

SENATE BILL NO. 287

INTRODUCED BY LYNCH, HARRINGTON, NORMAN, BLAYLOCK, MOORE,
CONNELLY, COHEN, ANDERSON, WHALEN, MEYER, WALKER, STICKNEY,
WYATT, VAN VALKENBURG, MANNING, QUILICI, PIPINICH, GRADY,
DAILY, MAZUREK, PAVLOVICH, STRIZICH, FARRELL, HALLIGAN,
YELLOWTAIL, BECK, HARPER, MCLANE, GAGE, VAUGHN, STIMATZ,
JACOBSON, CRIPPEN, RASMUSSEN, MENAHAN, ECK, B. BROWN,
HARP, RAPP-SVRCEK, HAGER, THAYER, BISHOP, ADDY,
BARDANOUVE, VINCENT, HIMSL, DRISCOLL, BACHINI,
SQUIRES, MCDONOUGH, COCCHIARELLA, J. BROWN, KOEHNKE,
DAVIS, BROOKE, O'CONNELL, MCCORMICK, GERVAIS, KIMBERLEY,
RUSSELL, JOHNSON, KILPATRICK, D. BROWN, NISBET

IN THE SENATE

JANUARY 30, 1989

INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

FIRST READING.

FEBRUARY 13, 1989

COMMITTEE RECOMMEND BILL
DO PASS AS AMENDED. REPORT ADOPTED.

FEBRUARY 14, 1989

PRINTING REPORT.

FEBRUARY 15, 1989

SECOND READING, DO PASS.

FEBRUARY 16, 1989

ENGROSSING REPORT.

FEBRUARY 17, 1989

THIRD READING, PASSED.
AYES, 38; NOES, 12.

TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 17, 1989

INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

FEBRUARY 20, 1989

FIRST READING.

MARCH 8, 1989

COMMITTEE RECOMMEND BILL BE
CONCURRED IN AS AMENDED. REPORT
ADOPTED.

MARCH 11, 1989

SECOND READING, CONCURRED IN.

MARCH 14, 1989

THIRD READING, CONCURRED IN.
AYES, 50; NOES, 49.

RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

APRIL 4, 1989

RECEIVED FROM HOUSE.

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 6, 1989

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *Whalen* *Connelly*
 2 *McNair* *Anderson* *Moore*
 3 *Van Valkenburg* *Farley* *Ward* *Carroll*
 4 *Richard E. Manning* *John* *Robert* *Carlson*
 5 *Barrett* *Yellowhair* *Beck* *Hagan* *McGinnis*
 6 *Thomas* *Garcia* *Rogers* *Monahan*
 7 *Bob Brown* *HARV* *Roy* *Hager* *Realy* *Polley*
 8 *Bartholomew* *Vincent* *Hissel* *Arvidson* *Brookner*
 9 *Quinn* *Wm* *Cochran* *G. Brown* *Franklin* *Davis*
 10 *Frank* *O'Connell* *W. H. Smith* *Howan* *Thompson* *Ward*
 11 *Robert* *Don* *Brum* *Nash*
 12 15-10-402, 17-7-502, 20-15-311, AND 20-16-205, MCA;
 13 REPEALING SECTION 20-16-207, MCA; AND PROVIDING AN EFFECTIVE
 14 DATE AND A RETROACTIVE APPLICABILITY DATE FOR THE TAX LEVY."
 15
 16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

17 NEW SECTION. **Section 1. Tax levy for vocational and**
 18 **technical education.** (1) There is levied annually upon the
 19 taxable value of all real and personal property subject to
 20 taxation in the state of Montana 2 mills for the support and
 21 maintenance of vocational and technical education. The
 22 revenue from the 2-mill levy must be distributed as follows:
 23 (a) not more than 2% of the total revenue collected
 24 from the mill levy to the center for vocational education
 25 research, curriculum, and personnel development at northern

1 Montana college in Havre; and

2 (b) the remainder to the vocational-technical center
 3 system and community college districts of Montana.

4 (2) The funds raised from the 2-mill levy are
 5 statutorily appropriated, as provided in 17-7-502, to the
 6 board of regents for the purposes set forth in subsection
 7 (1).

8 **Section 2.** Section 15-10-402, MCA, is amended to read:

9 "15-10-402. Property tax limited to 1986 levels. (1)
 10 Except as provided in subsections (2) and (3) through (4),
 11 the amount of taxes levied on property described in
 12 15-6-133, 15-6-134, 15-6-136, 15-6-139, 15-6-142, and
 13 15-6-144 may not, for any taxing jurisdiction, exceed the
 14 amount levied for taxable year 1986.

15 (2) The limitation contained in subsection (1) does
 16 not apply to levies for rural improvement districts, Title
 17 7, chapter 12, part 21; special improvement districts, Title
 18 7, chapter 12, part 41; or bonded indebtedness.

19 (3) The limitation contained in subsection (1) does
 20 not apply to the 2-mill levy imposed in [section 1] for the
 21 support and maintenance of vocational and technical
 22 education.

23 (3)(4) New construction or improvements to or
 24 deletions from property described in subsection (1) are
 25 subject to taxation at 1986 levels.

1 ~~(4)~~(5) As used in this section, the "amount of taxes
2 levied" and the "amount levied" mean the actual dollar
3 amount of taxes imposed on an individual piece of property,
4 notwithstanding an increase or decrease in value due to
5 inflation, reappraisal, adjustments in the percentage
6 multiplier used to convert appraised value to taxable value,
7 changes in the number of mills levied, or increase or
8 decrease in the value of a mill."

9 **Section 3.** Section 17-7-502, MCA, is amended to read:

10 "17-7-502. Statutory appropriations -- definition --
11 requisites for validity. (1) A statutory appropriation is an
12 appropriation made by permanent law that authorizes spending
13 by a state agency without the need for a biennial
14 legislative appropriation or budget amendment.

15 (2) Except as provided in subsection (4), to be
16 effective, a statutory appropriation must comply with both
17 of the following provisions:

18 (a) The law containing the statutory authority must be
19 listed in subsection (3).

20 (b) The law or portion of the law making a statutory
21 appropriation must specifically state that a statutory
22 appropriation is made as provided in this section.

23 (3) The following laws are the only laws containing
24 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
25 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; [section

1 11; 15-25-123; 15-31-702; 15-36-112; 15-65-121; 15-70-101;
2 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-424;
3 17-5-804; 19-8-504; 19-9-702; 19-9-1007; 19-10-205;
4 19-10-305; 19-10-506; 19-11-512; 19-11-513; 19-11-606;
5 19-12-301; 19-13-604; 20-4-109; 20-6-406; 20-8-111;
6 23-5-610; 23-5-1027; 33-31-212; 33-31-401; 37-51-501;
7 39-71-2504; 53-6-150; 53-24-206; 67-3-205; 75-1-1101;
8 75-7-305; 76-12-123; 80-2-103; 80-2-228; 82-11-136;
9 90-3-301; 90-3-302; 90-3-412; 90-4-215; 90-9-306; 90-15-103;
10 section 13, House Bill No. 861, Laws of 1985; and section 1,
11 Chapter 454, Laws of 1987.

12 (4) There is a statutory appropriation to pay the
13 principal, interest, premiums, and costs of issuing, paying,
14 and securing all bonds, notes, or other obligations, as due,
15 that have been authorized and issued pursuant to the laws of
16 Montana. Agencies that have entered into agreements
17 authorized by the laws of Montana to pay the state
18 treasurer, for deposit in accordance with 17-2-101 through
19 17-2-107, as determined by the state treasurer, an amount
20 sufficient to pay the principal and interest as due on the
21 bonds or notes have statutory appropriation authority for
22 such payments. (In subsection (3): pursuant to sec. 15, Ch.
23 607, L. 1987, the inclusion of 15-65-121 terminates June 30,
24 1989; pursuant to sec. 10, Ch. 664, L. 1987, the inclusion
25 of 39-71-2504 terminates June 30, 1991; and pursuant to sec.

1 6, Ch. 454, L. 1987, the inclusion of sec. 1, Ch. 454, L.
2 1987, terminates July 1, 1988.)"

3 **Section 4.** Section 20-15-311, MCA, is amended to read:

4 "20-15-311. Funding sources. The annual operating
5 budget of a community college district shall be financed
6 from the following sources:

7 (1) the estimated revenues to be realized from student
8 tuition and fees, except those related to community service
9 courses as defined by the board of regents;

10 (2) a mandatory mill levy on the community college
11 district;

12 (3) the 1-mill adult education levy authorized under
13 provisions of 20-15-305;

14 (4) the state general fund appropriation;

15 (5) an optional voted levy on the community college
16 district that shall be submitted to the electorate in
17 accordance with general school election laws;

18 (6) all other income, revenue, balances, or reserves
19 not restricted by a source outside the community college
20 district to a specific purpose;

21 (7) income, revenue, balances, or reserves restricted
22 by a source outside the community college district to a
23 specific purpose. Student fees paid for community service
24 courses as defined by the board of regents and revenue from
25 the 2-mill levy imposed in [section 1] shall be considered

1 restricted to a specific purpose;

2 (8) income from a political subdivision that is
3 designated a community college service region under
4 20-15-241."

5 **Section 5.** Section 20-16-205, MCA, is amended to read:

6 "20-16-205. Tuition rates. (1) Tuition may be charged
7 to any resident or nonresident of the state of Montana by
8 the director of any vocational-technical center at rates to
9 be determined by the board of regents ~~and the provisions of~~
10 ~~subsection--(3).~~ The board of regents shall prescribe
11 permissible uses for any tuition authorized.

12 (2) For the purposes of this section, the eligibility
13 of a student for resident status shall be determined in the
14 same manner as that prescribed for use by the Montana
15 university system, except that those provisions referring to
16 "high school graduates" or "graduation from high school"
17 shall be considered to refer to a person who has attended
18 school or who was in attendance at a school.

19 ~~(3)--If an additional levy for a center is approved~~
20 ~~under 20-16-207, the board of regents may charge an~~
21 ~~additional tuition amount not to exceed \$40 a quarter to a~~
22 ~~student at the center who is a resident of Montana but who~~
23 ~~is not a property taxpayer of the county or an owner of a~~
24 ~~vehicle registered within the county where the center is~~
25 ~~located;~~"

1 NEW SECTION. **Section 6.** Repealer. Section 20-16-207,
2 MCA, is repealed.

3 NEW SECTION. **Section 7.** Extension of authority. Any
4 existing authority to make rules on the subject of the
5 provisions of [this act] is extended to the provisions of
6 [this act].

7 NEW SECTION. **Section 8.** Codification instruction.
8 [Section 1] is intended to be codified as an integral part
9 of Title 15, chapter 10, part 1, and the provisions of Title
10 15, chapter 10, part 1, apply to [section 1].

11 NEW SECTION. **Section 9.** Retroactive applicability.
12 [Section 1] applies retroactively, within the meaning of
13 1-2-109, to taxable years beginning after December 31, 1988.

14 NEW SECTION. **Section 10.** Effective date. [This act]
15 is effective July 1, 1989.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB287, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act imposing a 2-mill levy upon the taxable value of all real and personal property subject to taxation in Montana for the support and maintenance of vocational and technical education; replacing revenue from the school district levy for vocational-technical centers; providing for the restricted use of the statewide mill levy at community colleges; providing a statutory appropriation; and providing an effective date and a retroactive applicability date for the tax levy.


ASSUMPTIONS:

1. The taxable value of the state will be \$1,899,969,000 in FY90 and \$1,869,831,000 in FY91 (REAC).

FISCAL IMPACT:

The proposal would generate an additional \$3,799,938 in FY90 and \$3,739,662 in FY91 for the support and maintenance of vocational and technical education. The revenue would be distributed in accordance with the attached schedule. (see back of fiscal note)

The proposal would not impact university or school equalization revenues.

 2/4/89
RAY SHACKLEFORD, BUDGET DIRECTOR DATE
OFFICE OF BUDGET AND PROGRAM PLANNING

 2-6-89
JOHN D. LYNCH, PRIMARY SPONSOR DATE

Fiscal Note for SB287, as introduced

SB 287

STATEWIDE 2-MILL PROJECTIONS

FY 90-91 BIENNIUM

	FY 90	FY 91
Taxable Valuation of the State	\$1,899,969,000	\$1,869,831,000
2-Mill Projection	3,799,938	3,739,662
2% allocation to NMC	75,999	74,793
2-Mill balance to be distributed	3,723,939	3,664,869

ALLOCATION TO VO-TECHS & COMMUNITY COLLEGES

BASED ON FY 88 VOCATIONAL TECHNICAL STUDENT FTE

	FY FTE	FY 90	FY 91
Billings Vo-Tech	398	\$509,848	\$501,760
Butte Vo-Tech	395	506,005	497,978
Great Falls Vo-Tech	473	605,925	596,313
Helena Vo-Tech	577	739,151	727,427
Missoula Vo-Tech	487	623,859	613,963
Dawson Community College	118	151,161	148,763
Flathead Community College	322	412,490	405,947
Miles Community College	137	175,500	172,717
	----- 2,907 =====	----- \$3,723,939 =====	----- \$3,664,869 =====

SB287

APPROVED BY COMMITTEE
ON TAXATION

SENATE BILL NO. 287

INTRODUCED BY LYNCH, HARRINGTON, NORMAN, BLAYLOCK, MOORE,
CONNELLY, COHEN, ANDERSON, WHALEN, MEYER, WALKER, STICKNEY,
WYATT, VAN VALKENBURG, MANNING, QUILICI, PIPINICH, GRADY,
DAILY, MAZUREK, PAVLOVICH, STRIZICH, FARRELL, HALLIGAN,
YELLOWTAIL, BECK, HARPER, MCLANE, GAGE, VAUGHN, STIMATZ,
JACOBSON, CRIPPEN, RASMUSSEN, MENAHAN, ECK, B. BROWN,
HARP, RAPP-SVRCEK, HAGER, THAYER, BISHOP, ADDY,
BARDANOUE, VINCENT, HIMSL, DRISCOLL, BACHINI,
SQUIRES, MCDONOUGH, COCCHIARELLA, J. BROWN, KOEHNKE,
DAVIS, BROOKE, O'CONNELL, MCCORMICK, GERVAIS, KIMBERLEY,
RUSSELL, JOHNSON, KILPATRICK, D. BROWN, NISBET

A BILL FOR AN ACT ENTITLED: "AN ACT IMPOSING A 2-MILL LEVY
UPON THE TAXABLE VALUE OF ALL REAL AND PERSONAL PROPERTY
SUBJECT TO TAXATION IN MONTANA FOR THE SUPPORT AND
MAINTENANCE OF VOCATIONAL AND TECHNICAL EDUCATION; REPLACING
REVENUE FROM THE SCHOOL DISTRICT LEVY FOR
VOCATIONAL-TECHNICAL CENTERS; PROVIDING FOR THE RESTRICTED
USE OF THE STATEWIDE MILL LEVY AT COMMUNITY COLLEGES;
~~PROVIDING--A--STATUTORY--APPROPRIATION;~~ AMENDING SECTIONS
15-10-402, 17-7-502, 20-15-311, AND 20-16-205, MCA;
REPEALING SECTION 20-16-207, MCA; AND PROVIDING AN EFFECTIVE
DATE AND A RETROACTIVE APPLICABILITY DATE FOR THE TAX LEVY."

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

NEW SECTION. **Section 1.** Tax levy for vocational and
technical education. (1) There is levied annually upon the
taxable value of all real and personal property subject to
taxation in the state of Montana 2 mills for the support and
maintenance of vocational and technical education. The
revenue from the 2-mill levy must be distributed as follows:

(a) not more than 2% of the total revenue collected
from the mill levy to the center for vocational education
research, curriculum, and personnel development at northern
Montana college in Havre; and

(b) the remainder to the vocational-technical center
system and community college districts of Montana.

(2) The funds raised from the 2-mill levy are
statutorily appropriated, as provided in 17-7-502, to the
board of regents for the purposes set forth in subsection
(1).

Section 2. Section 15-10-402, MCA, is amended to read:

"15-10-402. Property tax limited to 1986 levels. (1)
Except as provided in subsections (2) and (3) through (4),
the amount of taxes levied on property described in
15-6-133, 15-6-134, 15-6-136, 15-6-139, 15-6-142, and
15-6-144 may not, for any taxing jurisdiction, exceed the
amount levied for taxable year 1986.

(2) The limitation contained in subsection (1) does

1 not apply to levies for rural improvement districts, Title
2 7, chapter 12, part 21; special improvement districts, Title
3 7, chapter 12, part 41; or bonded indebtedness.

4 (3) The limitation contained in subsection (1) OR IN
5 15-10-411 does not apply to the 2-mill levy imposed in
6 [section 1] for the support and maintenance of vocational
7 and technical education.

8 (3)(4) New construction or improvements to or
9 deletions from property described in subsection (1) are
10 subject to taxation at 1986 levels.

11 (4)(5) As used in this section, the "amount of taxes
12 levied" and the "amount levied" mean the actual dollar
13 amount of taxes imposed on an individual piece of property,
14 notwithstanding an increase or decrease in value due to
15 inflation, reappraisal, adjustments in the percentage
16 multiplier used to convert appraised value to taxable value,
17 changes in the number of mills levied, or increase or
18 decrease in the value of a mill."

19 ~~Section 3. Section 17-7-502, MCA, is amended to read:~~

20 ~~"17-7-502. Statutory appropriations----definition----~~
21 ~~requisites--for--validity;--(1) A statutory appropriation is~~
22 ~~an appropriation made by permanent law that authorizes~~
23 ~~spending by a state agency without the need for a biennial~~
24 ~~legislative appropriation or budget amendment;~~

25 ~~(2)--Except--as--provided--in--subsection--(4)--to--be~~

1 ~~effective;--a--statutory appropriation must comply with both~~
2 ~~of the following provisions:~~

3 ~~(a)--The law containing the statutory authority must be~~
4 ~~listed in subsection (3);~~

5 ~~(b)--The law or portion of the law making a statutory~~
6 ~~appropriation must specifically state that a statutory~~
7 ~~appropriation is made as provided in this section;~~

8 ~~(3)--The following laws are the only laws containing~~
9 ~~statutory appropriations:--2-9-202;--2-17-105;--2-18-812;~~
10 ~~10-3-203;--10-3-312;--10-3-314;--10-4-301;--13-37-304; (section~~
11 ~~11) 15-25-123;--15-31-702;--15-36-112;--15-65-121;--15-70-101;~~
12 ~~16-1-404;--16-1-410;--16-1-411;--17-3-212;--17-5-404;--17-5-424;~~
13 ~~17-5-804;--19-8-504;--19-9-702;--19-9-1007;--19-10-205;~~
14 ~~19-10-305;--19-10-506;--19-11-512;--19-11-513;--19-11-606;~~
15 ~~19-12-301;--19-13-604;--20-4-109;--20-6-406;--20-8-111;~~
16 ~~23-5-610;--23-5-1027;--33-31-212;--33-31-401;--37-51-501;~~
17 ~~39-71-2504;--53-6-150;--53-24-206;--67-3-205;--75-1-1101;~~
18 ~~75-7-305;--76-12-123;--80-2-103;--80-2-220;--82-11-136;~~
19 ~~90-3-301;--90-3-302;--90-3-412;--90-4-215;--90-9-306;--90-15-103;~~
20 ~~section 137, House Bill No. 861, Laws of 1985; and section 17~~
21 ~~Chapter 454, Laws of 1987;~~

22 ~~(4)--There is a statutory appropriation to pay the~~
23 ~~principal interest, premiums, and costs of issuing, paying,~~
24 ~~and securing all bonds, notes, or other obligations, as due,~~
25 ~~that have been authorized and issued pursuant to the laws of~~

1 Montana--Agencies--that--have---entered---into---agreements
 2 authorized---by--the--laws--of--Montana--to--pay--the--state
 3 treasurer--for--deposit--in--accordance--with--17-2-101--through
 4 17-2-107--as--determined--by--the--state--treasurer--an--amount
 5 sufficient--to--pay--the--principal--and--interest--as--due--on--the
 6 bonds--or--notes--have--statutory--appropriation--authority--for
 7 such--payments--{in--subsection--(3)}--pursuant--to--sec--157-Ch-
 8 607--B--1987--the--inclusion--of--15-65-121--terminates--June--30--
 9 1989--pursuant--to--sec--107-Ch--664--B--1987--the--inclusion
 10 of--39-71-2504--terminates--June--30--1991--and--pursuant--to--sec--
 11 67--Ch--454--B--1987--the--inclusion--of--sec--17-Ch--454--B--
 12 1987--terminates--July--1--1988--}"

13 **Section 3.** Section 20-15-311, MCA, is amended to read:

14 "20-15-311. Funding sources. The annual operating
 15 budget of a community college district shall be financed
 16 from the following sources:

17 (1) the estimated revenues to be realized from student
 18 tuition and fees, except those related to community service
 19 courses as defined by the board of regents;

20 (2) a mandatory mill levy on the community college
 21 district;

22 (3) the 1-mill adult education levy authorized under
 23 provisions of 20-15-305;

24 (4) the state general fund appropriation;

25 (5) an optional voted levy on the community college

1 district that shall be submitted to the electorate in
 2 accordance with general school election laws;

3 (6) all other income, revenue, balances, or reserves
 4 not restricted by a source outside the community college
 5 district to a specific purpose;

6 (7) income, revenue, balances, or reserves restricted
 7 by a source outside the community college district to a
 8 specific purpose. Student fees paid for community service
 9 courses as defined by the board of regents and revenue from
 10 the 2-mill levy imposed in [section 1] shall be considered
 11 restricted to a specific purpose;

12 (8) income from a political subdivision that is
 13 designated a community college service region under
 14 20-15-241."

15 **Section 4.** Section 20-16-205, MCA, is amended to read:

16 "20-16-205. Tuition rates. (1) Tuition may be charged
 17 to any resident or nonresident of the state of Montana by
 18 the director of any vocational-technical center at rates to
 19 be determined by the board of regents ~~and the provisions of~~
 20 ~~subsection--(3).~~ The board of regents shall prescribe
 21 permissible uses for any tuition authorized.

22 (2) For the purposes of this section, the eligibility
 23 of a student for resident status shall be determined in the
 24 same manner as that prescribed for use by the Montana
 25 university system, except that those provisions referring to

1 "high school graduates" or "graduation from high school"
2 shall be considered to refer to a person who has attended
3 school or who was in attendance at a school.

4 ~~{3}--If-an-additional-levy-for--a-center--is--approved~~
5 ~~under---20-16-207,--the--board--of--regents--may--charge--an~~
6 ~~additional-tuition-amount-not-to-exceed-\$40-a-quarter--to--a~~
7 ~~student--at--the-center-who-is-a-resident-of-Montana-but-who~~
8 ~~is-not-a-property-taxpayer-of-the-county-or-an-owner--of--a~~
9 ~~vehicle--registered--within--the--county-where-the-center-is~~
10 ~~located:--"~~

11 NEW SECTION. Section 5. Repealer. Section 20-16-207,
12 MCA, is repealed.

13 NEW SECTION. Section 6. Extension of authority. Any
14 existing authority to make rules on the subject of the
15 provisions of [this act] is extended to the provisions of
16 [this act].

17 NEW SECTION. Section 7. Codification instruction.
18 [Section 1] is intended to be codified as an integral part
19 of Title 15, chapter 10, part 1, and the provisions of Title
20 15, chapter 10, part 1, apply to [section 1].

21 NEW SECTION. Section 8. Retroactive applicability.
22 [Section 1] applies retroactively, within the meaning of
23 1-2-109, to taxable years beginning after December 31, 1988.

24 NEW SECTION. Section 9. Effective date. [This act] is
25 effective July 1, 1989.

-End-

SENATE BILL NO. 287

INTRODUCED BY LYNCH, HARRINGTON, NORMAN, BLAYLOCK, MOORE,
CONNELLY, COHEN, ANDERSON, WHALEN, MEYER, WALKER, STICKNEY,
WYATT, VAN VALKENBURG, MANNING, QUILICI, PIPINICH, GRADY,
DAILY, MAZUREK, PAVLOVICH, STRIZICH, FARRELL, HALLIGAN,
YELLOWTAIL, BECK, HARPER, MCLANE, GAGE, VAUGHN, STIMATZ,
JACOBSON, CRIPPEN, RASMUSSEN, MENAHAN, ECK, B. BROWN,
HARP, RAPP-SVRCEK, HAGER, THAYER, BISHOP, ADDY,
BARDANOUE, VINCENT, HIMSL, DRISCOLL, BACHINI,
SQUIRES, MCDONOUGH, COCCHIARELLA, J. BROWN, KOEHNKE,
DAVIS, BROOKE, O'CONNELL, MCCORMICK, GERVAIS, KIMBERLEY,
RUSSELL, JOHNSON, KILPATRICK, D. BROWN, NISBET

A BILL FOR AN ACT ENTITLED: "AN ACT IMPOSING A 2-MILL LEVY
UPON THE TAXABLE VALUE OF ALL REAL AND PERSONAL PROPERTY
SUBJECT TO TAXATION IN MONTANA FOR THE SUPPORT AND
MAINTENANCE OF VOCATIONAL AND TECHNICAL EDUCATION; REPLACING
REVENUE FROM THE SCHOOL DISTRICT LEVY FOR
VOCATIONAL-TECHNICAL CENTERS; PROVIDING FOR THE RESTRICTED
USE OF THE STATEWIDE MILL LEVY AT COMMUNITY COLLEGES;
PROVIDING--A--STATUTORY--APPROPRIATION; AMENDING SECTIONS
15-10-402, 17-7-502, 20-15-311, AND 20-16-205, MCA;
REPEALING SECTION 20-16-207, MCA; AND PROVIDING AN EFFECTIVE
DATE AND A RETROACTIVE APPLICABILITY DATE FOR THE TAX LEVY."

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

NEW SECTION. Section 1. Tax levy for vocational and technical education. (1) There is levied annually upon the taxable value of all real and personal property subject to taxation in the state of Montana 2 mills for the support and maintenance of vocational and technical education. The revenue from the 2-mill levy must be distributed as follows:

(a) not more than 2% of the total revenue collected from the mill levy to the center for vocational education research, curriculum, and personnel development at northern Montana college in Havre; and

(b) the remainder to the vocational-technical center system and community college districts of Montana.

(2) The funds raised from the 2-mill levy are statutorily appropriated, as provided in 17-7-502, to the board of regents for the purposes set forth in subsection (1).

Section 2. Section 15-10-402, MCA, is amended to read:

"15-10-402. Property tax limited to 1986 levels. (1) Except as provided in subsections (2) and (3) through (4), the amount of taxes levied on property described in 15-6-133, 15-6-134, 15-6-136, 15-6-139, 15-6-142, and 15-6-144 may not, for any taxing jurisdiction, exceed the amount levied for taxable year 1986.

(2) The limitation contained in subsection (1) does

1 not apply to levies for rural improvement districts, Title
2 7, chapter 12, part 21; special improvement districts, Title
3 7, chapter 12, part 41; or bonded indebtedness.

4 (3) The limitation contained in subsection (1) OR IN
5 15-10-411 does not apply to the 2-mill levy imposed in
6 [section 1] for the support and maintenance of vocational
7 and technical education.

8 {3}(4) New construction or improvements to or
9 deletions from property described in subsection (1) are
10 subject to taxation at 1986 levels.

11 {4}(5) As used in this section, the "amount of taxes
12 levied" and the "amount levied" mean the actual dollar
13 amount of taxes imposed on an individual piece of property,
14 notwithstanding an increase or decrease in value due to
15 inflation, reappraisal, adjustments in the percentage
16 multiplier used to convert appraised value to taxable value,
17 changes in the number of mills levied, or increase or
18 decrease in the value of a mill."

19 **Section 3.** ~~Section 17-7-502, MCA, is amended to read:~~

20 ~~"17-7-502. Statutory appropriations---definition---~~
21 ~~requisites---for---validity.---(1) A statutory appropriation is~~
22 ~~an appropriation made by permanent law that authorizes~~
23 ~~spending by a state agency without the need for a biennial~~
24 ~~legislative appropriation or budget amendment;~~

25 {2}--Except as provided in subsection (4), to be

1 effective;--A statutory appropriation must comply with both
2 of the following provisions:

3 {a}--The law containing the statutory authority must be
4 listed in subsection (3);

5 {b}--The law or portion of the law making a statutory
6 appropriation must specifically state that a statutory
7 appropriation is made as provided in this section;

8 {3}--The following laws are the only laws containing
9 statutory appropriations:--2-9-202;--2-17-105;--2-18-812;
10 10-3-203;--10-3-312;--10-3-314;--10-4-301;--13-37-304; section
11 11; 15-25-123;--15-31-702;--15-36-112;--15-65-121;--15-70-101;
12 16-1-404;--16-1-410;--16-1-411;--17-3-212;--17-5-404;--17-5-424;
13 17-5-804;--19-8-504;--19-9-702;--19-9-1007;--19-10-205;
14 19-10-305;--19-10-506;--19-11-512;--19-11-513;--19-11-606;
15 19-12-301;--19-13-604;--20-4-109;--20-6-406;--20-8-111;
16 23-5-610;--23-5-1027;--33-31-212;--33-31-401;--37-51-501;
17 39-71-2504;--53-6-150;--53-24-206;--67-3-205;--75-1-1101;
18 75-7-305;--76-12-123;--80-2-103;--80-2-220;--82-11-136;
19 90-3-301;--90-3-302;--90-3-412;--90-4-215;--90-9-306;--90-15-103;
20 section 11, House Bill No. 861, Laws of 1985; and section 17
21 Chapter 454, Laws of 1987;

22 {4}--There is a statutory appropriation to pay the
23 principal, interest, premiums, and costs of issuing, paying,
24 and securing all bonds, notes, or other obligations as due,
25 that have been authorized and issued pursuant to the laws of

1 Montana--Agencies--that--have---entered---into---agreements
 2 authorized---by--the--laws--of--Montana--to--pay--the--state
 3 treasurer,--for--deposit--in--accordance--with--17-2-101--through
 4 17-2-107,--as--determined--by--the--state--treasurer,--an--amount
 5 sufficient--to--pay--the--principal--and--interest--as--due--on--the
 6 bonds--or--notes--have--statutory--appropriation--authority--for
 7 such--payments:--(in--subsection--(3)--pursuant--to--sec--15,--Ch.
 8 607,--B,--1987,--the--inclusion--of--15-65-121--terminates--June--30,
 9 1989,--pursuant--to--sec--107,--Ch--664,--B,--1987,--the--inclusion
 10 of--39-71-2504--terminates--June--30,--1991,--and--pursuant--to--sec--
 11 6,--Ch--454,--B,--1987,--the--inclusion--of--sec--1,--Ch--454,--B,
 12 1987,--terminates--July--1,--1988.)"

13 **Section 3.** Section 20-15-311, MCA, is amended to read:

14 "20-15-311. Funding sources. The annual operating
 15 budget of a community college district shall be financed
 16 from the following sources:

17 (1) the estimated revenues to be realized from student
 18 tuition and fees, except those related to community service
 19 courses as defined by the board of regents;

20 (2) a mandatory mill levy on the community college
 21 district;

22 (3) the 1-mill adult education levy authorized under
 23 provisions of 20-15-305;

24 (4) the state general fund appropriation;

25 (5) an optional voted levy on the community college

1 district that shall be submitted to the electorate in
 2 accordance with general school election laws;

3 (6) all other income, revenue, balances, or reserves
 4 not restricted by a source outside the community college
 5 district to a specific purpose;

6 (7) income, revenue, balances, or reserves restricted
 7 by a source outside the community college district to a
 8 specific purpose. Student fees paid for community service
 9 courses as defined by the board of regents and revenue from
 10 the 2-mill levy imposed in [section 1] shall be considered
 11 restricted to a specific purpose;

12 (8) income from a political subdivision that is
 13 designated a community college service region under
 14 20-15-241."

15 **Section 4.** Section 20-16-205, MCA, is amended to read:

16 "20-16-205. Tuition rates. (1) Tuition may be charged
 17 to any resident or nonresident of the state of Montana by
 18 the director of any vocational-technical center at rates to
 19 be determined by the board of regents and the provisions of
 20 subsection--(3). The board of regents shall prescribe
 21 permissible uses for any tuition authorized.

22 (2) For the purposes of this section, the eligibility
 23 of a student for resident status shall be determined in the
 24 same manner as that prescribed for use by the Montana
 25 university system, except that those provisions referring to

1 "high school graduates" or "graduation from high school"
2 shall be considered to refer to a person who has attended
3 school or who was in attendance at a school.

4 ~~{3}--If an additional levy for a center is approved~~
5 ~~under 20-16-207, the board of regents may charge an~~
6 ~~additional tuition amount not to exceed \$40 a quarter to a~~
7 ~~student at the center who is a resident of Montana but who~~
8 ~~is not a property taxpayer of the county or an owner of a~~
9 ~~vehicle registered within the county where the center is~~
10 ~~located.~~"

11 NEW SECTION. **Section 5.** Repealer. Section 20-16-207,
12 MCA, is repealed.

13 NEW SECTION. **Section 6.** Extension of authority. Any
14 existing authority to make rules on the subject of the
15 provisions of [this act] is extended to the provisions of
16 [this act].

17 NEW SECTION. **Section 7.** Codification instruction.
18 [Section 1] is intended to be codified as an integral part
19 of Title 15, chapter 10, part 1, and the provisions of Title
20 15, chapter 10, part 1, apply to [section 1].

21 NEW SECTION. **Section 8.** Retroactive applicability.
22 [Section 1] applies retroactively, within the meaning of
23 1-2-109, to taxable years beginning after December 31, 1988.

24 NEW SECTION. **Section 9.** Effective date. [This act] is
25 effective July 1, 1989.

-End-

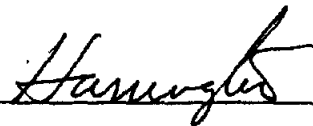
STANDING COMMITTEE REPORT

March 7, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that Senate Bill 287 (third reading copy -- blue) be concurred in as amended .

Signed: 
Dan Harrington, Chairman

[REP.  WILL CARRY THIS BILL ON THE HOUSE FLOOR]

And, that such amendments read:

1. Page 2, line 3.
Following: "education."
Strike: "(1)"

2. Page 2, line 8.
Strike: "(a)"
Insert: "(1)"

3. Page 2, line 12.
Strike: "(b)"
Insert: "(2)"

4. Page 2.
Following: line 13
Strike: lines 14 through 17

5. Page 3, line 4.
Strike: "OR IN"
Insert: ", "

6. Page 3, line 5.
Following: "15-10-411"
Insert: ", or 15-10-412"

HOUSE

531609SC.HRT

SB 287

PT

SENATE BILL NO. 287

INTRODUCED BY LYNCH, HARRINGTON, NORMAN, BLAYLOCK, MOORE,
CONNELLY, COHEN, ANDERSON, WHALEN, MEYER, WALKER, STICKNEY,
WYATT, VAN VALKENBURG, MANNING, QUILICI, PIPINICH, GRADY,
DAILY, MAZUREK, PAVLOVICH, STRIZICH, FARRELL, HALLIGAN,
YELLOWTAIL, BECK, HARPER, MCLANE, GAGE, VAUGHN, STIMATZ,
JACOBSON, CRIPPEN, RASMUSSEN, MENAHAN, ECK, B. BROWN,
HARP, RAPP-SVRCEK, HAGER, THAYER, BISHOP, ADDY,
BARDANOUVE, VINCENT, HIMSL, DRISCOLL, BACHINI,
SQUIRES, MCDONOUGH, COCCHIARELLA, J. BROWN, KOEHNKE,
DAVIS, BROOKE, O'CONNELL, MCCORMICK, GERVAIS, KIMBERLEY,
RUSSELL, JOHNSON, KILPATRICK, D. BROWN, NISBET

A BILL FOR AN ACT ENTITLED: "AN ACT IMPOSING A 2-MILL LEVY
UPON THE TAXABLE VALUE OF ALL REAL AND PERSONAL PROPERTY
SUBJECT TO TAXATION IN MONTANA FOR THE SUPPORT AND
MAINTENANCE OF VOCATIONAL AND TECHNICAL EDUCATION; REPLACING
REVENUE FROM THE SCHOOL DISTRICT LEVY FOR
VOCATIONAL-TECHNICAL CENTERS; PROVIDING FOR THE RESTRICTED
USE OF THE STATEWIDE MILL LEVY AT COMMUNITY COLLEGES;
~~PROVIDING--A--STATUTORY--APPROPRIATION;~~ AMENDING SECTIONS
15-10-402, ~~17-7-502~~, 20-15-311, AND 20-16-205, MCA;
REPEALING SECTION 20-16-207, MCA; AND PROVIDING AN EFFECTIVE
DATE AND A RETROACTIVE APPLICABILITY DATE FOR THE TAX LEVY."

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

NEW SECTION. Section 1. Tax levy for vocational and
technical education. ~~{1}~~ There is levied annually upon the
taxable value of all real and personal property subject to
taxation in the state of Montana 2 mills for the support and
maintenance of vocational and technical education. The
revenue from the 2-mill levy must be distributed as follows:

~~{a}~~(1) not more than 2% of the total revenue collected
from the mill levy to the center for vocational education
research, curriculum, and personnel development at northern
Montana college in Havre; and

~~{b}~~(2) the remainder to the vocational-technical
center system and community college districts of Montana.

~~{2}--The---funds---raised---from---the---2-mill---levy---are
statutorily-appropriated, as provided in--17-7-502,--to--the
board--of--regents--for-the-purposes-set-forth-in-subsection
{1}--~~

Section 2. Section 15-10-402, MCA, is amended to read:

"15-10-402. Property tax limited to 1986 levels. (1)
Except as provided in subsections (2) and ~~{3}~~ through (4),
the amount of taxes levied on property described in
15-6-133, 15-6-134, 15-6-136, 15-6-139, 15-6-142, and
15-6-144 may not, for any taxing jurisdiction, exceed the
amount levied for taxable year 1986.

(2) The limitation contained in subsection (1) does

not apply to levies for rural improvement districts, Title 7, chapter 12, part 21; special improvement districts, Title 7, chapter 12, part 41; or bonded indebtedness.

(3) The limitation contained in subsection (1), OR-EN 15-10-411, OR 15-10-412 does not apply to the 2-mill levy imposed in [section 1] for the support and maintenance of vocational and technical education.

(3)(4) New construction or improvements to or deletions from property described in subsection (1) are subject to taxation at 1986 levels.

(4)(5) As used in this section, the "amount of taxes levied" and the "amount levied" mean the actual dollar amount of taxes imposed on an individual piece of property, notwithstanding an increase or decrease in value due to inflation, reappraisal, adjustments in the percentage multiplier used to convert appraised value to taxable value, changes in the number of mills levied, or increase or decrease in the value of a mill."

Section 3. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations--definition--requisites for validity--(1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment:

(2) Except as provided in subsection (4), to be

effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3);

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section;

(3) The following laws are the only laws containing statutory appropriations: 2-9-202, 2-17-105, 2-18-012, 10-3-203, 10-3-312, 10-3-314, 10-4-301, 13-37-304, [section 1], 15-25-123, 15-31-702, 15-36-112, 15-65-121, 15-70-101, 16-1-404, 16-1-410, 16-1-411, 17-3-212, 17-5-404, 17-5-424, 17-5-804, 19-0-504, 19-9-702, 19-9-1007, 19-10-205, 19-10-305, 19-10-506, 19-11-512, 19-11-513, 19-11-606, 19-12-301, 19-13-604, 20-4-109, 20-6-406, 20-8-111, 23-5-610, 23-5-1027, 33-31-212, 33-31-401, 37-51-501, 39-71-2504, 53-6-150, 53-24-206, 67-3-205, 75-1-1101, 75-7-305, 76-12-123, 80-2-103, 80-2-220, 82-11-136, 90-3-301, 90-3-302, 90-3-412, 90-4-215, 90-9-306, 90-15-103, section 13, House Bill No. 861, Laws of 1985, and section 1, Chapter 454, Laws of 1987;

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations as due that have been authorized and issued pursuant to the laws of

1 Montana---Agencies---that---have---entered---into---agreements
 2 authorized---by---the---laws---of---Montana---to---pay---the---state
 3 treasurer,---for---deposit-in-accordance-with-17-2-101-through
 4 17-2-107,---as-determined-by-the-state-treasurer,---an---amount
 5 sufficient---to---pay-the-principal-and-interest-as-due-on-the
 6 bonds-or-notes-have-statutory-appropriation---authority---for
 7 such-payments,---{in-subsection-(3)},---pursuant-to-sec--15-Ch-
 8 607,---L-1987,---the-inclusion-of-15-65-121-terminates-June-30,
 9 1989,---pursuant---to-sec--10,---Ch-664,---L-1987,---the-inclusion
 10 of-39-71-2504-terminates-June-30,---1991,---and-pursuant-to-sec-
 11 6,---Ch-454,---L-1987,---the-inclusion-of-sec-1,---Ch--454,---L-
 12 1987,---terminates-July-1,---1988.}"

13 **Section 3.** Section 20-15-311, MCA, is amended to read:
 14 "20-15-311. Funding sources. The annual operating
 15 budget of a community college district shall be financed
 16 from the following sources:

- 17 (1) the estimated revenues to be realized from student
- 18 tuition and fees, except those related to community service
- 19 courses as defined by the board of regents;
- 20 (2) a mandatory mill levy on the community college
- 21 district;
- 22 (3) the 1-mill adult education levy authorized under
- 23 provisions of 20-15-305;
- 24 (4) the state general fund appropriation;
- 25 (5) an optional voted levy on the community college

1 district that shall be submitted to the electorate in
 2 accordance with general school election laws;

3 (6) all other income, revenue, balances, or reserves
 4 not restricted by a source outside the community college
 5 district to a specific purpose;

6 (7) income, revenue, balances, or reserves restricted
 7 by a source outside the community college district to a
 8 specific purpose. Student fees paid for community service
 9 courses as defined by the board of regents and revenue from
 10 the 2-mill levy imposed in [section 1] shall be considered
 11 restricted to a specific purpose;

12 (8) income from a political subdivision that is
 13 designated a community college service region under
 14 20-15-241."

15 **Section 4.** Section 20-16-205, MCA, is amended to read:

16 "20-16-205. Tuition rates. (1) Tuition may be charged
 17 to any resident or nonresident of the state of Montana by
 18 the director of any vocational-technical center at rates to
 19 be determined by the board of regents ~~and the provisions of~~
 20 ~~subsection---(3).~~ The board of regents shall prescribe
 21 permissible uses for any tuition authorized.

22 (2) For the purposes of this section, the eligibility
 23 of a student for resident status shall be determined in the
 24 same manner as that prescribed for use by the Montana
 25 university system, except that those provisions referring to

"high school graduates" or "graduation from high school" shall be considered to refer to a person who has attended school or who was in attendance at a school.

~~{3}--If--an--additional--levy--for--a--center--is--approved under--20-16-207,--the--board--of--regents--may--charge---an additional--tuition--amount--not--to--exceed--\$40--a--quarter--to--a student--at--the--center--who--is--a--resident--of--Montana--but--who is--not--a--property--taxpayer--of--the--county--or--an--owner--of--a vehicle--registered--within--the--county--where--the--center--is located--"~~

NEW SECTION. Section 5. Repealer. Section 20-16-207, MCA, is repealed.

NEW SECTION. Section 6. Extension of authority. Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

NEW SECTION. Section 7. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 15, chapter 10, part 1, and the provisions of Title 15, chapter 10, part 1, apply to [section 1].

NEW SECTION. Section 8. Retroactive applicability. [Section 1] applies retroactively, within the meaning of 1-2-109, to taxable years beginning after December 31, 1988.

NEW SECTION. Section 9. Effective date. [This act] is effective July 1, 1989.

-End-

State of Montana
Office of the Governor
Helena, Montana 59620
406-444-3111

STAN STEPHENS
GOVERNOR

April 20, 1989

The Honorable Jack Galt
President of the Senate
State Capitol
Helena, MT 59620

The Honorable John Vincent
Speaker of the House
State Capitol
Helena, MT 59620

Dear Senator Galt and Representative Vincent:

In accordance with the power vested in me as Governor by the Constitution and laws of the State of Montana, I hereby veto the adoption of Senate Bill 287, "AN ACT IMPOSING A 2-MILL LEVY UPON THE TAXABLE VALUE OF ALL REAL AND PERSONAL PROPERTY SUBJECT TO TAXATION IN MONTANA FOR THE SUPPORT AND MAINTENANCE OF VOCATIONAL AND TECHNICAL EDUCATION; REPLACING REVENUE FROM THE SCHOOL DISTRICT LEVY FOR VOCATIONAL-TECHNICAL CENTERS; PROVIDING FOR THE RESTRICTED USE OF THE STATEWIDE MILL LEVY AT COMMUNITY COLLEGES; ~~PROVIDING-A-STATUTORY-APPROPRIATION~~; AMENDING SECTIONS 15-10-402, 17-7-502, 20-15-311, AND 20-16-205, MCA; REPEALING SECTION 20-16-207, MCA; AND PROVIDING AN EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE FOR THE TAX LEVY.", for the following reasons.

My veto action on Senate Bill 287 today is done with consideration for the needs of community colleges, vocational technical centers and the Montana taxpayers.

Senate Bill 287 is a statewide property tax increase. It is growth in government spending. The people of Montana did not have a vote on this increase. This increase is not mandated by a supreme court ruling on public school equalization. This property tax increase has no future review or confirmation by the people.

If Senate Bill 287 became law, a significant shift of taxing responsibility would be imposed on the people of the state from a community college and vocational technical center community. The origin of "community" colleges were just that - colleges founded, operated and funded by the local community. This is an

The Honorable Jack Galt
The Honorable John Vincent
April 20, 1989
Page Two

unacceptable expansion of state government and an unnecessary growth in government spending.

My veto of Senate Bill 287 will not deprive Vo-Techs and community colleges of required funding. This revenue is already provided in House Bill 100, the major appropriations bill.

Sincerely,

A handwritten signature in cursive script, appearing to read "Stan Stephens".

STAN STEPHENS
Governor