

HOUSE BILL 38

Introduced by Addy

6/20	Introduced
6/20	Referred to Taxation
6/20	Fiscal Note Requested
6/23	Hearing
	Died in Committee



1 the board of county commissioners of the county by a  
2 resolution duly adopted and included in the minutes of the  
3 board.

4 (2) Nothing in this section restricts the right of the  
5 board to make the necessary tax levies for interest and  
6 sinking fund purposes, and nothing in this section affects  
7 the right of any creditor of the county to pursue any remedy  
8 now given him by law to obtain payment of his claim."

9 **Section 3.** Section 7-6-4121, MCA, is amended to read:

10 **"7-6-4121. Authorization to conduct municipal business**  
11 **on a cash basis.** (1) In case the total indebtedness of a  
12 city or town has reached ~~17%~~ 18% of the total taxable value  
13 of the property of the city or town subject to taxation, as  
14 ascertained by the last assessment for state and county  
15 taxes, the city or town may conduct its affairs and business  
16 on a cash basis as provided by subsection (2).

17 (2) (a) Whenever a city or town is conducting its  
18 business affairs on a cash basis, the reasonable and  
19 necessary current expenses of the city or town may be paid  
20 out of the cash in the city or town treasury and derived  
21 from its current revenues, under such restrictions and  
22 regulations as the city or town council may by ordinance  
23 prescribe.

24 (b) In the event that payment is made in advance, the  
25 city or town may require a cash deposit as collateral

1 security and indemnity, equal in amount to ~~such~~ the payment,  
2 and may hold the ~~same~~ deposit as a special deposit with the  
3 city treasurer or town clerk, in package form, as a pledge  
4 for the fulfillment and performance of the contract or  
5 obligation for which the advance is made.

6 (c) Before the payment of the current expenses  
7 mentioned above, the city or town council shall first set  
8 apart sufficient money to pay the interest upon its legal,  
9 valid, and outstanding bonded indebtedness and any sinking  
10 funds ~~therein~~ provided for and shall be authorized to pay  
11 all valid claims against funds raised by tax especially  
12 authorized by law for the purpose of paying ~~such~~ those  
13 claims."

14 **Section 4.** Section 7-6-4254, MCA, is amended to read:

15 **"7-6-4254. Limitation on amount of emergency budgets**  
16 **and appropriations.** (1) The total of all emergency budgets  
17 and appropriations made ~~therein~~ in any one year and to be  
18 paid from any city fund may not exceed ~~38%~~ 39.5% of the  
19 total amount which could be produced for ~~such~~ the city fund  
20 by a maximum levy authorized by law to be made for ~~such~~ the  
21 fund, as shown by the last completed assessment roll of the  
22 county.

23 (2) The term "taxable property", as used ~~herein~~ in  
24 this section, means the percentage of the value at which  
25 ~~such~~ property is assessed and which percentage is used for

1 the purposes of computing taxes and does not mean the  
2 assessed value of ~~such~~ the property as ~~the same~~ it appears  
3 on the assessment roll."

4 **Section 5.** Section 7-7-107, MCA, is amended to read:

5 "7-7-107. Limitation on amount of bonds for  
6 city-county consolidated units. (1) Except as provided in  
7 7-7-108, ~~no~~ a city-county consolidated local government may  
8 not issue bonds for any purpose which, with all outstanding  
9 indebtedness, ~~may will~~ will exceed 39% 40.5% of the taxable value  
10 of the property ~~therein~~ in the local government subject to  
11 taxation as ascertained by the last assessment for state and  
12 county taxes.

13 (2) The issuing of bonds for the purpose of funding or  
14 refunding outstanding warrants or bonds is not the incurring  
15 of a new or additional indebtedness but is merely the  
16 changing of the evidence of outstanding indebtedness."

17 **Section 6.** Section 7-7-108, MCA, is amended to read:

18 "7-7-108. Authorization for additional indebtedness  
19 for water or sewer systems. (1) For the purpose of  
20 constructing a sewer system or procuring a water supply or  
21 constructing or acquiring a water system for a city-county  
22 consolidated government which ~~shall~~ will own and control  
23 ~~such~~ the water supply and water system and devote the  
24 revenues ~~therefrom~~ from the system to the payment of the  
25 debt, a city-county consolidated government may incur an

1 additional indebtedness by borrowing money or issuing bonds.

2 (2) The additional indebtedness which may be incurred  
3 by borrowing money or issuing bonds for the construction of  
4 a sewer system or for the procurement of a water supply or  
5 for both ~~such~~ purposes may not in the aggregate exceed 10%  
6 over and above the 39% limitation referred to in 7-7-107 of  
7 the taxable value of the property ~~therein~~ in the  
8 consolidated government subject to taxation as ascertained  
9 by the last assessment for state and county taxes."

10 **Section 7.** Section 7-7-2101, MCA, is amended to read:

11 "7-7-2101. Limitation on amount of county  
12 indebtedness. (1) ~~No~~ A county may not become indebted in any  
13 manner or for any purpose to an amount, including existing  
14 indebtedness, in the aggregate exceeding 23% 24% of the  
15 total of the taxable value of the property ~~therein~~ in the  
16 county subject to taxation, plus the amount of interim  
17 production and new production taxes levied divided by the  
18 appropriate tax rates described in 15-23-607(2)(a) or (2)(b)  
19 and multiplied by 60%, plus the amount of value represented  
20 by new production exempted from tax as provided in  
21 15-23-612, as ascertained by the last assessment for state  
22 and county taxes previous to the incurring of ~~such~~ the  
23 indebtedness.

24 (2) ~~No~~ A county may not incur indebtedness or  
25 liability for any single purpose to an amount exceeding

1 \$500,000 without the approval of a majority of the electors  
2 thereof of the county voting at an election to be provided  
3 by law, except as provided in 7-21-3413 and 7-21-3414.

4 (3) Nothing in this section shall apply to the  
5 acquisition of conservation easements as set forth in Title  
6 76, chapter 6."

7 **Section 8.** Section 7-7-2203, MCA, is amended to read:

8 "7-7-2203. Limitation on amount of bonded  
9 indebtedness. (1) Except as provided in subsections (2)  
10 through (4), no a county may not issue general obligation  
11 bonds for any purpose which, with all outstanding bonds and  
12 warrants except county high school bonds and emergency  
13 bonds, will exceed ~~11.25%~~ 11.7% of the total of the taxable  
14 value of the property ~~therein~~ in the county, plus the amount  
15 of interim production and new production taxes levied  
16 divided by the appropriate tax rates described in  
17 15-23-607(2)(a) or (2)(b) and multiplied by 60%, plus the  
18 amount of value represented by new production exempted from  
19 tax as provided in 15-23-612, to be ascertained by the last  
20 assessment for state and county taxes prior to the proposed  
21 issuance of bonds.

22 (2) In addition to the bonds allowed by subsection  
23 (1), a county may issue bonds which, with all outstanding  
24 bonds and warrants, will not exceed ~~27.75%~~ 29% of the total  
25 of the taxable value of the property in the county subject

1 to taxation, plus the amount of interim production and new  
2 production taxes levied divided by the appropriate tax rates  
3 described in 15-23-607(2)(a) or (2)(b) and multiplied by  
4 60%, plus the amount of value represented by new production  
5 exempted from tax as provided in 15-23-612, when necessary  
6 to do so, for the purpose of acquiring land for a site for  
7 county high school buildings and for erecting or acquiring  
8 buildings thereon and furnishing and equipping the same for  
9 county high school purposes.

10 (3) In addition to the bonds allowed by subsections  
11 (1) and (2), a county may issue bonds for the construction  
12 or improvement of a jail which will not exceed ~~2.5%~~ 13% of  
13 the taxable value of the property in the county subject to  
14 taxation.

15 (4) The limitation in subsection (1) does not apply to  
16 refunding bonds issued for the purpose of paying or retiring  
17 county bonds lawfully issued prior to January 1, 1932, or to  
18 bonds issued for the repayment of tax protests lost by the  
19 county."

20 **Section 9.** Section 7-7-4201, MCA, is amended to read:

21 "7-7-4201. Limitation on amount of bonded  
22 indebtedness. (1) Except as otherwise provided, no a city or  
23 town may not issue bonds or incur other indebtedness for any  
24 purpose in an amount which with all outstanding and unpaid  
25 indebtedness will exceed ~~28%~~ 29% of the taxable value of the

1 property therein in the city or town subject to taxation, to  
2 be ascertained by the last assessment for state and county  
3 taxes.

4 (2) The issuing of bonds for the purpose of funding or  
5 refunding outstanding warrants or bonds is not the incurring  
6 of a new or additional indebtedness but is merely the  
7 changing of the evidence of outstanding indebtedness.

8 (3) The limitation in subsection (1) does not apply to  
9 bonds issued for the repayment of tax protests lost by the  
10 city or town."

11 **Section 10.** Section 7-7-4202, MCA, is amended to read:

12 "7-7-4202. Special provisions relating to water and  
13 sewer systems. (1) Notwithstanding the provisions of  
14 7-7-4201, for the purpose of constructing a sewer system,  
15 procuring a water supply, or constructing or acquiring a  
16 water system for a city or town which owns and controls the  
17 water supply and water system and devotes the revenues  
18 therefrom to the payment of the debt, a city or town may  
19 incur an additional indebtedness by borrowing money or  
20 issuing bonds.

21 (2) The additional total indebtedness that may be  
22 incurred by borrowing money or issuing bonds for the  
23 construction of a sewer system, for the procurement of a  
24 water supply, or for both such purposes, including all  
25 indebtedness theretofore previously contracted which is

1 unpaid or outstanding, may not in the aggregate exceed 55%  
2 over and above the ~~28%~~ limitation referred to in 7-7-4201,  
3 of the taxable value of the property therein in the city or  
4 town subject to taxation as ascertained by the last  
5 assessment for state and county taxes."

6 **Section 11.** Section 7-13-4103, MCA, is amended to  
7 read:

8 "7-13-4103. Limitation on indebtedness for acquisition  
9 of natural gas system. The total amount of indebtedness  
10 authorized to be contracted in any form, including the  
11 then-existing indebtedness, ~~must~~ may not at any time exceed  
12 ~~17%~~ 18% of the total taxable value of the property of the  
13 city or town subject to taxation as ascertained by the last  
14 assessment for state and county taxes."

15 **Section 12.** Section 7-14-236, MCA, is amended to read:

16 "7-14-236. Limitation on bonded indebtedness. The  
17 amount of bonds issued to provide funds for the district and  
18 outstanding at any time ~~shall~~ may not exceed ~~28%~~ 29% of the  
19 taxable value of taxable property therein in the district as  
20 ascertained by the last assessment for state and county  
21 taxes previous to the issuance of such bonds."

22 **Section 13.** Section 7-14-2524, MCA, is amended to  
23 read:

24 "7-14-2524. Limitation on amount of bonds issued --  
25 excess void. (1) Except as otherwise provided hereafter in

1 this part and in 7-7-2203 and 7-7-2204, no a county ~~shall~~  
 2 may not issue bonds which, with all outstanding bonds and  
 3 warrants except county high school bonds and emergency  
 4 bonds, will exceed ~~11.25%~~ 11.7% of the total of the taxable  
 5 value of the property therein in the county, plus the amount  
 6 of interim production and new production taxes levied  
 7 divided by the appropriate tax rates described in  
 8 15-23-607(2)(a) or (2)(b) and multiplied by 60%, plus the  
 9 amount of value represented by new production exempted from  
 10 tax as provided in 15-23-612. The taxable property and the  
 11 amount of interim production and new production taxes levied  
 12 shall be ascertained by the last assessment for state and  
 13 county taxes prior to the issuance of such the bonds.

14 (2) A county may issue bonds which, with all  
 15 outstanding bonds and warrants except county high school  
 16 bonds, will exceed 11.25% but will not exceed ~~22.5%~~ 23.5% of  
 17 the total of the taxable value of such the property, plus  
 18 the amount of interim production and new production taxes  
 19 levied divided by the appropriate tax rates described in  
 20 15-23-607(2)(a) or (2)(b) and multiplied by 60%, plus the  
 21 amount of value represented by new production exempted from  
 22 tax as provided in 15-23-612, when necessary for the purpose  
 23 of replacing, rebuilding, or repairing county buildings,  
 24 bridges, or highways which have been destroyed or damaged by  
 25 an act of God, disaster, catastrophe, or accident.

1 (3) The value of the bonds issued and all other  
 2 outstanding indebtedness of the county, except county high  
 3 school bonds, ~~shall~~ may not exceed ~~22.5%~~ 23.5% of the total  
 4 of the taxable value of the property within the county, plus  
 5 the amount of interim production and new production taxes  
 6 levied divided by the appropriate tax rates described in  
 7 15-23-607(2)(a) or (2)(b) and multiplied by 60%, plus the  
 8 amount of value represented by new production exempted from  
 9 tax as provided in 15-23-612, as ascertained by the last  
 10 preceding general assessment."

11 **Section 14.** Section 7-14-2525, MCA, is amended to  
 12 read:

13 "7-14-2525. Refunding agreements and refunding bonds  
 14 authorized. (1) Whenever the total indebtedness of a county  
 15 exceeds ~~22.5%~~ 23.5% of the total of the taxable value of the  
 16 property therein in the county, plus the amount of interim  
 17 production and new production taxes levied divided by the  
 18 appropriate tax rates described in 15-23-607(2)(a) or (2)(b)  
 19 and multiplied by 60%, plus the amount of value represented  
 20 by new production exempted from tax as provided in  
 21 15-23-612, and the board determines that the county is  
 22 unable to pay such the indebtedness in full, the board may:

23 (a) negotiate with the bondholders for an agreement  
 24 whereby the bondholders agree to accept less than the full  
 25 amount of the bonds and the accrued unpaid interest thereon

1 on the bonds in satisfaction thereof of the indebtedness;

2 (b) enter into ~~such~~ the agreement;

3 (c) issue refunding bonds for the amount agreed upon.

4 (2) These bonds may be issued in more than one series,  
5 and each series may be either amortization or serial bonds.

6 (3) The plan agreed upon between the board and the  
7 bondholders ~~shall~~ must be embodied in full in the resolution  
8 providing for the issue of the bonds."

9 **Section 15.** Section 7-14-4402, MCA, is amended to  
10 read:

11 "7-14-4402. **Limit on indebtedness to provide bus**  
12 **service.** The total amount of indebtedness authorized under  
13 7-14-4401(1) to be contracted in any form, including the  
14 then-existing indebtedness, may not at any time exceed ~~20%~~  
15 29% of the total taxable value of the property of the city  
16 or town subject to taxation as ascertained by the last  
17 assessment for state and county taxes. ~~No--money~~ Money may  
18 not be borrowed or bonds issued for the purposes specified  
19 in 7-14-4401(1) until the proposition has been submitted to  
20 the vote of the taxpayers of the city or town and the  
21 majority vote cast in its favor."

22 **Section 16.** Section 7-16-2327, MCA, is amended to  
23 read:

24 "7-16-2327. **Indebtedness for park purposes.** (1)  
25 Subject to the provisions of subsection (2), a county park

1 board, in addition to powers and duties now given under law,  
2 shall have the power and duty to contract an indebtedness in  
3 behalf of a county, upon the credit ~~thereof of the county,~~  
4 for the purposes of 7-16-2321(1) and (2).

5 (2) (a) The total amount of indebtedness authorized to  
6 be contracted in any form, including the then-existing  
7 indebtedness, ~~must~~ may not at any time exceed ~~±3%~~ 13.5% of  
8 the total of the taxable value of the taxable property in  
9 the county, plus the amount of interim production and new  
10 production taxes levied divided by the appropriate tax rates  
11 described in 15-23-607(2)(a) or (2)(b) and multiplied by  
12 60%, plus the amount of value represented by new production  
13 exempted from tax as provided in 15-23-612, ascertained by  
14 the last assessment for state and county taxes previous to  
15 the incurring of ~~such~~ the indebtedness.

16 (b) ~~No-money~~ Money may not be borrowed on bonds issued  
17 for the purchase and improving of lands ~~and--improving--same~~  
18 for any such park purpose until the proposition has been  
19 submitted to the vote of those qualified under the  
20 provisions of the state constitution to vote at such an  
21 election in the county affected ~~thereby~~ and a majority vote  
22 is cast in favor ~~thereof of incurring the indebtedness.~~"

23 **Section 17.** Section 7-16-4104, MCA, is amended to  
24 read:

25 "7-16-4104. **Authorization for municipal indebtedness**



1 for various cultural, social, and recreational purposes. (1)  
 2 A city or town council or commission may contract an  
 3 indebtedness on behalf of the city or town, upon the credit  
 4 thereof of the city or town, by borrowing money or issuing  
 5 bonds:

6 (a) for the purpose of purchasing and improving lands  
 7 for public parks and grounds;

8 (b) for procuring by purchase, construction, or  
 9 otherwise swimming pools, athletic fields, skating rinks,  
 10 playgrounds, museums, a golf course, a site and building for  
 11 a civic center, a youth center, or combination thereof; and

12 (c) for furnishing and equipping the same.

13 (2) The total amount of indebtedness authorized to be  
 14 contracted in any form, including the then-existing  
 15 indebtedness, may not at any time exceed ~~16.5%~~ 17.5% of the  
 16 taxable value of the taxable property of the city or town as  
 17 ascertained by the last assessment for state and county  
 18 taxes previous to the incurring of such the indebtedness. ~~No~~  
 19 ~~money~~ Money may not be borrowed on bonds issued for the  
 20 purchase and improving of lands ~~and improving the same~~ for  
 21 any such purpose under subsection (1) until the proposition  
 22 has been submitted to the vote of the qualified electors of  
 23 the city or town and a majority vote is cast in favor  
 24 thereof of incurring the indebtedness."

25 **Section 18.** Section 7-31-106, MCA, is amended to read:

1 **"7-31-106. Authorization for county to issue bonds --**  
 2 **election required.** (1) If the petition is presented to the  
 3 board of county commissioners, it ~~shall be~~ is the duty of  
 4 the board, for the purpose of raising money to meet the  
 5 payments under the terms and conditions of said the contract  
 6 and other necessary and proper expenses in and about the  
 7 same smoke abatement contract and for the approval or  
 8 disapproval thereof of the contract:

9 (a) to ascertain, within 30 days after submission of  
 10 the petition, the existing indebtedness of the county in the  
 11 aggregate; and

12 (b) to submit, within 60 days after ascertaining the  
 13 same, to the electors of such the county the proposition to  
 14 approve or disapprove the contract and the issuance of bonds  
 15 necessary to carry out the same contract.

16 (2) The amount of the bonds authorized by this section  
 17 may not exceed ~~22.5%~~ 23.5% of the taxable value of the  
 18 taxable property therein in the county, inclusive of the  
 19 existing indebtedness thereof of the county, to be  
 20 ascertained by the last assessment for state and county  
 21 taxes previous to the issuance of said the bonds and  
 22 incurring of said the indebtedness."

23 **Section 19.** Section 7-31-107, MCA, is amended to read:

24 **"7-31-107. Authorization for municipality to issue**  
 25 **bonds -- election required.** (1) If said the petition is

1 presented to the council of any incorporated city or town,  
 2 the council, for the purpose of raising money to meet the  
 3 payments under the terms and conditions of ~~said~~ the contract  
 4 and other necessary and proper expenses in and about the  
 5 ~~same contract~~ and for the approval or disapproval ~~thereof~~ of  
 6 the contract:

7 (a) shall ascertain, within 30 days after submission  
 8 of the petition, the aggregate indebtedness of ~~such~~ the city  
 9 or town; and

10 (b) shall submit, within 60 days after ascertaining  
 11 the ~~same~~ indebtedness, to the electors of ~~such~~ the city or  
 12 town the proposition to approve or disapprove ~~said~~ the  
 13 contract and the issuance of bonds necessary to carry out  
 14 the ~~same~~ contract.

15 (2) The amount of the bonds authorized by this section  
 16 may not exceed ~~16.5%~~ 17.5% of the taxable value of the  
 17 taxable property ~~therein in the city or town~~, inclusive of  
 18 the existing indebtedness ~~thereof of the city or town~~, to be  
 19 ascertained in the manner provided in this part."

20 **Section 20.** Section 7-34-2131, MCA, is amended to  
 21 read:

22 "7-34-2131. Hospital district bonds authorized. (1) A  
 23 hospital district may borrow money by the issuance of its  
 24 bonds to provide funds for payment of part or all of the  
 25 cost of acquisition, furnishing, equipment, improvement,

1 extension, and betterment of hospital facilities and to  
 2 provide an adequate working capital for a new hospital.

3 (2) The amount of bonds issued for ~~such a~~ purpose  
 4 specified in subsection (1) and outstanding at any time may  
 5 not exceed ~~22.5%~~ 23.5% of the taxable value of the property  
 6 ~~therein in the district~~ as ascertained by the last  
 7 assessment for state and county taxes previous to the  
 8 issuance of ~~such~~ the bonds.

9 (3) ~~Such~~ The bonds ~~shall~~ must be authorized, sold, and  
 10 issued and provisions made for their payment in the manner  
 11 and subject to the conditions and limitations prescribed for  
 12 bonds of school districts by Title 20, chapter 9, part 4.

13 (4) Nothing ~~herein-shall~~ in this part may be construed  
 14 to preclude the provisions of Title 50, chapter 6, part 1,  
 15 allowing the state to apply for and accept federal funds."

16 **Section 21.** Section 15-6-138, MCA, is amended to read:  
 17 "15-6-138. Class eight property -- description --  
 18 taxable percentage. (1) Class eight property includes:

- 19 (a) all agricultural implements and equipment;  
 20 (b) all mining machinery, fixtures, equipment, tools  
 21 that are not exempt under 15-6-201(1)(r), and supplies  
 22 except:  
 23 (i) those included in class five; and  
 24 (ii) coal and ore haulers;  
 25 (c) all manufacturing machinery, fixtures, equipment,

1 tools that are not exempt under 15-6-201(1)(r), and supplies  
2 except those included in class five;

3 (d) all trailers, including those prorated under  
4 15-24-102, except those subject to taxation under  
5 61-3-504(2);

6 (e) all goods and equipment intended for rent or  
7 lease, except goods and equipment specifically included and  
8 taxed in another class;

9 (f) buses and trucks having a rated capacity of more  
10 than 1 ton, including those prorated under 15-24-102; and

11 (g) all other machinery except that specifically  
12 included in another class.

13 (2) Class eight property is taxed at ~~11%~~ 8% of its  
14 market value."

15 **Section 22.** Section 15-6-139, MCA, is amended to read:

16 "15-6-139. Class nine property -- description --  
17 taxable percentage. (1) Class nine property includes:

18 (a) truck toppers weighing more than 300 pounds;

19 (b) furniture, fixtures, and equipment, except that  
20 specifically included in another class, used in commercial  
21 establishments as defined in this section;

22 (c) x-ray and medical and dental equipment; and

23 (d) citizens' band radios and mobile telephones.

24 (2) "Commercial establishment" includes any hotel;  
25 motel; office; petroleum marketing station; or service,

1 wholesale, retail, or food-handling business.

2 (3) Class nine property is taxed at ~~13%~~ 8% of its  
3 market value."

4 **Section 23.** Section 15-6-140, MCA, is amended to read:

5 "15-6-140. Class ten property -- description --  
6 taxable percentage. (1) Class ten property includes:

7 (a) radio and television broadcasting and transmitting  
8 equipment;

9 (b) cable television systems;

10 (c) coal and ore haulers;

11 (d) theater projectors and sound equipment; and

12 (e) all other property not included in any other class  
13 in this part except that property subject to a fee in lieu  
14 of a property tax.

15 (2) As used in this section, "coal and ore haulers"  
16 means nonhighway vehicles that exceed 18,000 pounds per axle  
17 and that are primarily designed and used to transport coal,  
18 ore, or other earthen material in a mining or quarrying  
19 environment.

20 (3) Class ten property is taxed at ~~16%~~ 8% of its  
21 market value."

22 **Section 24.** Section 15-30-121, MCA, is amended to  
23 read:

24 "15-30-121. Deductions allowed in computing net  
25 income. In computing net income, there are allowed as

1 deductions:

2 (1) the items referred to in sections 161 and 211 of  
3 the Internal Revenue Code of 1954, or as sections 161 and  
4 211 shall be labeled or amended, subject to the following  
5 exceptions which are not deductible:

6 (a) items provided for in 15-30-123;

7 (b) state income tax paid;

8 (2) the first \$7,000 of federal income tax paid within  
9 the taxable year by an individual filing separately or the  
10 first \$14,000 of federal income tax paid within the taxable  
11 year by a married couple filing jointly;

12 (3) expenses of household and dependent care services  
13 as outlined in subsections (3)(a) through (3)(c) and subject  
14 to the limitations and rules as set out in subsections  
15 (3)(d) through (3)(f) as follows:

16 (a) expenses for household and dependent care services  
17 necessary for gainful employment incurred for:

18 (i) a dependent under 15 years of age for whom an  
19 exemption can be claimed;

20 (ii) a dependent as allowable under 15-30-112(5),  
21 except that the limitations for age and gross income do not  
22 apply, who is unable to care for himself because of physical  
23 or mental illness; and

24 (iii) a spouse who is unable to care for himself  
25 because of physical or mental illness;

1 (b) employment-related expenses incurred for the  
2 following services, but only if such expenses are incurred  
3 to enable the taxpayer to be gainfully employed:

4 (i) household services which are attributable to the  
5 care of the qualifying individual; and

6 (ii) care of an individual who qualifies under  
7 subsection (3)(a);

8 (c) expenses incurred in maintaining a household if  
9 over half of the cost of maintaining the household is  
10 furnished by an individual or, if the individual is married  
11 during the applicable period, is furnished by the individual  
12 and his spouse;

13 (d) the amounts deductible in subsection (3)(a)  
14 through (3)(c) are subject to the following limitations:

15 (i) a deduction is allowed under subsection (3)(a) for  
16 employment-related expenses incurred during the year only to  
17 the extent such expenses do not exceed \$4,800;

18 (ii) expenses for services in the household are  
19 deductible under subsection (3)(a) for employment-related  
20 expenses only if they are incurred for services in the  
21 taxpayer's household, except that employment-related  
22 expenses incurred for services outside the taxpayer's  
23 household are deductible, but only if incurred for the care  
24 of a qualifying individual described in subsection (3)(a)(i)  
25 and only to the extent such expenses incurred during the

1 year do not exceed:

2 (A) \$2,400 in the case of one qualifying individual;

3 (B) \$3,600 in the case of two qualifying individuals;

4 and

5 (C) \$4,800 in the case of three or more qualifying  
6 individuals;

7 (e) if the combined adjusted gross income of the  
8 taxpayers exceeds \$18,000 for the taxable year during which  
9 the expenses are incurred, the amount of the  
10 employment-related expenses incurred must be reduced by  
11 one-half of the excess of the combined adjusted gross income  
12 over \$18,000;

13 (f) for purposes of this subsection (3):

14 (i) married couples shall file a joint return or file  
15 separately on the same form;

16 (ii) if the taxpayer is married during any period of  
17 the taxable year, employment-related expenses incurred are  
18 deductible only if:

19 (A) both spouses are gainfully employed, in which case  
20 the expenses are deductible only to the extent that they are  
21 a direct result of the employment; or

22 (B) the spouse is a qualifying individual described in  
23 subsection (3)(a)(iii);

24 (iii) an individual legally separated from his spouse  
25 under a decree of divorce or of separate maintenance may not

1 be considered as married;

2 (iv) the deduction for employment-related expenses must  
3 be divided equally between the spouses when filing  
4 separately on the same form;

5 (v) payment made to a child of the taxpayer who is  
6 under 19 years of age at the close of the taxable year and  
7 payments made to an individual with respect to whom a  
8 deduction is allowable under 15-30-112(5) are not deductible  
9 as employment-related expenses;

10 (4) in the case of an individual, political  
11 contributions determined in accordance with the provisions  
12 of section 218(a) and (b) of the Internal Revenue Code that  
13 were in effect for the taxable year ended December 31, 1978;

14 (5) that portion of expenses for organic fertilizer  
15 allowed as a deduction under 15-32-303 which was not  
16 otherwise deducted in computing taxable income; and

17 (6) contributions to the child abuse and neglect  
18 prevention program provided for in 41-3-701, subject to the  
19 conditions set forth in 15-30-156."

20 **Section 25.** Section 17-7-502, MCA, is amended to read:

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

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

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

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

9 (3) The following laws are the only laws containing  
10 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;  
11 [section 36]; 10-3-203; 10-3-312; 10-3-314; 10-4-301;  
12 13-37-304; 15-25-123; 15-31-702; 15-36-112; 15-37-117;  
13 15-70-101; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404;  
14 17-5-424; 17-5-804; 19-8-504; 19-9-702; 19-9-1007;  
15 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513;  
16 19-11-606; 19-12-301; 19-13-604; 20-6-406; 20-8-111;  
17 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-1016;  
18 23-5-1027; 27-12-206; 37-51-501; 39-71-2504; 53-6-150;  
19 53-24-206; 61-2-406; 61-5-121; 67-3-205; 75-1-1101;  
20 75-5-1108; 75-11-313; 76-12-123; 80-2-103; 82-11-136;  
21 82-11-161; 90-3-301; 90-4-215; 90-4-613; 90-6-331; 90-9-306;  
22 and section 13, House Bill No. 861, Laws of 1985.

23 (4) There is a statutory appropriation to pay the  
24 principal, interest, premiums, and costs of issuing, paying,  
25 and securing all bonds, notes, or other obligations, as due,

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

11 **Section 26.** Section 19-11-503, MCA, is amended to  
12 read:

13 "19-11-503. Special tax levy for fund required. (1)  
14 The purpose of this section is to provide a means by which  
15 each disability and pension fund may be maintained at a  
16 level equal to ~~4%~~ 4.25% of the taxable valuation of all  
17 taxable property within the limits of the city or town.

18 (2) Whenever the fund contains less than ~~4%~~ 4.25% of  
19 the taxable valuation of all taxable property within the  
20 limits of the city or town, the governing body of the city  
21 or town shall, at the time of the levy of the annual tax,  
22 levy a special tax as provided in 19-11-504. The special tax  
23 must be collected as other taxes are collected and, when so  
24 collected, must be paid into the disability and pension  
25 fund.

1 (3) If a special tax for the disability and pension  
2 fund is levied by a third-class city or town using the  
3 all-purpose mill levy, the special tax levy must be made in  
4 addition to the all-purpose levy."

5 **Section 27.** Section 19-11-504, MCA, is amended to  
6 read:

7 "19-11-504. Amount of special tax levy. Whenever the  
8 fund contains an amount which is less than ~~4%~~ 4.25% of the  
9 taxable valuation of all taxable property in the city or  
10 town, the city council shall levy an annual special tax of  
11 not less than 1 mill and not more than 4 mills on each  
12 dollar of taxable valuation of all taxable property within  
13 the city or town."

14 **Section 28.** Section 20-9-318, MCA, is amended to read:

15 "20-9-318. Elementary school maximum budget schedule  
16 for 1987-88 and succeeding years. (1) For Except as provided  
17 in subsection (3), for 1987-88 and succeeding school years,  
18 the elementary school maximum budget schedule is as follows:

19 ~~(1)(a)~~ (a) For each elementary school having an ANB of  
20 nine or fewer pupils, the maximum shall be \$20,158 if said  
21 school is approved as an isolated school.

22 ~~(2)(b)~~ (b) For schools with an ANB of 10 pupils but less  
23 than 18 pupils, the maximum shall be \$20,158 plus \$842.50  
24 per pupil on the basis of the average number belonging over  
25 nine.

1 ~~(3)(c)~~ (c) For schools with an ANB of at least 14 pupils  
2 but less than 18 pupils that qualify for instructional aide  
3 funding under 20-9-322, the maximum shall be \$33,042 plus  
4 \$842.50 per pupil on the basis of the average number  
5 belonging over 14.

6 ~~(4)(d)~~ (d) For schools with an ANB of 18 pupils and  
7 employing one teacher, the maximum shall be \$27,741 plus  
8 \$842.50 per pupil on the basis of the average number  
9 belonging over 18, not to exceed an ANB of 25.

10 ~~(5)(e)~~ (e) For schools with an ANB of 18 pupils and  
11 employing two full-time teachers, the maximum shall be  
12 \$44,290 plus \$527.60 per pupil on the basis of the average  
13 number belonging over 18, not to exceed an ANB of 50.

14 ~~(6)(f)~~ (f) For schools having an ANB in excess of 40, the  
15 maximum on the basis of the total pupils (ANB) in the  
16 district for elementary pupils will be as follows:

17 ~~(a)(i)~~ (i) For a school having an ANB of more than 40 and  
18 employing a minimum of three teachers, the maximum of \$1,957  
19 shall be decreased at the rate of \$1.90 for each additional  
20 pupil until the total number (ANB) shall have reached a  
21 total of 100 pupils.

22 ~~(b)(ii)~~ (ii) For a school having an ANB of more than 100  
23 pupils, the maximum of \$1,843 shall be decreased at the rate  
24 of \$1.74 for each additional pupil until the ANB shall have  
25 reached 300 pupils.

1       ~~f~~e~~(iii)~~ For a school having an ANB of more than 300  
2 pupils, the maximum shall not exceed \$1,496 for each pupil.

3       ~~f~~7~~(2)~~ The maximum per pupil for all pupils (ANB) and  
4 for all elementary schools shall be computed on the basis of  
5 the amount allowed herein on account of the last eligible  
6 pupil (ANB). All elementary schools operated within the  
7 incorporated limits of a city or town shall be treated as  
8 one school for the purpose of this schedule.

9       (3) The superintendent of public instruction shall,  
10 for school year 1990, increase by 0.038% the elementary  
11 maximum budget schedule as represented in subsections (1)(a)  
12 through (1)(f)."

13       **Section 29.** Section 20-9-319, MCA, is amended to read:

14       "20-9-319. High school maximum budget schedule for  
15 1987-88 and succeeding years. Per (1) Except as provided in  
16 subsection (3), for 1987-88 and succeeding school years, the  
17 high school maximum budget schedule is as follows:

18       ~~f~~1~~(a)~~ For each high school having an ANB of 24 or  
19 fewer pupils, the maximum shall be \$114,845.

20       ~~f~~2~~(b)~~ For a secondary school having an ANB of more  
21 than 24 pupils, the maximum \$4,785 shall be decreased at the  
22 rate of \$26.10 for each additional pupil until the ANB shall  
23 have reached a total of 40 such pupils.

24       ~~f~~3~~(c)~~ For a school having an ANB of more than 40  
25 pupils, the maximum of \$4,368 shall be decreased at the rate

1       of \$26.10 for each additional pupil until the ANB shall have  
2 reached 100 pupils.

3       ~~f~~4~~(d)~~ For a school having an ANB of more than 100  
4 pupils, a maximum of \$2,802 shall be decreased at the rate  
5 of \$4.37 for each additional pupil until the ANB shall have  
6 reached 200 pupils.

7       ~~f~~5~~(e)~~ For a school having an ANB of more than 200  
8 pupils, the maximum of \$2,365 shall be decreased by \$2.40  
9 for each additional pupil until the ANB shall have reached  
10 300 pupils.

11       ~~f~~6~~(f)~~ For a school having an ANB of more than 300  
12 pupils, the maximum of \$2,125 shall be decreased at the rate  
13 of 44 cents until the ANB shall have reached 600 pupils.

14       ~~f~~7~~(g)~~ For a school having an ANB over 600 pupils, the  
15 maximum shall not exceed \$1,993 per pupil.

16       ~~f~~8~~(2)~~ The maximum per pupil for all pupils (ANB) and  
17 for all high schools shall be computed on the basis of the  
18 amount allowed herein on account of the last eligible pupil  
19 (ANB). All high schools and junior high schools which have  
20 been approved and accredited as junior high schools,  
21 operated within the incorporated limits of a city or town,  
22 shall be treated as one school for the purpose of this  
23 schedule.

24       (3) The superintendent of public instruction shall,  
25 for school year 1990, increase by 0.038% the high school



1 maximum budget schedule as represented in subsections (1)(a)  
2 through (1)(g)."

3 **Section 30.** Section 20-9-343, MCA, is amended to read:

4 "20-9-343. Definition of and revenue for state  
5 equalization aid. (1) As used in this title, the term "state  
6 equalization aid" means those moneys deposited in the state  
7 special revenue fund as required in this section plus any  
8 legislative appropriation of money from other sources for  
9 distribution to the public schools for the purpose of  
10 equalization of the foundation program.

11 (2) The legislative appropriation for state  
12 equalization aid shall be made in a single sum for the  
13 biennium. The superintendent of public instruction has  
14 authority to spend such appropriation, together with the  
15 earmarked revenues provided in subsection (3), as required  
16 for foundation program purposes throughout the biennium.

17 (3) The following shall be paid into the state special  
18 revenue fund for state equalization aid to public schools of  
19 the state:

20 (a) 31.8% of all money received from the collection of  
21 income taxes under chapter 30 of Title 15;

22 (b) 25% of all money, except as provided in 15-31-702,  
23 received from the collection of corporation license and  
24 income taxes under chapter 31 of Title 15, as provided by  
25 15-1-501;

1 (c) 100% of the money allocated to state equalization  
2 from the collection of the severance tax on coal;

3 (d) 100% of the money received from the treasurer of  
4 the United States as the state's shares of oil, gas, and  
5 other mineral royalties under the federal Mineral Lands  
6 Leasing Act, as amended;

7 (e) interest and income money described in 20-9-341  
8 and 20-9-342;

9 (f) the statutory appropriation made in [section 36];  
10 (f)(g) income from the education trust fund account;  
11 and

12 (g)(h) in addition to these revenues, the surplus  
13 revenues collected by the counties for foundation program  
14 support according to 20-9-331 and 20-9-333.

15 (4) Any surplus revenue in the state equalization aid  
16 account in the second year of a biennium may be used to  
17 reduce the appropriation required for the next succeeding  
18 biennium."

19 **Section 31.** Section 20-9-406, MCA, is amended to read:

20 "20-9-406. Limitations on amount of bond issue. (1)  
21 The maximum amount for which each school district may become  
22 indebted by the issuance of bonds, including all  
23 indebtedness represented by outstanding bonds of previous  
24 issues and registered warrants, is 45% 47% of the taxable  
25 value of the property subject to taxation as ascertained by

1 the last completed assessment for state, county, and school  
 2 taxes previous to the incurring of such indebtedness. The  
 3 ~~45%~~ 47% maximum, however, may not pertain to indebtedness  
 4 imposed by special improvement district obligations or  
 5 assessments against the school district or to bonds issued  
 6 for the repayment of tax protests lost by the district. All  
 7 bonds issued in excess of such amount shall be null and  
 8 void, except as provided in this section.

9 (2) When the total indebtedness of a school district  
 10 has reached the ~~45%~~ 47% limitation prescribed in this  
 11 section, the school district may pay all reasonable and  
 12 necessary expenses of the school district on a cash basis in  
 13 accordance with the financial administration provisions of  
 14 this chapter.

15 (3) Whenever bonds are issued for the purpose of  
 16 refunding bonds, any moneys to the credit of the debt  
 17 service fund for the payment of the bonds to be refunded are  
 18 applied towards the payment of such bonds and the refunding  
 19 bond issue is decreased accordingly."

20 **Section 32.** Section 20-9-407, MCA, is amended to read:

21 **"20-9-407. Industrial facility agreement for bond**  
 22 **issue in excess of maximum.** (1) In a school district within  
 23 which a new major industrial facility which seeks to qualify  
 24 for taxation as class five property under 15-6-135 is being  
 25 constructed or is about to be constructed, the school

1 district may require, as a precondition of the new major  
 2 industrial facility qualifying as class five property, that  
 3 the owners of the proposed industrial facility enter into an  
 4 agreement with the school district concerning the issuing of  
 5 bonds in excess of the ~~45%~~ 47% limitation prescribed in  
 6 20-9-406. Under such an agreement, the school district may,  
 7 with the approval of the voters, issue bonds which exceed  
 8 the limitation prescribed in this section ~~by a maximum of~~  
 9 ~~45% of the estimated taxable value of the property of the~~  
 10 ~~new major industrial facility subject to taxation when~~  
 11 ~~completed.~~ The estimated taxable value of the property of  
 12 the new major industrial facility subject to taxation shall  
 13 be computed by the department of revenue when requested to  
 14 do so by a resolution of the board of trustees of the school  
 15 district. A copy of the department's statement of estimated  
 16 taxable value shall be printed on each ballot used to vote  
 17 on a bond issue proposed under this section.

18 (2) Pursuant to the agreement between the new major  
 19 industrial facility and the school district and as a  
 20 precondition to qualifying as class five property, the new  
 21 major industrial facility and its owners shall pay, in  
 22 addition to the taxes imposed by the school district on  
 23 property owners generally, so much of the principal and  
 24 interest on the bonds provided for under this section as  
 25 represents payment on an indebtedness in excess of the

1 limitation prescribed in 20-9-406. After the completion of  
 2 the new major industrial facility and when the indebtedness  
 3 of the school district no longer exceeds the limitation  
 4 prescribed in this section, the new major industrial  
 5 facility shall be entitled, after all the current  
 6 indebtedness of the school district has been paid, to a tax  
 7 credit over a period of no more than 20 years. The credit  
 8 shall as a total amount be equal to the amount which the  
 9 facility paid the principal and interest of the school  
 10 district's bonds in excess of its general liability as a  
 11 taxpayer within the district.

12 (3) A major industrial facility is a facility subject  
 13 to the taxing power of the school district, whose  
 14 construction or operation will increase the population of  
 15 the district, imposing a significant burden upon the  
 16 resources of the district and requiring construction of new  
 17 school facilities. A significant burden is an increase in  
 18 ANB of at least 20% in a single year."

19 **Section 33.** Section 20-9-502, MCA, is amended to read:

20 "20-9-502. Purpose and authorization of a building  
 21 reserve fund by an election. (1) The trustees of any  
 22 district, with the approval of the qualified electors of the  
 23 district, may establish a building reserve for the purpose  
 24 of raising money for the future construction, equipping, or  
 25 enlarging of school buildings or for the purpose of

1 purchasing land needed for school purposes in the district.  
 2 In order to submit to the qualified electors of the district  
 3 a building reserve proposition for the establishment of or  
 4 addition to a building reserve, the trustees shall pass a  
 5 resolution that specifies:

6 (a) the purpose or purposes for which the new or  
 7 addition to the building reserve will be used;

8 (b) the duration of time over which the new or  
 9 addition to the building reserve will be raised in annual,  
 10 equal installments;

11 (c) the total amount of money that will be raised  
 12 during the duration of time specified in subsection (1)(b);  
 13 and

14 (d) any other requirements under 20-20-201 for the  
 15 calling of an election.

16 (2) The total amount of building reserve when added to  
 17 the outstanding indebtedness of the district ~~shall~~ may not  
 18 be more than ~~45%~~ 47% of the taxable value of the taxable  
 19 property of the district. ~~Such~~ The limitation shall be  
 20 determined in the manner provided in 20-9-406. A building  
 21 reserve tax authorization shall not be for more than 20  
 22 years.

23 (3) The election shall be conducted in accordance with  
 24 the school election laws of this title, and the electors  
 25 qualified to vote in the election shall be qualified under

1 the provisions of 20-20-301. The ballot for a building  
2 reserve proposition shall be substantially in the following  
3 form:

4 OFFICIAL BALLOT

5 SCHOOL DISTRICT BUILDING RESERVE ELECTION

6 INSTRUCTIONS TO VOTERS: Make an X or similar mark in  
7 the vacant square before the words "BUILDING RESERVE--YES"  
8 if you wish to vote for the establishment of a building  
9 reserve (addition to the building reserve); if you are  
10 opposed to the establishment of a building reserve (addition  
11 to the building reserve) make an X or similar mark in the  
12 square before the words "BUILDING RESERVE--NO".

13 Shall the trustees be authorized to impose an  
14 additional levy each year for .... years to establish a  
15 building reserve (add to the building reserve) of this  
16 school district to raise a total amount of .... dollars  
17 (\$....), for the purpose(s) .... (here state the purpose or  
18 purposes for which the building reserve will be used)?

19 BUILDING RESERVE--YES.

20 BUILDING RESERVE--NO.

21 (4) The building reserve proposition shall be approved  
22 if a majority of those electors voting at the election  
23 approve the establishment of or addition to such building  
24 reserve. The annual budgeting and taxation authority of the  
25 trustees for a building reserve shall be computed by

1 dividing the total authorized amount by the specified number  
2 of years. The authority of the trustees to budget and  
3 impose the taxation for the annual amount to be raised for  
4 the building reserve shall lapse when, at a later time, a  
5 bond issue is approved by the qualified electors of the  
6 district for the same purpose or purposes for which the  
7 building reserve fund of the district was established.  
8 Whenever a subsequent bond issue is made for the same  
9 purpose or purposes of a building reserve, the money in the  
10 building reserve shall be used for such purpose or purposes  
11 before any money realized by the bond issue is used."

12 Section 34. Section 85-7-2001, MCA, is amended to  
13 read:

14 "85-7-2001. Limitations on debt-incurring power. (1)  
15 The board of commissioners or other officers of the district  
16 may not incur any debt or liability, either by issuing bonds  
17 or otherwise, except as provided in this chapter.

18 (2) An irrigation district may not become indebted, in  
19 any manner or for any purpose in any one year, in an amount  
20 exceeding ~~10-75%~~ 19.5% of the assessed valuation of the  
21 district, except as provided in subsection (4).

22 (3) An irrigation district may not incur indebtedness,  
23 in any manner or for any purpose in any one year, on behalf  
24 of any subdistrict in the district in an amount exceeding  
25 ~~10-75%~~ 19.5% of the assessed valuation of the subdistrict,

1 except as provided in subsection (4).

2 (4) (a) For the purpose of organization; for any of  
3 the immediate purposes of this chapter; to make or purchase  
4 surveys, plans, and specifications; for stream gauging and  
5 gathering data; or to make any repairs occasioned by any  
6 calamity or other unforeseen contingency, the board of  
7 commissioners may, in any one year, incur the indebtedness  
8 of as many dollars as there are acres in the district and  
9 may issue warrants of the district.

10 (b) For the purpose of organization, for any of the  
11 immediate purposes of this chapter, or to meet the expenses  
12 occasioned by any calamity or other unforeseen contingency,  
13 the board of commissioners may, in any one year, incur (in  
14 addition to the ~~18.75%~~ 19.5% limitations of subsections (2)  
15 and (3)) an additional indebtedness not exceeding ~~12.5%~~ 13%  
16 of the assessed valuation of the district and may issue  
17 warrants of the district therefor.

18 (c) The limitations of subsections (1) through (3) do  
19 not apply to warrants issued for unpaid interest on the  
20 valid bonds of any irrigation district.

21 (d) The limitations of subsections (1) through (3) do  
22 not apply to bonds or obligations issued to the state of  
23 Montana, the United States, or any department, agency, or  
24 instrumentality of these governments if the bonds or  
25 obligations are issued:

1 (i) pursuant to a loan program specifically authorized  
2 by the legislature; or

3 (ii) to finance in whole or in part a project  
4 authorized by the legislature.

5 (e) The limitations of subsections (1) through (3) do  
6 not apply to any bonds issued under this chapter pursuant to  
7 a provision that expressly supersedes the limitation.

8 (5) Any debt or liability incurred in excess of the  
9 limitations provided by the irrigation district laws is  
10 void."

11 NEW SECTION. **Section 35.** Reimbursement to local  
12 governments for reduced tax on personal property -- duties  
13 of county assessors, department, and county treasurers. (1)  
14 Prior to September 1, 1990, each county assessor shall  
15 supply to the department of revenue for each taxing  
16 jurisdiction within the county:

17 (a) the number of mills levied in the jurisdiction for  
18 taxable year 1989;

19 (b) the number of mills levied in the jurisdiction for  
20 the current taxable year;

21 (c) the total taxable valuation for taxable years 1989  
22 and the current taxable year, reported separately for each  
23 year, of all personal property not secured by real property;  
24 and

25 (d) the total taxable valuation for taxable years 1989

1 and the current taxable year, reported separately for each  
2 year, of all personal property secured by real property.

3 (2) (a) Subsequent to receipt of and based on the  
4 information supplied by the assessors, the department shall  
5 calculate the amount of revenue lost to each taxing  
6 jurisdiction within each county of the state due to the  
7 reduction in taxable valuation resulting from the reduction  
8 in personal property tax rates or from the exemptions  
9 pursuant to 15-6-138 through 15-6-140. For each county, the  
10 department shall total the amounts for all taxing  
11 jurisdictions within the county.

12 (b) For the purposes of this section, the amount  
13 totaled by the department pursuant to subsection (2)(a) is  
14 considered to be the base amount of revenue reimbursable to  
15 each respective county.

16 (3) For the current taxable year, the department shall  
17 remit to the county treasurer in each county the base amount  
18 of revenue reimbursable to the county as follows:

19 (a) on or before November 30, the department shall  
20 remit 50% of the base amount of the revenue reimbursable to  
21 the county; and

22 (b) on or before May 31, the department shall remit  
23 50% of the base amount of the revenue reimbursable to the  
24 county.

25 (4) The county shall distribute the amounts received

1 pursuant to subsection (3) among the various taxing  
2 jurisdictions within the county, based on the calculations  
3 pursuant to subsection (2).

4 NEW SECTION. **Section 36.** Appropriation for  
5 reimbursement to local governments. The amount calculated  
6 under [section 35] is statutorily appropriated, as provided  
7 in 17-7-502, from the general fund to the department of  
8 revenue for the purpose of distributing personal property  
9 tax reduction reimbursements, as provided in [section 35].

10 NEW SECTION. **Section 37.** Codification instruction.  
11 [Sections 35 and 36] are intended to be codified as an  
12 integral part of Title 7, chapter 6, and the provisions of  
13 Title 7, chapter 6, apply to [sections 35 and 36].

14 NEW SECTION. **Section 38.** Effective date --  
15 applicability. [This act] is effective July 1, 1989, and  
16 applies as follows:

17 (1) [Section 24] applies retroactively, within the  
18 meaning of 1-2-109, to taxable years beginning after  
19 December 31, 1988.

20 (2) [Sections 1 through 23 and 25 through 37] apply  
21 January 1, 1990.

-End-