

HOUSE BILL 55

Introduced by Pavlovich, et al.

6/26	Introduced
6/26	Referred to Taxation
6/26	Fiscal Note Requested
6/27	Hearing
6/29	Fiscal Note Received
	Died in Committee

1
2 INTRODUCED BY Pauline Daily ^{HOUSE BILL NO. 55}

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING UNLIMITED
5 PROGRESSIVE PRIZES IN VIDEO GAMBLING MACHINES CONNECTED TO A
6 CENTRALIZED COMPUTERIZED SYSTEM; PROVIDING FOR A 25 PERCENT
7 TAX ON NET MACHINE INCOME FROM EACH MACHINE ON THE SYSTEM;
8 REDUCING THE TAX RATES ON PROPERTY IN CLASSES EIGHT AND
9 NINE; REVISING DEBT LIMITATIONS OF LOCAL GOVERNMENTS,
10 INCLUDING SCHOOLS, TO REFLECT THE CHANGES IN TAX RATES;
11 STATUTORILY APPROPRIATING FUNDS TO LOCAL GOVERNMENTS AND,
12 THROUGH THE FOUNDATION PROGRAM, TO SCHOOLS TO REPLACE
13 REDUCTIONS IN REVENUES DUE TO REDUCTIONS IN PERSONAL
14 PROPERTY TAX RATES; AMENDING SECTIONS 7-3-1321, 7-6-2211,
15 7-6-4121, 7-6-4254, 7-7-107, 7-7-108, 7-7-2101, 7-7-2203,
16 7-7-4201, 7-7-4202, 7-13-4103, 7-14-236, 7-14-2524,
17 7-14-2525, 7-14-4402, 7-16-2327, 7-16-4104, 7-31-106,
18 7-31-107, 7-34-2131, 15-6-138, 15-6-139, 17-7-502,
19 19-11-503, 19-11-504, 20-9-318, 20-9-319, 20-9-343,
20 20-9-406, 20-9-407, 20-9-502, 23-5-608, 23-5-610, AND
21 85-7-2001, MCA; AND PROVIDING AN EFFECTIVE DATE AND
22 APPLICABILITY DATES."

23
24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

25 **Section 1.** Section 23-5-608, MCA, is amended to read:

1 "23-5-608. Limitation on amount of money played and
2 value of prizes -- payment of credits in cash -- exception.
3 (1) A Except as provided in [section 3], a video gambling
4 machine may not allow more than \$2 to be played on a game or
5 award free games or credits in excess of the following
6 amounts:

7 (a) \$100 a game for a video draw poker machine; and

8 (b) \$800 a game for a video keno or bingo machine.

9 (2) A licensee shall pay in cash all credits owed to a
10 player as shown on a valid ticket voucher."

11 **Section 2.** Section 23-5-610, MCA, is amended to read:

12 "23-5-610. Video gambling machine net income tax and
13 progressive prize tax -- records -- distribution --
14 quarterly statement and payment. (1) An operator issued a
15 permit under this part shall pay to the department:

16 (a) a video gambling machine tax of 15% of net machine
17 income from each video gambling machine licensed under this
18 part; and

19 (b) in addition to the 15% tax in subsection (1)(a), a
20 video gambling machine progressive prize tax of 10% of net
21 machine income from each video gambling machine subject to
22 [section 3].

23 (2) An operator issued a permit under this part shall
24 keep a record of net machine income and, when required, of
25 gross machine income in such form as the department may



1 require. The records must at all times during the business
2 hours of the licensee be subject to inspection by the
3 department.

4 (3) An operator issued a permit under this part shall,
5 within 15 days after the end of each quarter, complete and
6 deliver to the department a statement containing any
7 information that the department may require and showing the
8 total:

9 (a) net machine income from each video gambling
10 machine licensed to him under this part, together with the
11 total amount due the state as video gambling machine net
12 income tax for the preceding quarter---~~The statement must~~
13 ~~contain other relevant information as the department may~~
14 ~~require;~~ and

15 (b) gross machine income from each video gambling
16 machine subject to [section 3], together with the total
17 amount due the state as video gambling machine progressive
18 prize tax for the preceding quarter.

19 (4) (a) The department shall forward one-third of the
20 tax collected under subsection (3)(a) to the general fund.

21 (b) The department shall forward the remaining
22 two-thirds of the tax collected under subsection (3)(a) to
23 the treasurer of the county or the clerk, finance officer,
24 or treasurer of the city or town in which the licensed
25 machine is located, for deposit to the county or municipal

1 treasury. Counties are not entitled to proceeds from taxes
2 on income from video gambling machines located in
3 incorporated cities and towns. The two-thirds local
4 government portion of tax collected under subsection (3)(a)
5 is statutorily appropriated to the department, as provided
6 in 17-7-502, for deposit to the county or municipal
7 treasury.

8 (c) The department shall forward the tax collected
9 under subsection (3)(b) to the general fund."

10 NEW SECTION. Section 3. Centralized system for
11 unlimited progressive prizes in certain games --
12 requirements. (1) Notwithstanding the provisions of
13 23-5-608, unlimited progressive prizes on a systemwide basis
14 may be offered and paid through an online centralized system
15 using dedicated telephone lines for video gambling machines
16 that includes a centralized progressive prize system if the
17 system provides for:

18 (a) computerized electronic retrieval at least once
19 each day of accounting information and continuous monitoring
20 of security information, from each machine on the system;
21 and

22 (b) preservation of the accounting and security
23 information in a centralized location.

24 (2) As used in subsection (1), "progressive prize"
25 means a prize:

1 (a) that is increased by predetermined amounts of each
 2 coin that is played; and

3 (b) that is exhibited on an indicator visible to the
 4 public at each establishment where it is offered.

5 (3) The progressive prize may be paid in cash or by
 6 annualized payment over an annuity period provided that the
 7 annualized payments are advertised to the public.

8 (4) The centralized system may be leased, maintained,
 9 and operated by a licensed manufacturer who may participate
 10 in the revenue of the video gambling machines on the system
 11 as payment for his services.

12 (5) The centralized system is subject to approval by
 13 the department after demonstration of its integrity to the
 14 satisfaction of the department.

15 (6) In a centralized system:

16 (a) the video gambling machines must have:

17 (i) the ability to detect a malfunction in the normal
 18 execution sequence and to detect rapid changes in electric
 19 power input; and

20 (ii) brownout protection;

21 (b) accounting information and gaming data must be
 22 stored in two redundant read-and-write memories. When a
 23 machine is powered up or, for any reason, receives a reset,
 24 it must automatically retest itself to ensure proper
 25 functions.

1 (c) each machine must have:

2 (i) a serial transmitter/receiver and must provide the
 3 ability to transfer accounting information from the master
 4 processing unit board to the data collection system; and

5 (ii) a second serial transmitter/receiver;

6 (d) each progressive sign must communicate via
 7 fiberoptic lines to ensure protection from electromagnetic
 8 or electrostatic interference;

9 (e) to ensure no incorrect information is displayed,
 10 the signs must display all zeros if the communications are
 11 interrupted;

12 (f) all critical accounting data must be stored in the
 13 local communicators in a redundant fashion to ensure
 14 reliability; and

15 (g) the communicators must provide a security mode
 16 allowing instantaneous reporting of any security problem.

17 **Section 4.** Section 7-3-1321, MCA, is amended to read:

18 **"7-3-1321. Authorization to incur indebtedness --**
 19 **limitation.** (1) The consolidated municipality may borrow
 20 money or issue bonds for any municipal purpose to the extent
 21 and in the manner provided by the constitution and laws of
 22 Montana for the borrowing of money or issuing of bonds by
 23 counties and cities and towns.

24 (2) The municipality may not become indebted in any
 25 manner or for any purpose to an amount, including existing

1 indebtedness, in the aggregate exceeding 20% 28.5% of the
 2 taxable value of the taxable property therein in the
 3 municipality, as ascertained by the last assessment for
 4 state and county taxes prior to incurring such the
 5 indebtedness. All warrants, bonds, or obligations in excess
 6 of such the amount in this section given by or on behalf of
 7 the municipality ~~shall be~~ are void."

8 **Section 5.** Section 7-6-2211, MCA, is amended to read:

9 "7-6-2211. Authorization to conduct county business on
 10 a cash basis. (1) In case the total indebtedness of a
 11 county, lawful when incurred, exceeds the ~~limit--of--23%~~
 12 limitation established in 7-7-2101 by reason of great
 13 diminution of taxable value, the county may conduct its
 14 business affairs on a cash basis and pay the reasonable and
 15 necessary current expenses of the county out of the cash in
 16 the county treasury derived from its current revenue and
 17 under such restrictions and regulations as may be imposed by
 18 the board of county commissioners of the county by a
 19 resolution duly adopted and included in the minutes of the
 20 board.

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

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

2 "7-6-4121. Authorization to conduct municipal business
 3 on a cash basis. (1) In case the total indebtedness of a
 4 city or town has reached ~~17%~~ 17.25% of the total taxable
 5 value of the property of the city or town subject to
 6 taxation, as ascertained by the last assessment for state
 7 and county taxes, the city or town may conduct its affairs
 8 and business on a cash basis as provided by subsection (2).

9 (2) (a) Whenever a city or town is conducting its
 10 business affairs on a cash basis, the reasonable and
 11 necessary current expenses of the city or town may be paid
 12 out of the cash in the city or town treasury and derived
 13 from its current revenues, under such restrictions and
 14 regulations as the city or town council may by ordinance
 15 prescribe.

16 (b) In the event that payment is made in advance, the
 17 city or town may require a cash deposit as collateral
 18 security and indemnity, equal in amount to such the payment,
 19 and may hold the ~~same~~ deposit as a special deposit with the
 20 city treasurer or town clerk, in package form, as a pledge
 21 for the fulfillment and performance of the contract or
 22 obligation for which the advance is made.

23 (c) Before the payment of the current expenses
 24 mentioned above, the city or town council shall first set
 25 apart sufficient money to pay the interest upon its legal,

1 valid, and outstanding bonded indebtedness and any sinking
2 funds ~~therein~~ provided for and shall be authorized to pay
3 all valid claims against funds raised by tax especially
4 authorized by law for the purpose of paying ~~such those~~
5 claims."

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

7 "7-6-4254. Limitation on amount of emergency budgets
8 and appropriations. (1) The total of all emergency budgets
9 and appropriations made ~~therein~~ in any one year and to be
10 paid from any city fund may not exceed ~~30%~~ 38.6% of the
11 total amount which could be produced for ~~such the~~ city fund
12 by a maximum levy authorized by law to be made for ~~such the~~
13 fund, as shown by the last completed assessment roll of the
14 county.

15 (2) The term "taxable property", as used ~~herein in~~
16 this section, means the percentage of the value at which
17 such property is assessed and which percentage is used for
18 the purposes of computing taxes and does not mean the
19 assessed value of ~~such the~~ property as ~~the same it~~ appears
20 on the assessment roll."

21 **Section 8.** Section 7-7-107, MCA, is amended to read:

22 "7-7-107. Limitation on amount of bonds for
23 city-county consolidated units. (1) Except as provided in
24 7-7-108, ~~no a~~ city-county consolidated local government may
25 not issue bonds for any purpose which, with all outstanding

1 indebtedness, ~~may will~~ exceed ~~39%~~ 39.6% of the taxable value
2 of the property ~~therein in the consolidated government~~
3 subject to taxation as ascertained by the last assessment
4 for state and county taxes.

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

9 **Section 9.** Section 7-7-108, MCA, is amended to read:

10 "7-7-108. Authorization for additional indebtedness
11 for water or sewer systems. (1) For the purpose of
12 constructing a sewer system or procuring a water supply or
13 constructing or acquiring a water system for a city-county
14 consolidated government which ~~shall will~~ own and control
15 such the water supply and water system and devote the
16 revenues ~~therefrom from the system~~ to the payment of the
17 debt, a city-county consolidated government may incur an
18 additional indebtedness by borrowing money or issuing bonds.

19 (2) The additional indebtedness which may be incurred
20 by borrowing money or issuing bonds for the construction of
21 a sewer system or for the procurement of a water supply or
22 for both ~~such~~ purposes may not in the aggregate exceed 10%
23 over and above the ~~39%~~ limitation referred to in 7-7-107 of
24 the taxable value of the property ~~therein in the~~
25 consolidated government subject to taxation as ascertained

1 by the last assessment for state and county taxes."

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

3 **"7-7-2101. Limitation on amount of county**
 4 **indebtedness.** (1) ~~No~~ A county may not become indebted in any
 5 manner or for any purpose to an amount, including existing
 6 indebtedness, in the aggregate exceeding ~~23%~~ 23.4% of the
 7 total of the taxable value of the property ~~therein~~ in the
 8 county subject to taxation, plus the amount of interim
 9 production and new production taxes levied divided by the
 10 appropriate tax rates described in 15-23-607(2)(a) or (2)(b)
 11 and multiplied by 60%, plus the amount of value represented
 12 by new production exempted from tax as provided in
 13 15-23-612, as ascertained by the last assessment for state
 14 and county taxes previous to the incurring of ~~such~~ the
 15 indebtedness.

16 (2) ~~No~~ A county may not incur indebtedness or
 17 liability for any single purpose to an amount exceeding
 18 \$500,000 without the approval of a majority of the electors
 19 ~~thereof~~ of the county voting at an election to be provided
 20 by law, except as provided in 7-21-3413 and 7-21-3414.

21 (3) Nothing in this section ~~shall apply~~ applies to the
 22 acquisition of conservation easements as set forth in Title
 23 76, chapter 6."

24 **Section 11.** Section 7-7-2203, MCA, is amended to read:

25 **"7-7-2203. Limitation on amount of bonded**

1 indebtedness. (1) Except as provided in subsections (2)
 2 through (4), ~~no~~ a county may not issue general obligation
 3 bonds for any purpose which, with all outstanding bonds and
 4 warrants except county high school bonds and emergency
 5 bonds, will exceed ~~21.25%~~ 11.5% of the total of the taxable
 6 value of the property ~~therein~~ in the county, plus the amount
 7 of interim production and new production taxes levied
 8 divided by the appropriate tax rates described in
 9 15-23-607(2)(a) or (2)(b) and multiplied by 60%, plus the
 10 amount of value represented by new production exempted from
 11 tax as provided in 15-23-612, to be ascertained by the last
 12 assessment for state and county taxes prior to the proposed
 13 issuance of bonds.

14 (2) In addition to the bonds allowed by subsection
 15 (1), a county may issue bonds which, with all outstanding
 16 bonds and warrants, will not exceed ~~27.75%~~ 28.2% of the
 17 total of the taxable value of the property in the county
 18 subject to taxation, plus the amount of interim production
 19 and new production taxes levied divided by the appropriate
 20 tax rates described in 15-23-607(2)(a) or (2)(b) and
 21 multiplied by 60%, plus the amount of value represented by
 22 new production exempted from tax as provided in 15-23-612,
 23 when necessary to do so, for the purpose of acquiring land
 24 for a site for county high school buildings and for erecting
 25 or acquiring buildings thereon and furnishing and equipping

1 the same for county high school purposes.

2 (3) In addition to the bonds allowed by subsections
3 (1) and (2), a county may issue bonds for the construction
4 or improvement of a jail which will not exceed ~~12.5%~~ 12.7%
5 of the taxable value of the property in the county subject
6 to taxation.

7 (4) The limitation in subsection (1) does not apply to
8 refunding bonds issued for the purpose of paying or retiring
9 county bonds lawfully issued prior to January 1, 1932, or to
10 bonds issued for the repayment of tax protests lost by the
11 county."

12 **Section 12.** Section 7-7-4201, MCA, is amended to read:

13 "7-7-4201. Limitation on amount of bonded
14 indebtedness. (1) Except as otherwise provided, no a city or
15 town may not issue bonds or incur other indebtedness for any
16 purpose in an amount which with all outstanding and unpaid
17 indebtedness will exceed ~~28%~~ 28.5% of the taxable value of
18 the property therein in the city or town subject to
19 taxation, to be ascertained by the last assessment for state
20 and county taxes.

21 (2) The issuing of bonds for the purpose of funding or
22 refunding outstanding warrants or bonds is not the incurring
23 of a new or additional indebtedness but is merely the
24 changing of the evidence of outstanding indebtedness.

25 (3) The limitation in subsection (1) does not apply to

1 bonds issued for the repayment of tax protests lost by the
2 city or town."

3 **Section 13.** Section 7-7-4202, MCA, is amended to read:

4 "7-7-4202. Special provisions relating to water and
5 sewer systems. (1) Notwithstanding the provisions of
6 7-7-4201, for the purpose of constructing a sewer system,
7 procuring a water supply, or constructing or acquiring a
8 water system for a city or town which owns and controls the
9 water supply and water system and devotes the revenues
10 therefrom revenue from the system to the payment of the
11 debt, a city or town may incur an additional indebtedness by
12 borrowing money or issuing bonds.

13 (2) The additional total indebtedness that may be
14 incurred by borrowing money or issuing bonds for the
15 construction of a sewer system, for the procurement of a
16 water supply, or for both such purposes, including all
17 indebtedness theretofore previously contracted which is
18 unpaid or outstanding, may not in the aggregate exceed 55%
19 over and above the ~~28%~~ limitation referred to in 7-7-4201
20 of the taxable value of the property therein in the city or
21 town subject to taxation as ascertained by the last
22 assessment for state and county taxes."

23 **Section 14.** Section 7-13-4103, MCA, is amended to
24 read:

25 "7-13-4103. Limitation on indebtedness for acquisition

1 of natural gas system. The total amount of indebtedness
 2 authorized to be contracted in any form, including the
 3 then-existing indebtedness, ~~must~~ may not at any time exceed
 4 ~~17%~~ 17.3% of the total taxable value of the property of the
 5 city or town subject to taxation as ascertained by the last
 6 assessment for state and county taxes."

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

8 "7-14-236. Limitation on bonded indebtedness. The
 9 amount of bonds issued to provide funds for the district and
 10 outstanding at any time ~~shall~~ may not exceed ~~28%~~ 28.5% of
 11 the taxable value of taxable property ~~therein~~ in the
 12 district as ascertained by the last assessment for state and
 13 county taxes previous to the issuance of ~~such~~ the bonds."

14 **Section 16.** Section 7-14-2524, MCA, is amended to
 15 read:

16 "7-14-2524. Limitation on amount of bonds issued --
 17 excess void. (1) Except as otherwise provided hereafter in
 18 this part and in 7-7-2203 and 7-7-2204, ~~no~~ a county ~~shall~~
 19 may not issue bonds which, with all outstanding bonds and
 20 warrants except county high school bonds and emergency
 21 bonds, will exceed ~~11.25%~~ 11.5% of the total of the taxable
 22 value of the property ~~therein~~ in the county, plus the amount
 23 of interim production and new production taxes levied
 24 divided by the appropriate tax rates described in
 25 15-23-607(2)(a) or (2)(b) and multiplied by 60%, plus the

1 amount of value represented by new production exempted from
 2 tax as provided in 15-23-612. The taxable property and the
 3 amount of interim production and new production taxes levied
 4 shall be ascertained by the last assessment for state and
 5 county taxes prior to the issuance of ~~such~~ the bonds.

6 (2) A county may issue bonds which, with all
 7 outstanding bonds and warrants except county high school
 8 bonds, will exceed ~~11.25%~~ 11.5% but will not exceed ~~22.5%~~
 9 22.9% of the total of the taxable value of ~~such~~ the
 10 property, plus the amount of interim production and new
 11 production taxes levied divided by the appropriate tax rates
 12 described in 15-23-607(2)(a) or (2)(b) and multiplied by
 13 60%, plus the amount of value represented by new production
 14 exempted from tax as provided in 15-23-612, when necessary
 15 for the purpose of replacing, rebuilding, or repairing
 16 county buildings, bridges, or highways which have been
 17 destroyed or damaged by an act of God, disaster,
 18 catastrophe, or accident.

19 (3) The value of the bonds issued and all other
 20 outstanding indebtedness of the county, except county high
 21 school bonds, ~~shall~~ may not exceed ~~22.5%~~ 22.9% of the total
 22 of the taxable value of the property within the county, plus
 23 the amount of interim production and new production taxes
 24 levied divided by the appropriate tax rates described in
 25 15-23-607(2)(a) or (2)(b) and multiplied by 60%, plus the

1 amount of value represented by new production exempted from
2 tax as provided in 15-23-612, as ascertained by the last
3 preceding general assessment."

4 **Section 17.** Section 7-14-2525, MCA, is amended to
5 read:

6 *7-14-2525. Refunding agreements and refunding bonds
7 authorized. (1) Whenever the total indebtedness of a county
8 exceeds ~~22.5%~~ 22.9% of the total of the taxable value of the
9 property ~~therein~~ in the county, plus the amount of interim
10 production and new production taxes levied divided by the
11 appropriate tax rates described in 15-23-607(2)(a) or (2)(b)
12 and multiplied by 60%, plus the amount of value represented
13 by new production exempted from tax as provided in
14 15-23-612, and the board determines that the county is
15 unable to pay such the indebtedness in full, the board may:

16 (a) negotiate with the bondholders for an agreement
17 whereby the bondholders agree to accept less than the full
18 amount of the bonds and the accrued unpaid interest ~~thereon~~
19 on the bonds in satisfaction thereof of the indebtedness;

20 (b) enter into such the agreement;

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

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

24 (3) The plan agreed upon between the board and the
25 bondholders ~~shall~~ must be embodied in full in the resolution

1 providing for the issue of the bonds."

2 **Section 18.** Section 7-14-4402, MCA, is amended to
3 read:

4 *7-14-4402. Limit on indebtedness to provide bus
5 service. The total amount of indebtedness authorized under
6 7-14-4401(1) to be contracted in any form, including the
7 then-existing indebtedness, may not at any time exceed ~~20%~~
8 28.5% of the total taxable value of the property of the city
9 or town subject to taxation as ascertained by the last
10 assessment for state and county taxes. ~~No-money~~ Money may
11 not be borrowed or bonds issued for the purposes specified
12 in 7-14-4401(1) until the proposition has been submitted to
13 the vote of the taxpayers of the city or town and the
14 majority vote cast in its favor."

15 **Section 19.** Section 7-16-2327, MCA, is amended to
16 read:

17 *7-16-2327. Indebtedness for park purposes. (1)
18 Subject to the provisions of subsection (2), a county park
19 board, in addition to powers and duties now given under law,
20 shall have the power and duty to contract an indebtedness in
21 behalf of a county, upon the credit ~~thereof~~ of the county,
22 for the purposes of 7-16-2321(1) and (2).

23 (2) (a) The total amount of indebtedness authorized to
24 be contracted in any form, including the then-existing
25 indebtedness, must may not at any time exceed ~~13%~~ 13.2% of

1 the total of the taxable value of the taxable property in
 2 the county, plus the amount of interim production and new
 3 production taxes levied divided by the appropriate tax rates
 4 described in 15-23-607(2)(a) or (2)(b) and multiplied by
 5 60%, plus the amount of value represented by new production
 6 exempted from tax as provided in 15-23-612, ascertained by
 7 the last assessment for state and county taxes previous to
 8 the incurring of such the indebtedness.

9 (b) No-money Money may not be borrowed on bonds issued
 10 for the purchase and improvement of lands and-improving-same
 11 for any such park purpose until the proposition has been
 12 submitted to the vote of those qualified under the
 13 provisions of the state constitution to vote at such an
 14 election in the county affected thereby and a majority vote
 15 is cast in favor thereof of incurring the indebtedness."

16 **Section 20.** Section 7-16-4104, MCA, is amended to
 17 read:

18 "7-16-4104. Authorization for municipal indebtedness
 19 for various cultural, social, and recreational purposes. (1)
 20 A city or town council or commission may contract an
 21 indebtedness on behalf of the city or town, upon the credit
 22 thereof of the city or town, by borrowing money or issuing
 23 bonds:

24 (a) for the purpose of purchasing and improving lands
 25 for public parks and grounds;

1 (b) for procuring by purchase, construction, or
 2 otherwise swimming pools, athletic fields, skating rinks,
 3 playgrounds, museums, a golf course, a site and building for
 4 a civic center, a youth center, or combination thereof; and
 5 (c) for furnishing and equipping the same.

6 (2) The total amount of indebtedness authorized to be
 7 contracted in any form, including the then-existing
 8 indebtedness, may not at any time exceed ~~16.5%~~ 16.8% of the
 9 taxable value of the taxable property of the city or town as
 10 ascertained by the last assessment for state and county
 11 taxes previous to the incurring of such the indebtedness. No
 12 money Money may not be borrowed on bonds issued for the
 13 purchase and improvement of lands and-improving-the-same for
 14 any such purpose under subsection (1) until the proposition
 15 has been submitted to the vote of the qualified electors of
 16 the city or town and a majority vote is cast in favor
 17 thereof of incurring the indebtedness."

18 **Section 21.** Section 7-31-106, MCA, is amended to read:

19 "7-31-106. Authorization for county to issue bonds --
 20 election required. (1) If the petition is presented to the
 21 board of county commissioners, it ~~shall be~~ is the duty of
 22 the board, for the purpose of raising money to meet the
 23 payments under the terms and conditions of ~~said the~~ the contract
 24 and other necessary and proper expenses in and about the
 25 same smoke abatement contract and for the approval or

1 disapproval thereof of the contract:

2 (a) to ascertain, within 30 days after submission of
3 the petition, the existing indebtedness of the county in the
4 aggregate; and

5 (b) to submit, within 60 days after ascertaining the
6 same indebtedness, to the electors of such the county the
7 proposition to approve or disapprove the contract and the
8 issuance of bonds necessary to carry out the same contract.

9 (2) The amount of the bonds authorized by this section
10 may not exceed ~~22.5%~~ 22.9% of the taxable value of the
11 taxable property therein in the county, inclusive of the
12 existing indebtedness thereof of the county, to be
13 ascertained by the last assessment for state and county
14 taxes previous to the issuance of said the bonds and
15 incurring of said the indebtedness."

16 **Section 22.** Section 7-31-107, MCA, is amended to read:

17 "7-31-107. Authorization for municipality to issue
18 bonds -- election required. (1) If said the petition is
19 presented to the council of any incorporated city or town,
20 the council, for the purpose of raising money to meet the
21 payments under the terms and conditions of said the contract
22 and other necessary and proper expenses in and about the
23 same contract and for the approval or disapproval thereof of
24 the contract:

25 (a) shall ascertain, within 30 days after submission

1 of the petition, the aggregate indebtedness of such the city
2 or town; and

3 (b) shall submit, within 60 days after ascertaining
4 the same indebtedness, to the electors of such the city or
5 town the proposition to approve or disapprove said the
6 contract and the issuance of bonds necessary to carry out
7 the same contract.

8 (2) The amount of the bonds authorized by this section
9 may not exceed ~~16.5%~~ 16.8% of the taxable value of the
10 taxable property therein in the city or town, inclusive of
11 the existing indebtedness thereof of the city or town, to be
12 ascertained in the manner provided in this part."

13 **Section 23.** Section 7-34-2131, MCA, is amended to
14 read:

15 "7-34-2131. Hospital district bonds authorized. (1) A
16 hospital district may borrow money by the issuance of its
17 bonds to provide funds for payment of part or all of the
18 cost of acquisition, furnishing, equipment, improvement,
19 extension, and betterment of hospital facilities and to
20 provide an adequate working capital for a new hospital.

21 (2) The amount of bonds issued for such a purpose
22 specified in subsection (1) and outstanding at any time may
23 not exceed ~~22.5%~~ 22.9% of the taxable value of the property
24 therein in the district as ascertained by the last
25 assessment for state and county taxes previous to the

1 issuance of such the bonds.

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

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

9 **Section 24.** Section 15-6-138, MCA, is amended to read:

10 "15-6-138. Class eight property -- description --
11 taxable percentage. (1) Class eight property includes:

- 12 (a) all agricultural implements and equipment;
- 13 (b) all mining machinery, fixtures, equipment, tools
14 that are not exempt under 15-6-201(1)(r), and supplies
15 except:

- 16 (i) those included in class five; and
- 17 (ii) coal and ore haulers;

18 (c) all manufacturing machinery, fixtures, equipment,
19 tools that are not exempt under 15-6-201(1)(r), and supplies
20 except those included in class five;

21 (d) all trailers, including those prorated under
22 15-24-102, except those subject to taxation under
23 61-3-504(2);

24 (e) all goods and equipment intended for rent or
25 lease, except goods and equipment specifically included and

1 taxed in another class;

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

4 (g) all other machinery except that specifically
5 included in another class.

6 (2) Class eight property is taxed at ~~11%~~ 10% of its
7 market value."

8 **Section 25.** Section 15-6-139, MCA, is amended to read:

9 "15-6-139. Class nine property -- description --
10 taxable percentage. (1) Class nine property includes:

- 11 (a) truck toppers weighing more than 300 pounds;
- 12 (b) furniture, fixtures, and equipment, except that
13 specifically included in another class, used in commercial
14 establishments as defined in this section;
- 15 (c) x-ray and medical and dental equipment; and
- 16 (d) citizens' band radios and mobile telephones.

17 (2) "Commercial establishment" includes any hotel;
18 motel; office; petroleum marketing station; or service,
19 wholesale, retail, or food-handling business.

20 (3) Class nine property is taxed at ~~13%~~ 10% of its
21 market value."

22 **Section 26.** Section 17-7-502, MCA, is amended to read:

23 "17-7-502. Statutory appropriations -- definition --
24 requisites for validity. (1) A statutory appropriation is an
25 appropriation made by permanent law that authorizes spending

1 by a state agency without the need for a biennial
2 legislative appropriation or budget amendment.

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

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

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

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

25 (4) There is a statutory appropriation to pay the

1 principal, interest, premiums, and costs of issuing, paying,
2 and securing all bonds, notes, or other obligations, as due,
3 that have been authorized and issued pursuant to the laws of
4 Montana. Agencies that have entered into agreements
5 authorized by the laws of Montana to pay the state
6 treasurer, for deposit in accordance with 17-2-101 through
7 17-2-107, as determined by the state treasurer, an amount
8 sufficient to pay the principal and interest as due on the
9 bonds or notes have statutory appropriation authority for
10 such payments. (In subsection (3), pursuant to sec. 10, Ch.
11 664, L. 1987, the inclusion of 39-71-2504 terminates June
12 30, 1991.)"

13 **Section 27.** Section 19-11-503, MCA, is amended to
14 read:

15 "19-11-503. Special tax levy for fund required. (1)
16 The purpose of this section is to provide a means by which
17 each disability and pension fund may be maintained at a
18 level equal to ~~4%~~ 4.06% of the taxable valuation of all
19 taxable property within the limits of the city or town.

20 (2) Whenever the fund contains less than ~~4%~~ 4.06%
21 of the taxable valuation of all taxable property within the
22 limits of the city or town, the governing body of the city
23 or town shall, at the time of the levy of the annual tax,
24 levy a special tax as provided in 19-11-504. The special tax
25 must be collected as other taxes are collected and, when so

1 collected, must be paid into the disability and pension
2 fund.

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

7 **Section 28.** Section 19-11-504, MCA, is amended to
8 read:

9 "19-11-504. Amount of special tax levy. Whenever the
10 fund contains an amount which is less than 4% 4.06% of the
11 taxable valuation of all taxable property in the city or
12 town, the city council shall levy an annual special tax of
13 not less than 1 mill and not more than 4 mills on each
14 dollar of taxable valuation of all taxable property within
15 the city or town."

16 **Section 29.** Section 20-9-318, MCA, is amended to read:

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

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

24 {2}(b) For schools with an ANB of 10 pupils but less
25 than 18 pupils, the maximum ~~shall be~~ is \$20,158 plus \$842.50

1 per pupil on the basis of the average number belonging over
2 nine 9.

3 {3}(c) For schools with an ANB of at least 14 pupils
4 but less than 18 pupils that qualify for instructional aide
5 funding under 20-9-322, the maximum ~~shall be~~ is \$33,042 plus
6 \$842.50 per pupil on the basis of the average number
7 belonging over 14.

8 {4}(d) For schools with an ANB of 18 pupils and
9 employing one teacher, the maximum ~~shall be~~ is \$27,741 plus
10 \$842.50 per pupil on the basis of the average number
11 belonging over 18, not to exceed an ANB of 25.

12 {5}(e) For schools with an ANB of 18 pupils and
13 employing two full-time teachers, the maximum ~~shall be~~ is
14 \$44,290 plus \$527.60 per pupil on the basis of the average
15 number belonging over 18, not to exceed an ANB of 50.

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

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

24 {b}(ii) For a school having an ANB of more than 100
25 pupils, the maximum of \$1,843 ~~shall be~~ is decreased at the

1 rate of \$1.74 for each additional pupil until the ANB shall
2 have-reached reaches 300 pupils.

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

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

13 (3) The superintendent of public instruction shall,
14 for school year 1990, increase by 1.46% the elementary
15 maximum budget schedule as represented in subsections (1)(a)
16 through (1)(f)."

17 **Section 30.** Section 20-9-319, MCA, is amended to read:

18 "20-9-319. High school maximum budget schedule for
19 1987-88 and succeeding years. For (1) Except as provided in
20 subsection (3), for 1987-88 and succeeding school years, the
21 high school maximum budget schedule is as follows:

22 ~~(1)~~(a) For each high school having an ANB of 24 or
23 fewer pupils, the maximum shall-be is \$114,845.

24 ~~(2)~~(b) For a secondary high school having an ANB of
25 more than 24 pupils, the maximum of \$4,785 shall--be is

1 decreased at the rate of \$26.10 for each additional pupil
2 until the ANB shall-have-reached reaches a total of 40 such
3 pupils.

4 ~~(3)~~(c) For a school having an ANB of more than 40
5 pupils, the maximum of \$4,368 shall-be is decreased at the
6 rate of \$26.10 for each additional pupil until the ANB shall
7 have-reached reaches 100 pupils.

8 ~~(4)~~(d) For a school having an ANB of more than 100
9 pupils, a the maximum of \$2,802 shall-be is decreased at the
10 rate of \$4.37 for each additional pupil until the ANB shall
11 have-reached reaches 200 pupils.

12 ~~(5)~~(e) For a school having an ANB of more than 200
13 pupils, the maximum of \$2,365 shall-be is decreased by \$2.40
14 for each additional pupil until the ANB shall--have--reached
15 reaches 300 pupils.

16 ~~(6)~~(f) For a school having an ANB of more than 300
17 pupils, the maximum of \$2,125 shall-be is decreased at the
18 rate of 44 cents for each additional pupil until the ANB
19 shall-have-reached reaches 600 pupils.

20 ~~(7)~~(g) For a school having an ANB over of more than
21 600 pupils, the maximum shall may not exceed \$1,993 per
22 pupil.

23 ~~(8)~~(2) The maximum per pupil for all pupils (ANB) and
24 for all high schools shall must be computed on the basis of
25 the amount allowed herein in this section on account of the

1 last eligible pupil (ANB). All high schools and junior high
2 schools which have been approved and accredited as junior
3 high schools, operated within the incorporated limits of a
4 city or town, ~~shall~~ must be treated as one school for the
5 purpose of this schedule.

6 (3) The superintendent of public instruction shall,
7 for school year 1990, increase by 1.46% the high school
8 maximum budget schedule as represented in subsections (1)(a)
9 through (1)(g)."

10 **Section 31.** Section 20-9-343, MCA, is amended to read:

11 "20-9-343. Definition of and revenue for state
12 equalization aid. (1) As used in this title, the term "state
13 equalization aid" means ~~those-moneys~~ the money deposited in
14 the state special revenue fund as required in this section
15 plus any legislative appropriation of money from other
16 sources for distribution to the public schools for the
17 purpose of equalization of the foundation program.

18 (2) The legislative--appropriation legislature shall
19 biennially appropriate money for state equalization aid
20 ~~shall-be--made--in--a--single--sum--for--the--biennium.~~ The
21 superintendent of public instruction ~~has-authority-to~~ may
22 spend such the appropriation, together with the earmarked
23 revenues revenue provided in subsection (3), as required for
24 foundation program purposes throughout the biennium.

25 (3) The following ~~shall~~ must be paid into the state

1 special revenue fund for state equalization aid to public
2 schools of the state:

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

5 (b) 25% of all money, except as provided in 15-31-702,
6 received from the collection of corporation license and
7 income taxes under chapter 31 of Title 15, as provided by
8 15-1-501;

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

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

15 (e) interest and income money described in 20-9-341
16 and 20-9-342;

17 (f) the statutory appropriation made in [section 37];
18 (f)(g) income from the education trust fund account;
19 and

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

23 (4) Any surplus revenue in the state equalization aid
24 account in the second year of a biennium may be used to
25 reduce the appropriation required for the next succeeding

1 biennium."

2 **Section 32.** Section 20-9-406, MCA, is amended to read:

3 "20-9-406. Limitations on amount of bond issue. (1)

4 The maximum amount for which each school district may become
5 indebted by the issuance of bonds, including all
6 indebtedness represented by outstanding bonds of previous
7 issues and registered warrants, is 45% 45.7% of the taxable
8 value of the property subject to taxation as ascertained by
9 the last completed assessment for state, county, and school
10 taxes previous to the incurring of such the indebtedness.
11 The 45% 45.7% maximum, however, may not pertain to
12 indebtedness imposed by special improvement district
13 obligations or assessments against the school district or to
14 bonds issued for the repayment of tax protests lost by the
15 district. All bonds issued in excess of such the amount
16 ~~shall be null and~~ are void, except as provided in this
17 section.

18 (2) When the total indebtedness of a school district
19 has reached the 45% 45.7% limitation prescribed in this
20 section, the school district may pay all reasonable and
21 necessary expenses of the school district on a cash basis in
22 accordance with the financial administration provisions of
23 this chapter.

24 (3) Whenever bonds are issued for the purpose of
25 refunding bonds, any moneys money to the credit of the debt

1 service fund for the payment of the bonds to be refunded are
2 is applied towards the payment of such the bonds and the
3 refunding bond issue is decreased accordingly."

4 **Section 33.** Section 20-9-407, MCA, is amended to read:

5 "20-9-407. Industrial facility agreement for bond
6 issue in excess of maximum. (1) In a school district within
7 which a new major industrial facility which that seeks to
8 qualify for taxation as class five property under 15-6-135
9 is being constructed or is about to be constructed, the
10 school district may require, as a precondition of the new
11 major industrial facility qualifying as class five property,
12 that the owners of the proposed industrial facility enter
13 into an agreement with the school district concerning the
14 issuing of bonds in excess of the 45% 45.7% limitation
15 prescribed in 20-9-406. Under such an agreement, the school
16 district may, with the approval of the voters, issue bonds
17 which that exceed the limitation prescribed in this section
18 ~~by a maximum of 45% of the estimated taxable value of the~~
19 ~~property of the new major industrial facility subject to~~
20 ~~taxation when completed.~~ The estimated taxable value of the
21 property of the new major industrial facility subject to
22 taxation shall must be computed by the department of revenue
23 when requested to do so by a resolution of the board of
24 trustees of the school district. A copy of the department's
25 statement of estimated taxable value shall must be printed

1 on each ballot used to vote on a bond issue proposed under
2 this section.

3 (2) Pursuant to the agreement between the new major
4 industrial facility and the school district and as a
5 precondition to qualifying as class five property, the new
6 major industrial facility and its owners shall pay, in
7 addition to the taxes imposed by the school district on
8 property owners generally, so much of the principal and
9 interest on the bonds provided for under this section as
10 represents payment on an indebtedness in excess of the
11 limitation prescribed in 20-9-406. After the completion of
12 the new major industrial facility and when the indebtedness
13 of the school district no longer exceeds the limitation
14 prescribed in this section, the new major industrial
15 facility ~~shall~~ is entitled, after all the current
16 indebtedness of the school district has been paid, to a tax
17 credit over a period of no more than 20 years. The credit
18 ~~shall~~ must as a total amount be equal to the amount which
19 that the facility paid the principal and interest of the
20 school district's bonds in excess of its general liability
21 as a taxpayer within the district.

22 (3) A major industrial facility is a facility subject
23 to the taxing power of the school district, whose
24 construction or operation will increase the population of
25 the district, imposing a significant burden upon the

1 resources of the district and requiring construction of new
2 school facilities. A significant burden is an increase in
3 ANB of at least 20% in a single year."

4 **Section 34.** Section 20-9-502, MCA, is amended to read:

5 "20-9-502. Purpose and authorization of a building
6 reserve fund by an election. (1) The trustees of any
7 district, with the approval of the qualified electors of the
8 district, may establish a building reserve for the purpose
9 of raising money for the future construction, equipping, or
10 enlarging of school buildings or for the purpose of
11 purchasing land needed for school purposes in the district.
12 In order to submit to the qualified electors of the district
13 a building reserve proposition for the establishment of or
14 addition to a building reserve, the trustees shall pass a
15 resolution that specifies:

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

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

21 (c) the total amount of money that will be raised
22 during the duration of time specified in subsection (1)(b);
23 and

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

1 (2) The total amount of building reserve when added to
 2 the outstanding indebtedness of the district shall may not
 3 be more than ~~45%~~ 45.7% of the taxable value of the taxable
 4 property of the district. ~~Such~~ The limitation shall must be
 5 determined in the manner provided in 20-9-406. A building
 6 reserve tax authorization shall may not be for more than 20
 7 years.

8 (3) The election shall must be conducted in accordance
 9 with the school election laws of this title, and the
 10 electors qualified to vote in the election shall must be
 11 qualified under the provisions of 20-20-301. The ballot for
 12 a building reserve proposition shall must be substantially
 13 in the following form:

OFFICIAL BALLOT

SCHOOL DISTRICT BUILDING RESERVE ELECTION

16 INSTRUCTIONS TO VOTERS: Make an X or similar mark in
 17 the vacant square before the words "BUILDING RESERVE--YES"
 18 if you wish to vote for the establishment of a building
 19 reserve (addition to the building reserve); if you are
 20 opposed to the establishment of a building reserve (addition
 21 to the building reserve) make an X or similar mark in the
 22 square before the words "BUILDING RESERVE--NO".

23 Shall the trustees be authorized to impose an
 24 additional levy each year for years to establish a
 25 building reserve (add to the building reserve) of this

1 school district to raise a total amount of dollars
 2 (\$....), for the purpose(s) (here state the purpose or
 3 purposes for which the building reserve will be used)?

4 BUILDING RESERVE--YES.

5 BUILDING RESERVE--NO.

6 (4) The building reserve proposition shall--be is
 7 approved if a majority of those electors voting at the
 8 election approve the establishment of or addition to ~~such~~
 9 the building reserve. The annual budgeting and taxation
 10 authority of the trustees for a building reserve shall must
 11 be computed by dividing the total authorized amount by the
 12 specified number of years. The authority of the trustees to
 13 budget and impose the taxation for the annual amount to be
 14 raised for the building reserve shall--~~lapse~~ lapses when, at
 15 a later time, a bond issue is approved by the qualified
 16 electors of the district for the same purpose or purposes
 17 for which the building reserve fund of the district was
 18 established. Whenever a subsequent bond issue is made for
 19 the same purpose or purposes of a building reserve, the
 20 money in the building reserve shall must be used for such
 21 purpose or purposes before any money realized by the bond
 22 issue is used."

23 **Section 35.** Section 85-7-2001, MCA, is amended to
 24 read:

25 **"85-7-2001. Limitations on debt-incurring power. (1)**

1 The board of commissioners or other officers of the district
2 may not incur any debt or liability, either by issuing bonds
3 or otherwise, except as provided in this chapter.

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

8 (3) An irrigation district may not incur indebtedness,
9 in any manner or for any purpose in any one year, on behalf
10 of any subdistrict in the district in an amount exceeding
11 ~~18-75%~~ 19% of the assessed valuation of the subdistrict,
12 except as provided in subsection (4).

13 (4) (a) For the purpose of organization; for any of
14 the immediate purposes of this chapter; to make or purchase
15 surveys, plans, and specifications; for stream gauging and
16 gathering data; or to make any repairs occasioned by any
17 calamity or other unforeseen contingency, the board of
18 commissioners may, in any one year, incur the indebtedness
19 of as many dollars as there are acres in the district and
20 may issue warrants of the district.

21 (b) For the purpose of organization, for any of the
22 immediate purposes of this chapter, or to meet the expenses
23 occasioned by any calamity or other unforeseen contingency,
24 the board of commissioners may, in any one year, incur (in
25 addition to the ~~18-75%~~ 19% limitations of subsections (2)

1 and (3)) an additional indebtedness not exceeding ~~12-5%~~
2 12.7% of the assessed valuation of the district and may
3 issue warrants of the district therefor.

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

7 (d) The limitations of subsections (1) through (3) do
8 not apply to bonds or obligations issued to the state of
9 Montana, the United States, or any department, agency, or
10 instrumentality of these governments if the bonds or
11 obligations are issued:

12 (i) pursuant to a loan program specifically authorized
13 by the legislature; or

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

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

19 (5) Any debt or liability incurred in excess of the
20 limitations provided by the irrigation district laws is
21 void."

22 NEW SECTION. **Section 36.** Reimbursement to local
23 governments for reduced tax on personal property -- duties
24 of county assessors, department, and county treasurers. (1)
25 Prior to September 1, 1990, each county assessor shall

1 supply to the department of revenue for each taxing
2 jurisdiction other than school districts within the county:

3 (a) the number of mills levied in the jurisdiction for
4 taxable year 1989;

5 (b) the number of mills levied in the jurisdiction for
6 the current taxable year;

7 (c) the total taxable valuation for taxable year 1989
8 and the current taxable year, reported separately for each
9 year, of all personal property not secured by real property;
10 and

11 (d) the total taxable valuation for taxable years 1989
12 and the current taxable year, reported separately for each
13 year, of all personal property secured by real property.

14 (2) (a) Based on the information supplied by the
15 assessors, the department shall calculate the amount of
16 revenue lost to each taxing jurisdiction other than school
17 districts within each county of the state due to the
18 reduction in taxable valuation resulting from the reduction
19 in personal property tax rates pursuant to 15-6-138 and
20 15-6-139. For each county, the department shall total the
21 amounts for all taxing jurisdictions other than school
22 districts within the county.

23 (b) For the purposes of this section, the amount
24 totaled by the department pursuant to subsection (2)(a) is
25 considered to be the base amount of revenue reimbursable to

1 each respective county.

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

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

8 (b) on or before May 31, the department shall remit
9 50% of the base amount of the revenue reimbursable to the
10 county.

11 (4) The county treasurer shall distribute the amounts
12 received pursuant to subsection (3) among the various taxing
13 jurisdictions other than school districts within the county,
14 based on the calculations pursuant to subsection (2).

15 NEW SECTION. **Section 37.** Appropriation for
16 reimbursement to local governments. The amount calculated
17 under [section 36] is statutorily appropriated, as provided
18 in 17-7-502, from the general fund to the department of
19 revenue for the purpose of distributing personal property
20 tax reduction reimbursements, as provided in [section 36].

21 NEW SECTION. **Section 38.** Codification instruction.
22 (1) [Section 3] is intended to be codified as an integral
23 part of Title 23, chapter 5, part 6, and the provisions of
24 Title 23, chapter 5, part 6, apply to [section 3].

25 (2) [Sections 36 and 37] are intended to be codified

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1 as an integral part of Title 7, chapter 6, and the
2 provisions of Title 7, chapter 6, apply to [sections 36 and
3 37].

4 NEW SECTION. Section 39. Effective date --
5 applicability. (1) [This act] is effective July 1, 1989.

6 (2) (a) [Section 27] applies retroactively, within the
7 meaning of 1-2-109, to taxable years beginning after
8 December 31, 1988.

9 (b) [Sections 1 through 26 and 28 through 37] apply
10 January 1, 1990.

-End-