

HOUSE BILL 626

Introduced by Boharski, et al.

2/13	Introduced
2/13	Referred to Taxation
2/13	First Reading
2/17	Hearing
3/12	Table in Committee

CONSTITUTIONAL AMENDMENT

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House BILL NO. 626
 INTRODUCED BY: *Jim E. Benarshi, Sayles, Feland, BENEDICT, Tash, Billant, Whom, Bill, Molner, James, Bolding, M. Hamlin, Rahbein, Wilk, Hughes, Peterson, Grimes, James Knox, Petersen, Susan Clark, Keston, Grimes, James Knox, Petersen, Susan Clark, Keston, Grimes, James Knox, Petersen, Susan Clark, Keston*
 A BILL FOR AN ACT ENTITLED: "AN ACT SUBMITTING TO THE QUALIFIED ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE VIII OF THE CONSTITUTION OF THE STATE OF MONTANA TO PLACE A LIMIT ON GOVERNMENTAL SPENDING AND TAX COLLECTIONS."

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

Section 1. Article VIII of The Constitution of the State of Montana is amended by adding a new section 15 that reads:

Section 15. State and political subdivision spending limits. (1) There is a revenue limit and a spending limit for governmental units in this state.

(2) For the purposes of this section, the following definitions apply:

(a) "Fiscal period" means a two-year appropriations period for state government enacted to correspond with biennial legislative sessions and a one-year appropriations period enacted for state government with annual legislative sessions and for all other governmental units.

(b) "Governmental unit" includes state government, any subdivision of state government, any local government established under the authority of Article XI, and all

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school districts.

(c) "Limited revenues" means revenues received by a governmental unit from all sources, except:

(i) money refunded to the governmental unit;

(ii) gifts from nongovernmental sources;

(iii) funds received from the federal government;

(iv) all receipts from a government enterprise that is not tax-supported;

(v) borrowed funds;

(vi) tax income that must be applied to pay principal and interest on bonds that were approved by a vote of the electors or on bonds outstanding on January 1, 1993;

(vii) assessments or other nontax proceeds that must be used to service or retire bonds; and

(viii) funds carried over from the preceding fiscal year.

(3) A governmental unit may not raise more limited revenues during a fiscal period than it did in the prior fiscal period. The revenue limits may be adjusted for changes in the consumer price level or in the population of the governmental unit. State government may exceed revenue limits as provided in a law approved by a two-thirds vote of each house of the legislature. A governmental unit other than the state government may exceed its revenue limit if approved by the electors of the governmental unit voting on

the question. The law or voter-approved measure authorizing a governmental unit to exceed revenue limits may be effective for a period not to exceed two fiscal periods.

(a) The state revenue limit excludes and the appropriate other governmental unit revenue limit includes state revenue transferred to another governmental unit and money applied as tax credits by state government against taxes of other governmental units.

(b) (i) When a new governmental unit is created, the state shall establish its initial revenue limit and shall reduce by that amount the revenue limits of the state and other governmental units, as appropriate.

(ii) When two or more governmental units are combined, their revenue limits shall be combined.

(iii) When a governmental responsibility, service, or program is transferred by law between governmental units, the revenue limits of the governmental units shall be proportionally adjusted as provided by law, with no increase in the combined revenue limits.

(iv) If a state law or rule imposes a duty on another governmental unit that causes net increase in expenses to that governmental unit, the revenue limit of the governmental unit shall be increased by the amount of the increase and the state's revenue limit shall be decreased by the same amount.

(c) If a governmental unit's revenues exceeds its revenue limit, the excess shall be refunded to taxpayers pursuant to law.

(4) A governmental unit, during a fiscal period, may not expend more than the sum of:

(a) the revenue limit and additional revenues approved pursuant to subsection (3); and

(b) revenues excluded from the definition of limited revenues in subsection (2)(c).

(5) Any taxpayer may sue to enforce this section and the laws implementing it. If successful, the taxpayer shall be reimbursed for all necessary costs of litigation.

(6) The legislature shall implement this section and may adopt further restrictions and limits. The legislature shall require consistent accounting practices by all governmental units in accordance with generally accepted accounting principles.

NEW SECTION. **Section 2. Severability.** If a part of [section 1] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [section 1] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. **Section 3. Submission to electorate.** This amendment shall be submitted to the qualified electors of

1 Montana at the general election to be held in November 1994
2 by printing on the ballot the full title of this act and the
3 following:

- 4 ☐ FOR limiting governmental spending and tax
5 collections.
6 ☐ AGAINST limiting governmental spending and tax
7 collections.

-End-