of state taxation.**  
15 (1) For the fiscal year beginning July 1, 1991, and for each  
16 succeeding fiscal year, the legislature may not, except as  
17 provided in this section, impose and collect taxes and fees  
18 in excess of the state base-year revenue, as defined in  
19 subsection (6), adjusted for each subsequent fiscal year to  
20 take into account inflation and changes in population and  
21 personal income that occur between fiscal years. In no case  
22 may the total state tax revenue be permitted to grow at a  
23 rate that exceeds the growth rate of total personal income  
24 in this state. The legislature shall pass laws to implement  
25 the provisions of this subsection.

1 (2) The revenue limit established in subsection (1) may  
2 be exceeded only if the legislature declares a fiscal  
3 emergency by a two-thirds vote of each house.

4 (3) If laws passed after July 1, 1991, transfer revenue  
5 to local governments for the replacement of local taxes and  
6 fees, the revenue limit established under subsection (1)  
7 must be adjusted accordingly.

8 (4) The state may not impose increased expenditure  
9 requirements on local governments and other political  
10 subdivisions by a law of general application unless the  
11 legislature expressly designates the manner and means by  
12 which the increase will be funded, which may include  
13 cost-sharing by the state.

14 (5) If the state transfers responsibility for funding a  
15 program from one level of government to another, the revenue  
16 limit established under subsection (1) must be adjusted  
17 accordingly.

18 (6) As used in this section, "state base-year revenue"  
19 includes all general and special revenue for the fiscal year  
20 beginning July 1, 1989, but does not include federal funds;  
21 bond proceeds; gifts; and employer contributions, premiums,  
22 and other payments to the state under unemployment  
23 compensation and workers' compensation laws.

24 (7) Taxes collected in excess of the limitations  
25 provided in this section must be refunded or tax rates must

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1 be reduced to eliminate excess collections within the next  
2 fiscal year as provided by law.

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

5 NEW SECTION **Section 3.** Submission to electorate. This  
6 amendment shall be submitted to the qualified electors of  
7 Montana at the general election to be held November 6, 1990,  
8 by printing on the ballot the full title of this act and the  
9 following:

- 10 ☐ FOR setting limits on the growth of total state  
11 taxes for each fiscal year.  
12 ☐ AGAINST setting limits on the growth of total state  
13 taxes for each fiscal year.

-End-