

HOUSE BILL NO. 588
INTRODUCED BY TUNBY

IN THE HOUSE

FEBRUARY 10, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
MARCH 6, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
MARCH 8, 1993	PRINTING REPORT.
MARCH 13, 1993	SECOND READING, DO PASS.
MARCH 15, 1993	ENGROSSING REPORT.
MARCH 16, 1993	THIRD READING, PASSED. AYES, 71; NOES, 29.
MARCH 17, 1993	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 18, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
APRIL 3, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
APRIL 12, 1993	SECOND READING, CONCURRED IN AS AMENDED.
APRIL 13, 1993	THIRD READING, CONCURRED IN. AYES, 49; NOES, 0.
	RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 15, 1993	SECOND READING, AMENDMENTS CONCURRED IN.
APRIL 16, 1993	THIRD READING, AMENDMENTS CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 HOUSE BILL NO. 588
2 INTRODUCED BY Timby
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE
5 SUPERVISORS OF A CONSERVATION DISTRICT TO LEVY, WITH VOTER
6 APPROVAL, AN ANNUAL SPECIAL ADMINISTRATIVE ASSESSMENT FOR
7 THE ADMINISTRATIVE COSTS AND EXPENSES OF THE DISTRICT;
8 PROVIDING FOR THE REDUCTION OR REPEAL OF THE ADMINISTRATIVE
9 ASSESSMENT; EXCLUDING ALL CONSERVATION ASSESSMENTS FROM THE
10 PROPERTY TAX LIMITS OF INITIATIVE MEASURE NO. 105; AMENDING
11 SECTIONS 15-10-412, 76-15-515, 76-15-516, AND 76-15-527,
12 MCA; AND PROVIDING AN EFFECTIVE DATE."

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

15 NEW SECTION. Section 1. Special administrative
16 assessment permitted -- voter approval. (1) In addition to
17 the levy authorized in 76-15-515 and 76-15-516(3), the
18 supervisors of a conservation district may levy an annual
19 special administrative assessment, not to exceed \$20,000
20 each year, for administrative costs and expenses of the
21 district if, at a regularly scheduled election or special
22 election, the qualified electors of the district approve the
23 imposition of the additional assessment.

24 (2) The special administrative assessment question may
25 be presented to the qualified electors of the district by

1 resolution of the supervisors.

2 (3) If the conservation district is located in more
3 than one county, the special administrative assessment
4 question must be presented to and approved by the qualified
5 electors who reside in the district from each county.

6 (4) The resolution referring the special administrative
7 assessment question must state:

8 (a) the rate of the assessment;

9 (b) the amount of money anticipated to be raised by the
10 assessment; and

11 (c) the purposes for which the special administrative
12 assessment revenue may be used.

13 NEW SECTION. **Section 2. Limitations -- reduction or**
14 **repeal of special administrative assessment.** (1) In each
15 year following the approval of the special administrative
16 assessment as provided in [section 1], the rate of the levy
17 imposed for the special administrative assessment may not
18 raise more revenue than was proposed in the resolution and
19 approved by the qualified electors of the district.

20 (2) If the supervisors of the district reduce the
21 amount of the special administrative assessment, they may
22 not raise the assessment without the approval of the
23 qualified electors of the district.

24 (3) On or before the second Monday in July, a petition,
25 signed by at least 50% of the eligible voters within the

district, calling for a reduction in or the repeal of the special administrative assessment for the ensuing fiscal year may be presented to the supervisors. Following verification of the signatures on the petition, the supervisors shall reduce or repeal the administrative assessment as specified in the petition.

Section 3. Section 76-15-515, MCA, is amended to read:

"76-15-515. Maximum regular assessment. The Except as provided in [sections 1 and 2], the regular assessment in any one year ~~shall~~ may not exceed 1 1/2 mills on the dollar of total taxable valuation of real property within the district. The valuation ~~shall~~ must be determined according to the last assessment roll."

Section 4. Section 76-15-516, MCA, is amended to read:

"76-15-516. Levy of regular and special assessment assessments. (1) The board of county commissioners of each county in which ~~there-lies~~ any portion of the district lies may, annually at the time of levying county taxes, levy an assessment on the taxable real property within the district. ~~It-shall~~ The levy must be known as the ".... (name of district) conservation district regular assessment" and ~~shall~~ must be sufficient to raise the amount reported to ~~them~~ the county commissioners in the estimate of the supervisors.

(2) Subject to the conditions of [sections 1 and 2],

the board of county commissioners of each county in which any portion of the district lies may, annually at the time of levying county taxes, levy an assessment on the taxable real property within the district. The levy must be known as the ".... (name of district) conservation district special administrative assessment" and must be sufficient to raise the amount reported to the county commissioners in the estimate of the supervisors.

~~(2)(3)~~ (3) The board of county commissioners of each county in which ~~there-lies~~ any portion of a project area lies may, annually at the time of levying county taxes, levy an assessment not to exceed 3 mills on the taxable real property within the project area. ~~It-shall~~ The levy must be known as ".... (name of the project area) special assessment" and ~~shall~~ must be sufficient to raise the amount reported to ~~them~~ the county commissioners in the estimate of the supervisors."

Section 5. Section 76-15-527, MCA, is amended to read:

"76-15-527. Purpose of expenditures. All money collected under 76-15-511 through 76-15-526, [section 1], and [section 2] shall must be expended for the purposes provided in ~~76-15-502-and-76-15-503-and-for-an-established~~ conservation-practice-loan-program Title 76, chapter 15."

Section 6. Section 15-10-412, MCA, is amended to read:

"15-10-412. Property tax limited to 1986 levels --

1 clarification -- extension to all property classes. Section
2 15-10-402 is interpreted and clarified as follows:

3 (1) The limitation to 1986 levels is extended to apply
4 to all classes of property described in Title 15, chapter 6,
5 part 1.

6 (2) The limitation on the amount of taxes levied is
7 interpreted to mean that, except as otherwise provided in
8 this section, the actual tax liability for an individual
9 property is capped at the dollar amount due in each taxing
10 unit for the 1986 tax year. In tax years thereafter, the
11 property must be taxed in each taxing unit at the 1986 cap
12 or the product of the taxable value and mills levied,
13 whichever is less for each taxing unit, except in a taxing
14 unit that levied a tax in tax years 1983 through 1985 but
15 did not levy a tax in 1986, in which case the actual tax
16 liability for an individual property is capped at the dollar
17 amount due in that taxing unit for the 1985 tax year.

18 (3) The limitation on the amount of taxes levied does
19 not mean that no further increase may be made in the total
20 taxable valuation of a taxing unit as a result of:

21 (a) annexation of real property and improvements into a
22 taxing unit;

23 (b) construction, expansion, or remodeling of
24 improvements;

25 (c) transfer of property into a taxing unit;

1 (d) subdivision of real property;

2 (e) reclassification of property;

3 (f) increases in the amount of production or the value
4 of production for property described in 15-6-131 or
5 15-6-132;

6 (g) transfer of property from tax-exempt to taxable
7 status; or

8 (h) revaluations caused by:

9 (i) cyclical reappraisal; or

10 (ii) expansion, addition, replacement, or remodeling of
11 improvements.

12 (4) The limitation on the amount of taxes levied does
13 not mean that no further increase may be made in the taxable
14 valuation or in the actual tax liability on individual
15 property in each class as a result of:

16 (a) a revaluation caused by:

17 (i) construction, expansion, replacement, or remodeling
18 of improvements that adds value to the property; or

19 (ii) cyclical reappraisal;

20 (b) transfer of property into a taxing unit;

21 (c) reclassification of property;

22 (d) increases in the amount of production or the value
23 of production for property described in 15-6-131 or
24 15-6-132;

25 (e) annexation of the individual property into a new

1 taxing unit; or

2 (f) conversion of the individual property from
3 tax-exempt to taxable status.

4 (5) Property in classes four and eleven is valued
5 according to the procedures used in 1986, including the
6 designation of 1982 as the base year, until the reappraisal
7 cycle beginning January 1, 1986, is completed and new
8 valuations are placed on the tax rolls and a new base year
9 designated, if the property is:

10 (a) new construction;

11 (b) expanded, deleted, replaced, or remodeled
12 improvements;

13 (c) annexed property; or

14 (d) property converted from tax-exempt to taxable
15 status.

16 (6) Property described in subsections (5)(a) through
17 (5)(d) that is not class four or class eleven property is
18 valued according to the procedures used in 1986 but is also
19 subject to the dollar cap in each taxing unit based on 1986
20 mills levied.

21 (7) The limitation on the amount of taxes, as clarified
22 in this section, is intended to leave the property appraisal
23 and valuation methodology of the department of revenue
24 intact. Determinations of county classifications, salaries
25 of local government officers, and all other matters in which

1 total taxable valuation is an integral component are not
2 affected by 15-10-401 and 15-10-402 except for the use of
3 taxable valuation in fixing tax levies. In fixing tax
4 levies, the taxing units of local government may anticipate
5 the deficiency in revenues resulting from the tax
6 limitations in 15-10-401 and 15-10-402, while understanding
7 that regardless of the amount of mills levied, a taxpayer's
8 liability may not exceed the dollar amount due in each
9 taxing unit for the 1986 tax year unless:

10 (a) the taxing unit's taxable valuation decreases by 5%
11 or more from the 1986 tax year. If a taxing unit's taxable
12 valuation decreases by 5% or more from the 1986 tax year, it
13 may levy additional mills to compensate for the decreased
14 taxable valuation, but in no case may the mills levied
15 exceed a number calculated to equal the revenue from
16 property taxes for the 1986 tax year in that taxing unit.

17 (b) a levy authorized under Title 20 raised less
18 revenue in 1986 than was raised in either 1984 or 1985, in
19 which case the taxing unit may, after approval by the voters
20 in the taxing unit, raise each year thereafter an additional
21 number of mills but may not levy more revenue than the
22 3-year average of revenue raised for that purpose during
23 1984, 1985, and 1986;

24 (c) a levy authorized in 50-2-111 that was made in 1986
25 was for less than the number of mills levied in either 1984

1 or 1985, in which case the taxing unit may, after approval
2 by the voters in the taxing unit, levy each year thereafter
3 an additional number of mills but may not levy more than the
4 3-year average number of mills levied for that purpose
5 during 1984, 1985, and 1986.

6 (8) The limitation on the amount of taxes levied does
7 not apply to the following levy or special assessment
8 categories, whether or not they are based on commitments
9 made before or after approval of 15-10-401 and 15-10-402:

- 10 (a) rural improvement districts;
- 11 (b) special improvement districts;
- 12 (c) levies pledged for the repayment of bonded
- 13 indebtedness, including tax increment bonds;
- 14 (d) city street maintenance districts;
- 15 (e) tax increment financing districts;
- 16 (f) satisfaction of judgments against a taxing unit;
- 17 (g) street lighting assessments;
- 18 (h) revolving funds to support any categories specified
- 19 in this subsection (8);
- 20 (i) levies for economic development authorized pursuant
- 21 to 90-5-112(4);
- 22 (j) levies authorized under 7-6-502 for juvenile
- 23 detention programs; and
- 24 (k) levies authorized under [section 1], [section 2],
- 25 76-15-515, and 76-15-516(3) for conservation district

1 assessments; and

2 ~~†~~(1) elementary and high school districts.

3 (9) The limitation on the amount of taxes levied does
4 not apply in a taxing unit if the voters in the taxing unit
5 approve an increase in tax liability following a resolution
6 of the governing body of the taxing unit containing:

7 (a) a finding that there are insufficient funds to
8 adequately operate the taxing unit as a result of 15-10-401
9 and 15-10-402;

10 (b) an explanation of the nature of the financial
11 emergency;

12 (c) an estimate of the amount of funding shortfall
13 expected by the taxing unit;

14 (d) a statement that applicable fund balances are or by
15 the end of the fiscal year will be depleted;

16 (e) a finding that there are no alternative sources of
17 revenue;

18 (f) a summary of the alternatives that the governing
19 body of the taxing unit has considered; and

20 (g) a statement of the need for the increased revenue
21 and how it will be used.

22 (10) (a) The limitation on the amount of taxes levied
23 does not apply to levies required to address the funding of
24 relief of suffering of inhabitants caused by famine,
25 conflagration, or other public calamity.

1 (b) The limitation set forth in this chapter on the
2 amount of taxes levied does not apply to levies to support:

3 (i) a city-county board of health as provided in Title
4 50, chapter 2, if the governing bodies of the taxing units
5 served by the board of health determine, after a public
6 hearing, that public health programs require funds to ensure
7 the public health. A levy for the support of a local board
8 of health may not exceed the 5-mill limit established in
9 50-2-111.

10 (ii) county, city, or town ambulance services authorized
11 by a vote of the electorate under 7-34-102(2).

12 (11) The limitation on the amount of taxes levied by a
13 taxing jurisdiction subject to a statutory maximum mill levy
14 does not prevent a taxing jurisdiction from increasing its
15 number of mills beyond the statutory maximum mill levy to
16 produce revenue equal to its 1986 revenue.

17 (12) The limitation on the amount of taxes levied does
18 not apply to a levy increase to repay taxes paid under
19 protest in accordance with 15-1-402."

20 NEW SECTION. **Section 7.** Codification instruction.
21 [Sections 1 and 2] are intended to be codified as an
22 integral part of Title 76, chapter 15, part 5, and the
23 provisions of Title 76, chapter 15, part 5, apply to
24 [sections 1 and 2].

25 NEW SECTION. **Section 8.** Effective date. [This act] is

1 effective July 1, 1993.

-End-

APPROVED BY COMMITTEE
ON TAXATION

HOUSE BILL NO. 588

INTRODUCED BY TUNBY

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE SUPERVISORS OF A CONSERVATION DISTRICT TO LEVY, WITH VOTER APPROVAL, AN ANNUAL SPECIAL ADMINISTRATIVE ASSESSMENT FOR THE ADMINISTRATIVE COSTS AND EXPENSES OF THE DISTRICT; PROVIDING FOR THE REDUCTION OR REPEAL OF THE ADMINISTRATIVE ASSESSMENT; EXCLUDING ~~ALL--CONSERVATION--ASSESSMENTS~~ THE SPECIAL ADMINISTRATIVE ASSESSMENT FROM THE PROPERTY TAX LIMITS OF INITIATIVE MEASURE NO. 105; AMENDING SECTIONS 15-10-412, 76-15-515, 76-15-516, AND 76-15-527, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Special administrative assessment permitted -- voter approval. (1) (A) In addition to the levy authorized in 76-15-515 and 76-15-516(3), the supervisors of a conservation district may levy an annual special administrative assessment, not to exceed \$20,000 THE AMOUNT DETERMINED UNDER SUBSECTION (1)(B) each year, for administrative costs and expenses of the district if, at a regularly scheduled election or special election, the qualified electors of the district approve the imposition of the additional assessment.

(B) THE ANNUAL LEVY AUTHORIZED BY THIS SECTION MAY NOT EXCEED THE DIFFERENCE BETWEEN THE AMOUNT RAISED BY THE ANNUAL MILL LEVY AUTHORIZED UNDER 76-15-515 AND \$20,000.

(2) The special administrative assessment question may be presented to the qualified electors of the district by resolution of the supervisors.

(3) If the conservation district is located in more than one county, the special administrative assessment question must be presented to and approved by the qualified electors who reside in the district from each county.

(4) The resolution referring the special administrative assessment question must state:

(a) the rate of the assessment;

(b) the amount of money anticipated to be raised by the assessment; and

(c) the purposes for which the special administrative assessment revenue may be used.

NEW SECTION. Section 2. Limitations -- reduction or repeal of special administrative assessment. (1) In each year following the approval of the special administrative assessment as provided in [section 1], the rate of the levy imposed for the special administrative assessment may not raise more revenue than was proposed in the resolution and approved by the qualified electors of the district.

(2) If the supervisors of the district reduce the

1 amount of the special administrative assessment, they may
2 not raise the assessment without the approval of the
3 qualified electors of the district.

4 (3) On or before the second Monday in July, a petition,
5 signed by at least 50% of the eligible voters within the
6 district, calling for a reduction in or the repeal of the
7 special administrative assessment for the ensuing fiscal
8 year may be presented to the supervisors. Following
9 verification of the signatures on the petition, the
10 supervisors shall reduce or repeal the administrative
11 assessment as specified in the petition.

12 **Section 3.** Section 76-15-515, MCA, is amended to read:

13 "76-15-515. ~~Maximum~~ regular assessment. The Except as
14 provided in [sections 1 and 2], the regular assessment in
15 any one year ~~shall~~ may not exceed 1 1/2 mills on the dollar
16 of total taxable valuation of real property within the
17 district. The valuation ~~shall~~ must be determined according
18 to the last assessment roll."

19 **Section 4.** Section 76-15-516, MCA, is amended to read:

20 "76-15-516. Levy of regular and special assessment
21 assessments. (1) The board of county commissioners of each
22 county in which there-lies any portion of the district lies
23 may, annually at the time of levying county taxes, levy an
24 assessment on the taxable real property within the district.
25 ~~it--shall~~ The levy must be known as the ".... (name of

1 district) conservation district regular assessment" and
2 ~~shall~~ must be sufficient to raise the amount reported to
3 ~~them~~ the county commissioners in the estimate of the
4 supervisors.

5 (2) Subject to the conditions of [sections 1 and 2],
6 the board of county commissioners of each county in which
7 any portion of the district lies may, annually at the time
8 of levying county taxes, levy an assessment on the taxable
9 real property within the district. The levy must be known as
10 the ".... (name of district) conservation district special
11 administrative assessment" and must be sufficient to raise
12 the amount reported to the county commissioners in the
13 estimate of the supervisors.

14 ~~{2}~~(3) The board of county commissioners of each county
15 in which there-lies any portion of a project area lies may,
16 annually at the time of levying county taxes, levy an
17 assessment not to exceed 3 mills on the taxable real
18 property within the project area. ~~it--shall~~ The levy must be
19 known as ".... (name of the project area) special
20 assessment" and ~~shall~~ must be sufficient to raise the amount
21 reported to ~~them~~ the county commissioners in the estimate of
22 the supervisors."

23 **Section 5.** Section 76-15-527, MCA, is amended to read:

24 "76-15-527. Purpose of expenditures. All money
25 collected under 76-15-511 through 76-15-526, [section 1],

1 ~~and [section 2] shall must~~ be expended for the purposes
2 provided in ~~76-15-502-and-76-15-503-and-for--an--established~~
3 ~~conservation-practice-loan-program~~ Title 76, chapter 15."

4 **Section 6.** Section 15-10-412, MCA, is amended to read:

5 "15-10-412. Property tax limited to 1986 levels --
6 clarification -- extension to all property classes. Section
7 15-10-402 is interpreted and clarified as follows:

8 (1) The limitation to 1986 levels is extended to apply
9 to all classes of property described in Title 15, chapter 6,
10 part 1.

11 (2) The limitation on the amount of taxes levied is
12 interpreted to mean that, except as otherwise provided in
13 this section, the actual tax liability for an individual
14 property is capped at the dollar amount due in each taxing
15 unit for the 1986 tax year. In tax years thereafter, the
16 property must be taxed in each taxing unit at the 1986 cap
17 or the product of the taxable value and mills levied,
18 whichever is less for each taxing unit, except in a taxing
19 unit that levied a tax in tax years 1983 through 1985 but
20 did not levy a tax in 1986, in which case the actual tax
21 liability for an individual property is capped at the dollar
22 amount due in that taxing unit for the 1985 tax year.

23 (3) The limitation on the amount of taxes levied does
24 not mean that no further increase may be made in the total
25 taxable valuation of a taxing unit as a result of:

1 (a) annexation of real property and improvements into a
2 taxing unit;

3 (b) construction, expansion, or remodeling of
4 improvements;

5 (c) transfer of property into a taxing unit;

6 (d) subdivision of real property;

7 (e) reclassification of property;

8 (f) increases in the amount of production or the value
9 of production for property described in 15-6-131 or
10 15-6-132;

11 (g) transfer of property from tax-exempt to taxable
12 status; or

13 (h) revaluations caused by:

14 (i) cyclical reappraisal; or

15 (ii) expansion, addition, replacement, or remodeling of
16 improvements.

17 (4) The limitation on the amount of taxes levied does
18 not mean that no further increase may be made in the taxable
19 valuation or in the actual tax liability on individual
20 property in each class as a result of:

21 (a) a revaluation caused by:

22 (i) construction, expansion, replacement, or remodeling
23 of improvements that adds value to the property; or

24 (ii) cyclical reappraisal;

25 (b) transfer of property into a taxing unit;

1 (c) reclassification of property;

2 (d) increases in the amount of production or the value

3 of production for property described in 15-6-131 or

4 15-6-132;

5 (e) annexation of the individual property into a new

6 taxing unit; or

7 (f) conversion of the individual property from

8 tax-exempt to taxable status.

9 (5) Property in classes four and eleven is valued

10 according to the procedures used in 1986, including the

11 designation of 1982 as the base year, until the reappraisal

12 cycle beginning January 1, 1986, is completed and new

13 valuations are placed on the tax rolls and a new base year

14 designated, if the property is:

15 (a) new construction;

16 (b) expanded, deleted, replaced, or remodeled

17 improvements;

18 (c) annexed property; or

19 (d) property converted from tax-exempt to taxable

20 status.

21 (6) Property described in subsections (5)(a) through

22 (5)(d) that is not class four or class eleven property is

23 valued according to the procedures used in 1986 but is also

24 subject to the dollar cap in each taxing unit based on 1986

25 mills levied.

1 (7) The limitation on the amount of taxes, as clarified

2 in this section, is intended to leave the property appraisal

3 and valuation methodology of the department of revenue

4 intact. Determinations of county classifications, salaries

5 of local government officers, and all other matters in which

6 total taxable valuation is an integral component are not

7 affected by 15-10-401 and 15-10-402 except for the use of

8 taxable valuation in fixing tax levies. In fixing tax

9 levies, the taxing units of local government may anticipate

10 the deficiency in revenues resulting from the tax

11 limitations in 15-10-401 and 15-10-402, while understanding

12 that regardless of the amount of mills levied, a taxpayer's

13 liability may not exceed the dollar amount due in each

14 taxing unit for the 1986 tax year unless:

15 (a) the taxing unit's taxable valuation decreases by 5%

16 or more from the 1986 tax year. If a taxing unit's taxable

17 valuation decreases by 5% or more from the 1986 tax year, it

18 may levy additional mills to compensate for the decreased

19 taxable valuation, but in no case may the mills levied

20 exceed a number calculated to equal the revenue from

21 property taxes for the 1986 tax year in that taxing unit.

22 (b) a levy authorized under Title 20 raised less

23 revenue in 1986 than was raised in either 1984 or 1985, in

24 which case the taxing unit may, after approval by the voters

25 in the taxing unit, raise each year thereafter an additional

1 number of mills but may not levy more revenue than the
2 3-year average of revenue raised for that purpose during
3 1984, 1985, and 1986;

4 (c) a levy authorized in 50-2-111 that was made in 1986
5 was for less than the number of mills levied in either 1984
6 or 1985, in which case the taxing unit may, after approval
7 by the voters in the taxing unit, levy each year thereafter
8 an additional number of mills but may not levy more than the
9 3-year average number of mills levied for that purpose
10 during 1984, 1985, and 1986.

11 (8) The limitation on the amount of taxes levied does
12 not apply to the following levy or special assessment
13 categories, whether or not they are based on commitments
14 made before or after approval of 15-10-401 and 15-10-402:

- 15 (a) rural improvement districts;
- 16 (b) special improvement districts;
- 17 (c) levies pledged for the repayment of bonded
18 indebtedness, including tax increment bonds;
- 19 (d) city street maintenance districts;
- 20 (e) tax increment financing districts;
- 21 (f) satisfaction of judgments against a taxing unit;
- 22 (g) street lighting assessments;
- 23 (h) revolving funds to support any categories specified
24 in this subsection (8);
- 25 (i) levies for economic development authorized pursuant

1 to 90-5-112(4);

2 (j) levies authorized under 7-6-502 for juvenile
3 detention programs; and

4 (k) levies authorized under [section 1] AND [section
5 2] 7-76-15-515, and 76-15-516(3) for conservation district
6 SPECIAL ADMINISTRATIVE assessments; and

7 ~~(k)~~ (l) elementary and high school districts.

8 (9) The limitation on the amount of taxes levied does
9 not apply in a taxing unit if the voters in the taxing unit
10 approve an increase in tax liability following a resolution
11 of the governing body of the taxing unit containing:

12 (a) a finding that there are insufficient funds to
13 adequately operate the taxing unit as a result of 15-10-401
14 and 15-10-402;

15 (b) an explanation of the nature of the financial
16 emergency;

17 (c) an estimate of the amount of funding shortfall
18 expected by the taxing unit;

19 (d) a statement that applicable fund balances are or by
20 the end of the fiscal year will be depleted;

21 (e) a finding that there are no alternative sources of
22 revenue;

23 (f) a summary of the alternatives that the governing
24 body of the taxing unit has considered; and

25 (g) a statement of the need for the increased revenue

1 and how it will be used.

2 (10) (a) The limitation on the amount of taxes levied
3 does not apply to levies required to address the funding of
4 relief of suffering of inhabitants caused by famine,
5 conflagration, or other public calamity.

6 (b) The limitation set forth in this chapter on the
7 amount of taxes levied does not apply to levies to support:

8 (i) a city-county board of health as provided in Title
9 50, chapter 2, if the governing bodies of the taxing units
10 served by the board of health determine, after a public
11 hearing, that public health programs require funds to ensure
12 the public health. A levy for the support of a local board
13 of health may not exceed the 5-mill limit established in
14 50-2-111.

15 (ii) county, city, or town ambulance services authorized
16 by a vote of the electorate under 7-34-102(2).

17 (11) The limitation on the amount of taxes levied by a
18 taxing jurisdiction subject to a statutory maximum mill levy
19 does not prevent a taxing jurisdiction from increasing its
20 number of mills beyond the statutory maximum mill levy to
21 produce revenue equal to its 1986 revenue.

22 (12) The limitation on the amount of taxes levied does
23 not apply to a levy increase to repay taxes paid under
24 protest in accordance with 15-1-402."

25 NEW SECTION. Section 7. Codification instruction.

1 [Sections 1 and 2] are intended to be codified as an
2 integral part of Title 76, chapter 15, part 5, and the
3 provisions of Title 76, chapter 15, part 5, apply to
4 [sections 1 and 2].

5 NEW SECTION. Section 8. Effective date. [This act] is
6 effective July 1, 1993.

-End-

HOUSE BILL NO. 588
INTRODUCED BY TUNBY

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE SUPERVISORS OF A CONSERVATION DISTRICT TO LEVY, WITH VOTER APPROVAL, AN ANNUAL SPECIAL ADMINISTRATIVE ASSESSMENT FOR THE ADMINISTRATIVE COSTS AND EXPENSES OF THE DISTRICT; PROVIDING FOR THE REDUCTION OR REPEAL OF THE ADMINISTRATIVE ASSESSMENT; EXCLUDING ALL--CONSERVATION--ASSESSMENTS THE SPECIAL ADMINISTRATIVE ASSESSMENT FROM THE PROPERTY TAX LIMITS OF INITIATIVE MEASURE NO. 105; AMENDING SECTIONS 15-10-412, 76-15-515, 76-15-516, AND 76-15-527, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Special administrative assessment permitted -- voter approval. (1) (A) In addition to the levy authorized in 76-15-515 and 76-15-516(3), the supervisors of a conservation district may levy an annual special administrative assessment, not to exceed \$20,000 THE AMOUNT DETERMINED UNDER SUBSECTION (1)(B) each year, for administrative costs and expenses of the district if, at a regularly scheduled election or special election, the qualified electors of the district approve the imposition of the additional assessment.

(B) THE ANNUAL LEVY AUTHORIZED BY THIS SECTION MAY NOT EXCEED THE DIFFERENCE BETWEEN THE AMOUNT RAISED BY THE ANNUAL MILL LEVY AUTHORIZED UNDER 76-15-515 AND \$20,000.

(2) The special administrative assessment question may be presented to the qualified electors of the district by resolution of the supervisors.

(3) If the conservation district is located in more than one county, the special administrative assessment question must be presented to and approved by the qualified electors who reside in the district from each county.

(4) The resolution referring the special administrative assessment question must state:

(a) the rate of the assessment;

(b) the amount of money anticipated to be raised by the assessment; and

(c) the purposes for which the special administrative assessment revenue may be used.

NEW SECTION. Section 2. Limitations -- reduction or repeal of special administrative assessment. (1) In each year following the approval of the special administrative assessment as provided in [section 1], the rate of the levy imposed for the special administrative assessment may not raise more revenue than was proposed in the resolution and approved by the qualified electors of the district.

(2) If the supervisors of the district reduce the

amount of the special administrative assessment, they may not raise the assessment without the approval of the qualified electors of the district.

(3) On or before the second Monday in July, a petition, signed by at least 50% of the eligible voters within the district, calling for a reduction in or the repeal of the special administrative assessment for the ensuing fiscal year may be presented to the supervisors. Following verification of the signatures on the petition, the supervisors shall reduce or repeal the administrative assessment as specified in the petition.

Section 3. Section 76-15-515, MCA, is amended to read:

"76-15-515. **Maximum regular assessment.** The Except as provided in [sections 1 and 2], the regular assessment in any one year ~~shall~~ may not exceed 1 1/2 mills on the dollar of total taxable valuation of real property within the district. The valuation ~~shall~~ must be determined according to the last assessment roll."

Section 4. Section 76-15-516, MCA, is amended to read:

"76-15-516. **Levy of regular and special assessment assessments.** (1) The board of county commissioners of each county in which there-~~lies~~ any portion of the district lies may, annually at the time of levying county taxes, levy an assessment on the taxable real property within the district. ~~it--shall~~ The levy must be known as the ".... (name of

district) conservation district regular assessment" and ~~shall~~ must be sufficient to raise the amount reported to them the county commissioners in the estimate of the supervisors.

(2) Subject to the conditions of [sections 1 and 2], the board of county commissioners of each county in which any portion of the district lies may, annually at the time of levying county taxes, levy an assessment on the taxable real property within the district. The levy must be known as the ".... (name of district) conservation district special administrative assessment" and must be sufficient to raise the amount reported to the county commissioners in the estimate of the supervisors.

~~(2)(3)~~ (3) The board of county commissioners of each county in which there-~~lies~~ any portion of a project area lies may, annually at the time of levying county taxes, levy an assessment not to exceed 3 mills on the taxable real property within the project area. ~~it--shall~~ The levy must be known as ".... (name of the project area) special assessment" and ~~shall~~ must be sufficient to raise the amount reported to them the county commissioners in the estimate of the supervisors."

Section 5. Section 76-15-527, MCA, is amended to read:

"76-15-527. **Purpose of expenditures.** All money collected under 76-15-511 through 76-15-526, [section 1],

1 ~~and [section 2] shall must~~ be expended for the purposes
 2 provided in ~~76-15-502-and-76-15-503-and-for--an--established~~
 3 ~~conservation-practice-loan-program~~ Title 76, chapter 15."

4 **Section 6.** Section 15-10-412, MCA, is amended to read:

5 "15-10-412. Property tax limited to 1986 levels --
 6 clarification -- extension to all property classes. Section
 7 15-10-402 is interpreted and clarified as follows:

8 (1) The limitation to 1986 levels is extended to apply
 9 to all classes of property described in Title 15, chapter 6,
 10 part 1.

11 (2) The limitation on the amount of taxes levied is
 12 interpreted to mean that, except as otherwise provided in
 13 this section, the actual tax liability for an individual
 14 property is capped at the dollar amount due in each taxing
 15 unit for the 1986 tax year. In tax years thereafter, the
 16 property must be taxed in each taxing unit at the 1986 cap
 17 or the product of the taxable value and mills levied,
 18 whichever is less for each taxing unit, except in a taxing
 19 unit that levied a tax in tax years 1983 through 1985 but
 20 did not levy a tax in 1986, in which case the actual tax
 21 liability for an individual property is capped at the dollar
 22 amount due in that taxing unit for the 1985 tax year.

23 (3) The limitation on the amount of taxes levied does
 24 not mean that no further increase may be made in the total
 25 taxable valuation of a taxing unit as a result of:

1 (a) annexation of real property and improvements into a
 2 taxing unit;

3 (b) construction, expansion, or remodeling of
 4 improvements;

5 (c) transfer of property into a taxing unit;

6 (d) subdivision of real property;

7 (e) reclassification of property;

8 (f) increases in the amount of production or the value
 9 of production for property described in 15-6-131 or
 10 15-6-132;

11 (g) transfer of property from tax-exempt to taxable
 12 status; or

13 (h) revaluations caused by:

14 (i) cyclical reappraisal; or

15 (ii) expansion, addition, replacement, or remodeling of
 16 improvements.

17 (4) The limitation on the amount of taxes levied does
 18 not mean that no further increase may be made in the taxable
 19 valuation or in the actual tax liability on individual
 20 property in each class as a result of:

21 (a) a revaluation caused by:

22 (i) construction, expansion, replacement, or remodeling
 23 of improvements that adds value to the property; or

24 (ii) cyclical reappraisal;

25 (b) transfer of property into a taxing unit;

1 (c) reclassification of property;

2 (d) increases in the amount of production or the value

3 of production for property described in 15-6-131 or

4 15-6-132;

5 (e) annexation of the individual property into a new

6 taxing unit; or

7 (f) conversion of the individual property from

8 tax-exempt to taxable status.

9 (5) Property in classes four and eleven is valued

10 according to the procedures used in 1986, including the

11 designation of 1982 as the base year, until the reappraisal

12 cycle beginning January 1, 1986, is completed and new

13 valuations are placed on the tax rolls and a new base year

14 designated, if the property is:

15 (a) new construction;

16 (b) expanded, deleted, replaced, or remodeled

17 improvements;

18 (c) annexed property; or

19 (d) property converted from tax-exempt to taxable

20 status.

21 (6) Property described in subsections (5)(a) through

22 (5)(d) that is not class four or class eleven property is

23 valued according to the procedures used in 1986 but is also

24 subject to the dollar cap in each taxing unit based on 1986

25 mills levied.

1 (7) The limitation on the amount of taxes, as clarified

2 in this section, is intended to leave the property appraisal

3 and valuation methodology of the department of revenue

4 intact. Determinations of county classifications, salaries

5 of local government officers, and all other matters in which

6 total taxable valuation is an integral component are not

7 affected by 15-10-401 and 15-10-402 except for the use of

8 taxable valuation in fixing tax levies. In fixing tax

9 levies, the taxing units of local government may anticipate

10 the deficiency in revenues resulting from the tax

11 limitations in 15-10-401 and 15-10-402, while understanding

12 that regardless of the amount of mills levied, a taxpayer's

13 liability may not exceed the dollar amount due in each

14 taxing unit for the 1986 tax year unless:

15 (a) the taxing unit's taxable valuation decreases by 5%

16 or more from the 1986 tax year. If a taxing unit's taxable

17 valuation decreases by 5% or more from the 1986 tax year, it

18 may levy additional mills to compensate for the decreased

19 taxable valuation, but in no case may the mills levied

20 exceed a number calculated to equal the revenue from

21 property taxes for the 1986 tax year in that taxing unit.

22 (b) a levy authorized under Title 20 raised less

23 revenue in 1986 than was raised in either 1984 or 1985, in

24 which case the taxing unit may, after approval by the voters

25 in the taxing unit, raise each year thereafter an additional

1 number of mills but may not levy more revenue than the
2 3-year average of revenue raised for that purpose during
3 1984, 1985, and 1986;

4 (c) a levy authorized in 50-2-111 that was made in 1986
5 was for less than the number of mills levied in either 1984
6 or 1985, in which case the taxing unit may, after approval
7 by the voters in the taxing unit, levy each year thereafter
8 an additional number of mills but may not levy more than the
9 3-year average number of mills levied for that purpose
10 during 1984, 1985, and 1986.

11 (8) The limitation on the amount of taxes levied does
12 not apply to the following levy or special assessment
13 categories, whether or not they are based on commitments
14 made before or after approval of 15-10-401 and 15-10-402:

- 15 (a) rural improvement districts;
- 16 (b) special improvement districts;
- 17 (c) levies pledged for the repayment of bonded
- 18 indebtedness, including tax increment bonds;
- 19 (d) city street maintenance districts;
- 20 (e) tax increment financing districts;
- 21 (f) satisfaction of judgments against a taxing unit;
- 22 (g) street lighting assessments;
- 23 (h) revolving funds to support any categories specified
- 24 in this subsection (8);
- 25 (i) levies for economic development authorized pursuant

1 to 90-5-112(4);

2 (j) levies authorized under 7-6-502 for juvenile
3 detention programs; and

4 (k) levies authorized under [section 1] AND [section
5 2] ~~7-76-15-5157-and-76-15-5163~~ for conservation district
6 SPECIAL ADMINISTRATIVE assessments; and

7 ~~(*)~~(l) elementary and high school districts.

8 (9) The limitation on the amount of taxes levied does
9 not apply in a taxing unit if the voters in the taxing unit
10 approve an increase in tax liability following a resolution
11 of the governing body of the taxing unit containing:

12 (a) a finding that there are insufficient funds to
13 adequately operate the taxing unit as a result of 15-10-401
14 and 15-10-402;

15 (b) an explanation of the nature of the financial
16 emergency;

17 (c) an estimate of the amount of funding shortfall
18 expected by the taxing unit;

19 (d) a statement that applicable fund balances are or by
20 the end of the fiscal year will be depleted;

21 (e) a finding that there are no alternative sources of
22 revenue;

23 (f) a summary of the alternatives that the governing
24 body of the taxing unit has considered; and

25 (g) a statement of the need for the increased revenue

1 and how it will be used.

2 (10) (a) The limitation on the amount of taxes levied
3 does not apply to levies required to address the funding of
4 relief of suffering of inhabitants caused by famine,
5 conflagration, or other public calamity.

6 (b) The limitation set forth in this chapter on the
7 amount of taxes levied does not apply to levies to support:

8 (i) a city-county board of health as provided in Title
9 50, chapter 2, if the governing bodies of the taxing units
10 served by the board of health determine, after a public
11 hearing, that public health programs require funds to ensure
12 the public health. A levy for the support of a local board
13 of health may not exceed the 5-mill limit established in
14 50-2-111.

15 (ii) county, city, or town ambulance services authorized
16 by a vote of the electorate under 7-34-102(2).

17 (11) The limitation on the amount of taxes levied by a
18 taxing jurisdiction subject to a statutory maximum mill levy
19 does not prevent a taxing jurisdiction from increasing its
20 number of mills beyond the statutory maximum mill levy to
21 produce revenue equal to its 1986 revenue.

22 (12) The limitation on the amount of taxes levied does
23 not apply to a levy increase to repay taxes paid under
24 protest in accordance with 15-1-402."

25 NEW SECTION. Section 7. Codification instruction.

1 [Sections 1 and 2] are intended to be codified as an
2 integral part of Title 76, chapter 15, part 5, and the
3 provisions of Title 76, chapter 15, part 5, apply to
4 [sections 1 and 2].

5 NEW SECTION. Section 8. Effective date. [This act] is
6 effective July 1, 1993.

-End-

SENATE COMMITTEE OF THE WHOLE AMENDMENT

April 8, 1993 9:51 am

Mr. Chairman: I move to amend House Bill No. 588 (third reading copy -- blue).

ADOPT

REJECT

Signed: _____


Senator Delwyn Gage

That such amendments read:

1. Page 2.

Following: line 3

Insert: "(c) Nonmill-levy revenue that is distributed based on the relative proportion of mill levies may not be distributed to the special administrative assessment."

-END-

SENATE

HB 588

HOUSE BILL NO. 588

INTRODUCED BY TUNBY

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE SUPERVISORS OF A CONSERVATION DISTRICT TO LEVY, WITH VOTER APPROVAL, AN ANNUAL SPECIAL ADMINISTRATIVE ASSESSMENT FOR THE ADMINISTRATIVE COSTS AND EXPENSES OF THE DISTRICT; PROVIDING FOR THE REDUCTION OR REPEAL OF THE ADMINISTRATIVE ASSESSMENT; EXCLUDING ALL--CONSERVATION--ASSESSMENTS THE SPECIAL ADMINISTRATIVE ASSESSMENT FROM THE PROPERTY TAX LIMITS OF INITIATIVE MEASURE NO. 105; AMENDING SECTIONS 15-10-412, 76-15-515, 76-15-516, AND 76-15-527, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. **Section 1.** Special administrative assessment permitted -- voter approval. (1) (A) In addition to the levy authorized in 76-15-515 and 76-15-516(3), the supervisors of a conservation district may levy an annual special administrative assessment, not to exceed \$20,000 THE AMOUNT DETERMINED UNDER SUBSECTION (1)(B) each year, for administrative costs and expenses of the district if, at a regularly scheduled election or special election, the qualified electors of the district approve the imposition of the additional assessment.

(B) THE ANNUAL LEVY AUTHORIZED BY THIS SECTION MAY NOT EXCEED THE DIFFERENCE BETWEEN THE AMOUNT RAISED BY THE ANNUAL MILL LEVY AUTHORIZED UNDER 76-15-515 AND \$20,000.

(C) NONMILL-LEVY REVENUE THAT IS DISTRIBUTED BASED ON THE RELATIVE PROPORTION OF MILL LEVIES MAY NOT BE DISTRIBUTED TO THE SPECIAL ADMINISTRATIVE ASSESSMENT.

(2) The special administrative assessment question may be presented to the qualified electors of the district by resolution of the supervisors.

(3) If the conservation district is located in more than one county, the special administrative assessment question must be presented to and approved by the qualified electors who reside in the district from each county.

(4) The resolution referring the special administrative assessment question must state:

(a) the rate of the assessment;

(b) the amount of money anticipated to be raised by the assessment; and

(c) the purposes for which the special administrative assessment revenue may be used.

NEW SECTION. **Section 2.** Limitations -- reduction or repeal of special administrative assessment. (1) In each year following the approval of the special administrative assessment as provided in [section 1], the rate of the levy imposed for the special administrative assessment may not

raise more revenue than was proposed in the resolution and approved by the qualified electors of the district.

(2) If the supervisors of the district reduce the amount of the special administrative assessment, they may not raise the assessment without the approval of the qualified electors of the district.

(3) On or before the second Monday in July, a petition, signed by at least 50% of the eligible voters within the district, calling for a reduction in or the repeal of the special administrative assessment for the ensuing fiscal year may be presented to the supervisors. Following verification of the signatures on the petition, the supervisors shall reduce or repeal the administrative assessment as specified in the petition.

Section 3. Section 76-15-515, MCA, is amended to read:

"76-15-515. **Maximum regular assessment.** The Except as provided in [sections 1 and 2], the regular assessment in any one year ~~shall~~ may not exceed 1 1/2 mills on the dollar of total taxable valuation of real property within the district. The valuation ~~shall~~ must be determined according to the last assessment roll."

Section 4. Section 76-15-516, MCA, is amended to read:

"76-15-516. **Levy of regular and special assessment assessments.** (1) The board of county commissioners of each county in which ~~there-lies~~ any portion of the district lies

may, annually at the time of levying county taxes, levy an assessment on the taxable real property within the district. ~~it--shall~~ The levy must be known as the ".... (name of district) conservation district regular assessment" and ~~shall must~~ must be sufficient to raise the amount reported to them the county commissioners in the estimate of the supervisors.

(2) Subject to the conditions of [sections 1 and 2], the board of county commissioners of each county in which any portion of the district lies may, annually at the time of levying county taxes, levy an assessment on the taxable real property within the district. The levy must be known as the ".... (name of district) conservation district special administrative assessment" and must be sufficient to raise the amount reported to the county commissioners in the estimate of the supervisors.

~~(2)(3)~~ (3) The board of county commissioners of each county in which ~~there-lies~~ any portion of a project area lies may, annually at the time of levying county taxes, levy an assessment not to exceed 3 mills on the taxable real property within the project area. ~~it--shall~~ The levy must be known as ".... (name of the project area) special assessment" and ~~shall must~~ must be sufficient to raise the amount reported to them the county commissioners in the estimate of the supervisors."

Section 5. Section 76-15-527, MCA, is amended to read:

"76-15-527. Purpose of expenditures. All money collected under 76-15-511 through 76-15-526, [section 1], and [section 2] shall must be expended for the purposes provided in ~~76-15-502 and 76-15-503 and for an established~~ conservation-practice-loan-program Title 76, chapter 15."

Section 6. Section 15-10-412, MCA, is amended to read:

"15-10-412. Property tax limited to 1986 levels -- clarification -- extension to all property classes. Section 15-10-402 is interpreted and clarified as follows:

(1) The limitation to 1986 levels is extended to apply to all classes of property described in Title 15, chapter 6, part 1.

(2) The limitation on the amount of taxes levied is interpreted to mean that, except as otherwise provided in this section, the actual tax liability for an individual property is capped at the dollar amount due in each taxing unit for the 1986 tax year. In tax years thereafter, the property must be taxed in each taxing unit at the 1986 cap or the product of the taxable value and mills levied, whichever is less for each taxing unit, except in a taxing unit that levied a tax in tax years 1983 through 1985 but did not levy a tax in 1986, in which case the actual tax liability for an individual property is capped at the dollar amount due in that taxing unit for the 1985 tax year.

(3) The limitation on the amount of taxes levied does not mean that no further increase may be made in the total taxable valuation of a taxing unit as a result of:

(a) annexation of real property and improvements into a taxing unit;

(b) construction, expansion, or remodeling of improvements;

(c) transfer of property into a taxing unit;

(d) subdivision of real property;

(e) reclassification of property;

(f) increases in the amount of production or the value of production for property described in 15-6-131 or 15-6-132;

(g) transfer of property from tax-exempt to taxable status; or

(h) revaluations caused by:

(i) cyclical reappraisal; or

(ii) expansion, addition, replacement, or remodeling of improvements.

(4) The limitation on the amount of taxes levied does not mean that no further increase may be made in the taxable valuation or in the actual tax liability on individual property in each class as a result of:

(a) a revaluation caused by:

(i) construction, expansion, replacement, or remodeling

1 of improvements that adds value to the property; or
 2 (ii) cyclical reappraisal;
 3 (b) transfer of property into a taxing unit;
 4 (c) reclassification of property;
 5 (d) increases in the amount of production or the value
 6 of production for property described in 15-6-131 or
 7 15-6-132;
 8 (e) annexation of the individual property into a new
 9 taxing unit; or
 10 (f) conversion of the individual property from
 11 tax-exempt to taxable status.
 12 (5) Property in classes four and eleven is valued
 13 according to the procedures used in 1986, including the
 14 designation of 1982 as the base year, until the reappraisal
 15 cycle beginning January 1, 1986, is completed and new
 16 valuations are placed on the tax rolls and a new base year
 17 designated, if the property is:
 18 (a) new construction;
 19 (b) expanded, deleted, replaced, or remodeled
 20 improvements;
 21 (c) annexed property; or
 22 (d) property converted from tax-exempt to taxable
 23 status.
 24 (6) Property described in subsections (5)(a) through
 25 (5)(d) that is not class four or class eleven property is

1 valued according to the procedures used in 1986 but is also
 2 subject to the dollar cap in each taxing unit based on 1986
 3 mills levied.

4 (7) The limitation on the amount of taxes, as clarified
 5 in this section, is intended to leave the property appraisal
 6 and valuation methodology of the department of revenue
 7 intact. Determinations of county classifications, salaries
 8 of local government officers, and all other matters in which
 9 total taxable valuation is an integral component are not
 10 affected by 15-10-401 and 15-10-402 except for the use of
 11 taxable valuation in fixing tax levies. In fixing tax
 12 levies, the taxing units of local government may anticipate
 13 the deficiency in revenues resulting from the tax
 14 limitations in 15-10-401 and 15-10-402, while understanding
 15 that regardless of the amount of mills levied, a taxpayer's
 16 liability may not exceed the dollar amount due in each
 17 taxing unit for the 1986 tax year unless:

18 (a) the taxing unit's taxable valuation decreases by 5%
 19 or more from the 1986 tax year. If a taxing unit's taxable
 20 valuation decreases by 5% or more from the 1986 tax year, it
 21 may levy additional mills to compensate for the decreased
 22 taxable valuation, but in no case may the mills levied
 23 exceed a number calculated to equal the revenue from
 24 property taxes for the 1986 tax year in that taxing unit.

25 (b) a levy authorized under Title 20 raised less

1 revenue in 1986 than was raised in either 1984 or 1985, in
2 which case the taxing unit may, after approval by the voters
3 in the taxing unit, raise each year thereafter an additional
4 number of mills but may not levy more revenue than the
5 3-year average of revenue raised for that purpose during
6 1984, 1985, and 1986;

7 (c) a levy authorized in 50-2-111 that was made in 1986
8 was for less than the number of mills levied in either 1984
9 or 1985, in which case the taxing unit may, after approval
10 by the voters in the taxing unit, levy each year thereafter
11 an additional number of mills but may not levy more than the
12 3-year average number of mills levied for that purpose
13 during 1984, 1985, and 1986.

14 (8) The limitation on the amount of taxes levied does
15 not apply to the following levy or special assessment
16 categories, whether or not they are based on commitments
17 made before or after approval of 15-10-401 and 15-10-402:

- 18 (a) rural improvement districts;
- 19 (b) special improvement districts;
- 20 (c) levies pledged for the repayment of bonded
- 21 indebtedness, including tax increment bonds;
- 22 (d) city street maintenance districts;
- 23 (e) tax increment financing districts;
- 24 (f) satisfaction of judgments against a taxing unit;
- 25 (g) street lighting assessments;

1 (h) revolving funds to support any categories specified
2 in this subsection (8);

3 (i) levies for economic development authorized pursuant
4 to 90-5-112(4);

5 (j) levies authorized under 7-6-502 for juvenile
6 detention programs; and

7 (k) levies authorized under [section 1]7 AND [section
8 2]7-76-15-5157-and-76-15-516(3) for conservation district
9 SPECIAL ADMINISTRATIVE assessments; and

10 ~~{k}~~(l) elementary and high school districts.

11 (9) The limitation on the amount of taxes levied does
12 not apply in a taxing unit if the voters in the taxing unit
13 approve an increase in tax liability following a resolution
14 of the governing body of the taxing unit containing:

15 (a) a finding that there are insufficient funds to
16 adequately operate the taxing unit as a result of 15-10-401
17 and 15-10-402;

18 (b) an explanation of the nature of the financial
19 emergency;

20 (c) an estimate of the amount of funding shortfall
21 expected by the taxing unit;

22 (d) a statement that applicable fund balances are or by
23 the end of the fiscal year will be depleted;

24 (e) a finding that there are no alternative sources of
25 revenue;

1 (f) a summary of the alternatives that the governing
2 body of the taxing unit has considered; and

3 (g) a statement of the need for the increased revenue
4 and how it will be used.

5 (10) (a) The limitation on the amount of taxes levied
6 does not apply to levies required to address the funding of
7 relief of suffering of inhabitants caused by famine,
8 conflagration, or other public calamity.

9 (b) The limitation set forth in this chapter on the
10 amount of taxes levied does not apply to levies to support:

11 (i) a city-county board of health as provided in Title
12 50, chapter 2, if the governing bodies of the taxing units
13 served by the board of health determine, after a public
14 hearing, that public health programs require funds to ensure
15 the public health. A levy for the support of a local board
16 of health may not exceed the 5-mill limit established in
17 50-2-111.

18 (ii) county, city, or town ambulance services authorized
19 by a vote of the electorate under 7-34-102(2).

20 (11) The limitation on the amount of taxes levied by a
21 taxing jurisdiction subject to a statutory maximum mill levy
22 does not prevent a taxing jurisdiction from increasing its
23 number of mills beyond the statutory maximum mill levy to
24 produce revenue equal to its 1986 revenue.

25 (12) The limitation on the amount of taxes levied does

1 not apply to a levy increase to repay taxes paid under
2 protest in accordance with 15-1-402."

3 NEW SECTION. Section 7. Codification instruction.
4 [Sections 1 and 2] are intended to be codified as an
5 integral part of Title 76, chapter 15, part 5, and the
6 provisions of Title 76, chapter 15, part 5, apply to
7 [sections 1 and 2].

8 NEW SECTION. Section 8. Effective date. [This act] is
9 effective July 1, 1993.

-End-