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House BILL NO. 393

INTRODUCED BY

Wm. E. Boharski

Keenan

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A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING BOND ISSUES AND PROPERTY TAX LEVIES SUBJECT TO VOTER APPROVAL TO BE APPROVED BY A MAJORITY OF THE ELECTORS QUALIFIED TO VOTE IN THE ELECTION AND NOT BY APPROVAL OF A MAJORITY OF QUALIFIED ELECTORS VOTING IN THE ELECTION; REQUIRING SCHOOL DISTRICT ANNEXATIONS OR CONSOLIDATIONS SUBJECT TO VOTER APPROVAL TO BE APPROVED BY A MAJORITY OF ELECTORS QUALIFIED TO VOTE IN THE ELECTION ONLY IF THE CONSOLIDATION OR ANNEXATION WOULD RESULT IN AN INCREASED MILL LEVY WITHIN THE AREA HOLDING THE ELECTION; AMENDING SECTIONS 7-6-2512, 7-6-2531, 7-6-4431, 7-7-2237, 7-7-4222, 7-7-4235, 7-14-1134, 7-14-1633, 7-14-2205, 7-14-2504, 7-14-4642, 7-16-2102, 7-16-2109, 7-16-2432, 7-22-2142, 7-31-110, 7-32-235, 7-34-2136, 7-34-2414, 13-15-405, 15-10-412, 20-6-206, 20-6-318, 20-9-353, 20-9-428, 20-9-453, 20-9-465, 20-9-502, 20-15-231, 20-20-416, 22-1-304, 67-10-402, 67-11-303, 85-9-624, AND 90-5-112, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

Section 1. Section 7-6-2512, MCA, is amended to read:

"7-6-2512. County tax levy for health care facilities. (1) The board of county commissioners may, annually at the time of levying county taxes, fix and levy a tax, not to exceed 10 mills on each dollar of taxable valuation of property, upon all property within the county to erect, furnish, equip, expand, improve, maintain, and operate county-owned or county-operated health care facilities created under 7-8-2102, 7-34-2201, and 7-34-2502. "Health care facilities" as used in this section has the meaning as defined in 7-34-2201. The combined total number of mills levied under this section and for the county poor fund under 53-2-322 may not exceed 18 mills. A higher levy may be made upon compliance with 7-6-2531 through 7-6-2537 or 53-2-322. If a hospital district is created under Title 7, chapter 34, part 21, the mill levy authorized by this section may not be imposed on property within that hospital district.

(2) If a county issues bonds under 7-34-2411 to finance or refinance the costs of a health care facility, the board of county commissioners may covenant to levy the tax authorized by this section during

1 the term of the bonds, to the extent necessary, and to apply the collections of the tax to the costs of
2 erecting, furnishing, equipping, expanding, improving, maintaining, and operating the health care facility
3 or facilities of the county or the payment of principal of or interest on the bonds. The pledge of the taxes
4 to the payment of the bonds may not cause the bonds to be considered indebtedness of the county for the
5 purpose of any statutory limitation or restriction. The pledge may be made by the board only upon
6 authorization by the vote of a majority of the electors of the county ~~voting on the pledge~~ at a general or
7 special election as provided in 7-34-2414."

8

9 **Section 2.** Section 7-6-2531, MCA, is amended to read:

10 **"7-6-2531. County may exceed maximum mill levy -- election required.** The governing body of a
11 county may raise money by taxation for the support of county government services, facilities, or other
12 capital projects in excess of the levy or levies allowed by law under the following conditions:

13 (1) The governing body shall pass a resolution indicating its intent to exceed the current statutory
14 mill levy on the approval of a majority of the qualified electors ~~voting~~ of the county in an election under
15 subsection (2). The resolution must include:

16 (a) the specific purpose for which the additional money will be used;

17 (b) the specific amount to be raised;

18 (c) the approximate number of mills required; and

19 (d) the specific mill levy limitation to be exceeded.

20 (2) (a) Except as provided in subsection (2)(b), the governing body shall submit the question of the
21 additional mill levy to the qualified electors of the county at the next regular primary election held in an
22 even-numbered year.

23 (b) If the purpose of the special levy designated pursuant to subsection (1)(a) is for the support
24 of a hospital facility as described in 7-6-2512, the governing body may submit the question of the additional
25 mill levy to the qualified electors of the county at a general election, a school election held pursuant to
26 20-3-304, or at a regular primary election held in an even-numbered year.

27 (c) If the majority ~~voting on the question~~ of the qualified electors of the county are in favor of the
28 additional levy or levies, the governing body ~~is authorized to~~ may exceed the statutory mill levy limit in the
29 amount specified in the resolution for a period not to exceed 2 years."

30

1 **Section 3.** Section 7-6-4431, MCA, is amended to read:

2 **"7-6-4431. Authorization to exceed maximum mill levy -- election required.** The governing body
3 of a municipality may raise money by taxation for the support of municipal government services, facilities,
4 or other capital projects in excess of the levy or levies allowed by law under the following conditions:

5 (1) The governing body ~~must~~ shall pass a resolution indicating its intent to exceed the current
6 statutory mill levy on the approval of a majority of the qualified electors ~~voting in an election under of the~~
7 municipality pursuant to subsection (2). The resolution must include:

8 (a) the specific purpose for which the additional money will be used;

9 (b) the specific dollar amount to be raised;

10 (c) the approximate number of mills required; and

11 (d) the specific mill levy limitation to be exceeded.

12 (2) The governing body ~~must~~ shall submit the question of the additional mill levy to the qualified
13 electors of the municipality at the next regular primary or general election ~~on~~ in either odd-numbered or
14 even-numbered years. The question may not be submitted more than once in any calendar year. If the
15 majority ~~voting on the question are~~ of the qualified electors of the municipality are in favor of the additional
16 levy or levies, the governing body ~~is authorized to~~ may exceed the statutory mill levy limit in the amount
17 specified in the resolution for a period not to exceed 2 years."

18

19 **Section 4.** Section 7-7-2237, MCA, is amended to read:

20 **"7-7-2237. Percentage of electors required to authorize bond issue.** (1) Whenever the question
21 of issuing county bonds for any purpose is submitted to the registered electors of a county at either a
22 general election or a special election held in conjunction with a regular or primary election, the determination
23 of the approval or rejection of the bond proposition is made in the following manner:

24 ~~(1)(a)~~ (a) determine the total number of electors who were qualified to vote in the bond election; and

25 ~~(2)(b)~~ (b) determine the total number of qualified electors who voted ~~in~~ to approve the bond ~~election~~
26 proposition from the tally sheet or sheets for the election;

27 ~~(3)~~ (2) ~~calculate the percentage of qualified electors voting at the bond election by dividing the number~~
28 ~~determined in subsection (2) by the number determined in subsection (1); and~~

29 ~~(4)~~ (2) ~~when the calculated percentage in subsection (3) is 40% or more, the~~ The bond proposition
30 is considered approved and adopted if a majority of the ~~votes cast were~~ qualified electors voted in favor

1 of the proposition, otherwise it is considered rejected; ~~or~~

2 ~~(5) when the calculated percentage in subsection (3) is more than 30% but less than 40%, the~~
 3 ~~bond proposition is considered approved and adopted if 60% or more of the votes cast were in favor of~~
 4 ~~the proposition, otherwise it is considered rejected; or~~

5 ~~(6) when the calculated percentage in subsection (3) is 30% or less, the bond proposition is~~
 6 ~~considered rejected."~~

7

8 **Section 5.** Section 7-7-4222, MCA, is amended to read:

9 **"7-7-4222. Election required for bond issue relating to water and sewer systems.** Bonds backed
 10 by the full faith and credit of the city or town and issued for the construction, purchase, or securing of a
 11 water plant, water system, water supply, sewage treatment and disposal plant, or sewer system may not
 12 be issued until the proposition has been submitted to a vote and the majority of electors qualified to vote
 13 on the proposition vote east in favor ~~thereof~~ of the proposition."

14

15 **Section 6.** Section 7-7-4235, MCA, is amended to read:

16 **"7-7-4235. Percentage of electors required to authorize the issuing of bonds.** ~~Whenever~~ When the
 17 question of issuing bonds for any purpose is submitted to the registered electors of a city or town at either
 18 a general election or a special election held in conjunction with a regular or primary election, the
 19 determination of the approval or rejection of the bond proposition is made in the following manner:

20 (1) determine the total number of electors who were qualified to vote in the bond election; and

21 (2) determine the total number of qualified electors who voted in to approve the bond election
 22 proposition from the tally sheet or sheets for the election; and

23 ~~(3) calculate the percentage of qualified electors voting at the bond election by dividing the number~~
 24 ~~determined in subsection (2) by the number determined in subsection (1); and~~

25 ~~(4) when the calculated percentage in subsection (3) is 40% or more, the~~

26 (3) The bond proposition is considered approved and adopted if a majority of the ~~votes cast were~~
 27 qualified electors voted in favor of the proposition, otherwise it is considered rejected; ~~or~~

28 ~~(5) when the calculated percentage in subsection (3) is more than 30% but less than 40%, the~~
 29 ~~bond proposition is considered approved and adopted if 60% or more of the votes cast were in favor of~~
 30 ~~the proposition, otherwise it is considered rejected; or~~

1 ~~(6) when the calculated percentage in subsection (3) is 30% or less, the bond proposition is~~
2 ~~considered rejected."~~

3
4 **Section 7.** Section 7-14-1134, MCA, is amended to read:

5 **"7-14-1134. Method of funding deficiency.** (1) Subject to the conditions stated in this section,
6 the governing body of a county or of a municipality ~~having~~ with a population ~~in excess of more than~~ more than 10,000
7 may by resolution covenant that if at any time all revenue, including taxes, appropriated and collected for
8 bonds issued pursuant to this part are insufficient to pay principal or interest then due, it will levy a general
9 tax upon all of the taxable property in the county or municipality for the payment of the deficiency. The
10 governing body may further covenant that at any time a deficiency is likely to occur within 1 year for the
11 payment of principal and interest due on the bonds, it will levy a general tax upon all the taxable property
12 in the county or municipality for the payment of the deficiency. ~~The taxes are not subject to any limitation~~
13 ~~of rate or amount applicable to other county or municipal taxes but are limited to a rate estimated to be~~
14 ~~sufficient to produce the amount of the deficiency. If more than one local government is included in an~~
15 ~~authority issuing bonds pursuant to this part, the local governments may apportion the obligation to levy~~
16 ~~taxes for the payment of, or in anticipation of, a deficiency in the revenue appropriated for the bonds in a~~
17 ~~manner that the local governments may determine.~~

18 (2) The resolution must state the principal amount and purpose of the bonds and the substance
19 of the covenant respecting deficiencies.

20 (3) (a) A resolution is not effective until the question of its approval has been submitted to the
21 qualified electors of the local government at a special election:

22 (i) called for that purpose by the governing body of the local government;

23 (ii) held in conjunction with a regular or primary election; and

24 (iii) approved by a majority of the electors ~~voting~~ qualified to vote on the question.

25 (b) The notice and conduct of the election is governed, to the extent applicable, as provided for
26 municipal general obligation bonds in Title 7, chapter 7, part 42, for an election called by cities and towns,
27 and as provided for county general obligation bonds in Title 7, chapter 7, part 22, for an election called by
28 counties. If a majority of the electors ~~voting~~ qualified to vote on the issue vote against approval of the
29 resolution, the local government may not make the covenant or levy a tax for the payment of deficiencies
30 pursuant to this section. The local government or authority may issue bonds under this part payable solely

1 from the sources referred to in 7-14-1133(1)."

2

3 **Section 8.** Section 7-14-1633, MCA, is amended to read:

4 **"7-14-1633. Election required to impose mill levy.** (1) Before the levy provided for in 7-14-1632
5 may be made, the question must be submitted to a vote of the people at the next regular school election
6 held in accordance with 20-3-304 or by mail ballot election as provided by Title 13, chapter 19, in the
7 following form:

8 "Shall there be a levy of (specify number, not to exceed 6) mills upon the taxable property of the
9 (specify rail authority) necessary to raise the sum of (specify the approximate amount to be raised by the
10 tax levy) for the purpose of (specify purpose for which the levy is made)?

11 FOR the tax levy.

12 AGAINST the tax levy."

13 (2) Notice of the election, clearly stating the amount and the purpose of the levy, must be given
14 and the election must be held and conducted and the returns must be made in the manner prescribed by
15 law for the submission of questions to the electors under the general election laws. The levy is considered
16 approved only if a majority of the qualified electors vote to approve the levy."

17

18 **Section 9.** Section 7-14-2205, MCA, is amended to read:

19 **"7-14-2205. Construction of bridge in municipality -- election.** (1) Before undertaking the
20 construction in any city or town of any bridge, the cost of which exceeds \$10,000, the board of county
21 commissioners shall submit to the qualified electors of the county at a general election or a special election
22 held in conjunction with a regular or primary election the question of whether the bridge is to be
23 constructed and paid for by the county.

24 (2) (a) The question is approved if a majority of the qualified electors vote to approve the
25 construction and payment by the county. If the electors vote in favor of construction, the board may issue
26 and sell bonds of the county in the amount authorized for the construction of the bridge. Bonds must be
27 issued under the regulations that apply to other bonds of the county.

28 (b) The bridge must be constructed using the proceeds of the bond sale.

29 (3) If the cost of the bridge does not exceed the amount authorized to be raised by a special tax,
30 it may be levied as provided in 7-14-2503."

1 **Section 10.** Section 7-14-2504, MCA, is amended to read:

2 **"7-14-2504. Additional road and bridge construction tax -- election required.** (1) Each board may
3 make an additional levy upon the taxable property in the county of up to 10 mills for constructing public
4 highways and bridges.

5 (2) Before the additional levy may be made, the question must be submitted to a vote of the people
6 at a general election or a special election held in conjunction with a regular or primary election. The question
7 must be in the following form, inserting the number of mills to be levied and the name of the county:

8 "Shall there be an additional levy of.... mills upon the taxable property in the county of...., state
9 of Montana, for the purpose of constructing public highways and bridges?

10 YES

11 NO".

12 (3) A majority of the votes ~~cast~~ of the qualified electors is necessary to permit the additional levy,
13 which must be collected in the same manner as other road taxes."

14

15 **Section 11.** Section 7-14-4642, MCA, is amended to read:

16 **"7-14-4642. Election required to issue revenue bonds.** (1) The power to issue revenue bonds as
17 provided in this part is not operative in any city until the legislative body, either at a general election or a
18 special election held in conjunction with a regular or primary election, submits to the electors the question
19 as to whether the legislative body, the commission, or both, are authorized to adopt the revenue bond
20 method of financing projects provided for in this part.

21 (2) The question must be placed before the electors and notice must be given in the same manner
22 as provided by law for referring ordinances of the city to the electors. The qualifications of electors are the
23 same as those required for voting at municipal elections in the city for elective officers. The provisions
24 relating to the qualifications of electors and manner of submission of the question to the electors for the
25 purposes of this part are controlling, notwithstanding any provision of law to the contrary. The question
26 is decided by a majority of the qualified electors of the city and not by a majority of the qualified electors
27 voting in the election."

28

29 **Section 12.** Section 7-16-2102, MCA, is amended to read:

30 **"7-16-2102. Authorization for tax levy for parks and certain cultural, social, and recreational**

1 **facilities.** (1) The board of county commissioners may annually levy on the taxable property of the county,
 2 in the same manner and at the same time as other county taxes are levied, a special tax, not to exceed 2
 3 mills on each dollar of the taxable valuation for any ~~one~~ 1 year, for the purpose of maintaining, operating,
 4 and equipping parks, cultural facilities, and any county-owned civic center, youth center, recreation center,
 5 recreational complex, or any combination ~~thereof~~ of those facilities.

6 (2) (a) The board of county commissioners ~~must~~ shall submit the question of imposing or the
 7 continued imposition of the property tax mill levy provided in subsection (1) to the electors of the county
 8 at the next general election if a petition requesting ~~such~~ an election, signed by at least 15% of the resident
 9 taxpayers of the county, is filed with the county clerk. The petition must be filed with the county clerk at
 10 least 90 days prior to the date of the general election.

11 (b) The question will be submitted substantially as follows:

12 [] FOR the imposition (or continued imposition) of a property tax, not to exceed 2 mills, for
 13 county parks and for county-owned cultural, social, and recreational facilities.

14 [] AGAINST the imposition (or continued imposition) of a property tax for county parks and
 15 for county-owned cultural, social, and recreational facilities.

16 (c) The board of county commissioners shall levy ~~such a~~ the tax for the 2 subsequent fiscal years
 17 if the question for the imposition of the tax is approved by a majority of the electors ~~voting on the question~~
 18 of the county.

19 (3) All laws applicable to the collection of county taxes ~~shall~~ apply to the collection of the tax
 20 provided ~~herein~~ in this section."

21

22 **Section 13.** Section 7-16-2109, MCA, is amended to read:

23 **"7-16-2109. Single tax for county fair activities, county parks, and certain cultural, social, and**
 24 **recreational facilities -- restriction.** (1) Except as provided in subsection (2), the county commissioners of
 25 a county who have levied taxes pursuant to both 7-16-2102 and 7-21-3410 before January 1, 1993, may
 26 combine the two taxes into a single tax that may not exceed 3 1/2 mills on each dollar of the taxable
 27 valuation for any 1 year for the purpose of maintaining, operating, and equipping county fair activities,
 28 county parks, cultural facilities, and any county-owned civic center, youth center, recreation center,
 29 recreational complex, or any combination ~~thereof~~ of those activities or facilities. The money collected may
 30 be distributed among the activities and facilities as determined by the county commissioners.

1 (2) (a) The board of county commissioners shall submit the question of imposing or continuing the
 2 imposition of the single tax provided for in subsection (1) to the electors of the county at the next general
 3 election if a petition requesting a vote on the single tax, signed by at least 15% of the resident taxpayers
 4 of the county, is filed with the county clerk at least 90 days prior to the date of the general election.

5 (b) The question must be submitted substantially as follows:

6 [] FOR imposition (or continued imposition) of a property tax, not to exceed 3 1/2 mills, for
 7 county fair activities, county parks, and county-owned cultural, social, and recreational facilities.

8 [] AGAINST imposition (or continued imposition) of a property tax, not to exceed 3 1/2 mills,
 9 for county fair activities, county parks, and county-owned cultural, social, and recreational facilities.

10 (c) The board of county commissioners shall levy the tax for the 2 subsequent fiscal years if the
 11 imposition or continued imposition of the single tax is approved by a majority of the qualified electors ~~voting~~
 12 ~~on the question of the county.~~"

13
 14 **Section 14.** Section 7-16-2432, MCA, is amended to read:

15 **"7-16-2432. Election to change maximum property tax mill levy.** (1) The maximum property tax
 16 mill levy authorized for the operation of a county park district may be changed by an election on the
 17 question of changing the maximum mill levy.

18 (2) A vote on the question of raising or lowering the maximum property tax mill levy in the district
 19 may be initiated by:

20 (a) a petition signed by not less than 15% of the electorate of the district; or

21 (b) a resolution of the county park district commission.

22 (3) The petition or resolution must set forth the proposed new maximum mill levy for the operation
 23 of the district.

24 (4) Upon receipt of a petition for a change in the maximum mill levy, certified by the county clerk
 25 as sufficient under this section, or a resolution for ~~such~~ a change adopted by the county park district
 26 commission, the county governing body shall submit to the electorate of the district, at the next election
 27 at which members are elected to the county park district commission, a ballot question on changing the
 28 maximum mill levy. The election on the question of changing the maximum mill levy must be held as
 29 provided in Title 13. The question must be submitted to the electors of the district in substantially the
 30 following form:

1 [] FOR changing the authorized maximum property tax mill levy for the operation of the county
2 park district from to

3 [] AGAINST changing the authorized maximum property tax mill levy for the operation of the
4 county park district.

5 (5) If a county park district includes one or more municipalities or parts of municipalities, separate
6 majorities ~~of those voting on the question of changing the property tax mill levy~~ are required of ~~those voting~~
7 the qualified electors who reside within each municipality and of those not residing within a municipality.

8 (6) The new maximum property tax mill levy is authorized for the following tax year if approved
9 by a simple majority of the ~~votes~~ electors qualified to vote on the question."

10

11 **Section 15.** Section 7-22-2142, MCA, is amended to read:

12 **"7-22-2142. Sources of money for noxious weed fund.** (1) The commissioners may create the
13 noxious weed fund and provide sufficient money in the fund for the board to fulfill its duties, as specified
14 in 7-22-2109, by:

15 (a) appropriating money from the general fund of the county;

16 (b) at any time fixed by law for levy and assessment of taxes, levying a tax not exceeding 2 mills
17 on the dollar of total taxable valuation in the county. The tax levied under this subsection must be identified
18 on the assessment as the tax that will be used for noxious weed control.

19 (c) levying a tax in excess of 2 mills if authorized by a majority of the qualified electors ~~voting of~~
20 the county in an election held for this purpose pursuant to 7-6-2531 through 7-6-2536.

21 (2) The proceeds of the noxious weed control tax must be used solely for the purpose of managing
22 noxious weeds in the county and must be designated to the noxious weed fund.

23 (3) Any proceeds from work or chemical sales ~~must~~ revert to the noxious weed fund and must be
24 available for reuse within that fiscal year or any subsequent year.

25 (4) The commissioners may accept any private, state, or federal gifts, grants, contracts, or other
26 funds to aid in the management of noxious weeds within the district. These funds must be placed in the
27 noxious weed fund."

28

29 **Section 16.** Section 7-31-110, MCA, is amended to read:

30 **"7-31-110. Effect of election.** (1) If a majority of the ~~votes cast were~~ qualified electors vote for

1 the contract and bonds, then the contract is ~~in full force and effect~~ effective and the bonds ~~shall~~ must be
 2 issued and disposed of in the manner provided in this part.

3 (2) If there was a tie vote or if a majority of the ~~votes were cast~~ qualified electors vote against the
 4 contract and bonds, then the contract and surety bond given for its fulfillment are void and the bonds ~~shall~~
 5 may not be issued."

6
 7 **Section 17.** Section 7-32-235, MCA, is amended to read:

8 **"7-32-235. Search and rescue units authorized -- under control of county sheriff -- optional**
 9 **funding.** (1) A county may establish or recognize one or more search and rescue units within the county.

10 (2) Except in time of martial rule as provided in 10-1-106, search and rescue units and their officers
 11 are under the operational control and supervision of the county sheriff, or the sheriff's designee, having
 12 jurisdiction and whose span of control would be considered within reasonable limits.

13 (3) A county may, after approval by a majority of the ~~people voting on the question at an election~~
 14 ~~held throughout~~ qualified electors of the county, levy an annual tax of not more than 1 mill on each dollar
 15 of taxable value of all taxable property within the county to support one or more search and rescue units
 16 established or recognized under subsection (1). The election must be held in conjunction with a regular or
 17 primary election."

18
 19 **Section 18.** Section 7-34-2136, MCA, is amended to read:

20 **"7-34-2136. Approval required to impose special additional mill levy.** ~~{}~~ A vote of a majority of
 21 the ~~votes cast shall be~~ qualified electors is necessary to permit the additional levy provided for in
 22 7-34-2134, which ~~shall~~ must be collected in the same manner as other hospital district taxes.

23 ~~(2) If the calculated percentage of qualified electors voting in the election is less than 30%, the~~
 24 ~~additional levy shall be deemed to have been rejected."~~

25
 26 **Section 19.** Section 7-34-2414, MCA, is amended to read:

27 **"7-34-2414. Election required on question of issuance of bonds.** (1) A county may not issue bonds
 28 to which all or a portion of the taxes levied under 7-6-2512 are pledged or to which the general tax
 29 authorized under 7-34-2418 is pledged until the question of approval of the issuance of the bonds has been
 30 submitted to the registered electors of the county at a general election or a special election called for that

1 purpose by the governing body of the county and the majority of the registered electors ~~voting on the~~
2 ~~question of the county~~ have voted in favor of issuing the bonds. A special election must be conducted in
3 conjunction with a regular or primary election. The notice and conduct of the election ~~must be~~ is governed,
4 to the extent applicable, by the laws governing the election on county general obligation bonds in chapter
5 7, part 22.

6 (2) If less than a majority of the registered electors ~~voting on the issuance of the bonds of the~~
7 county vote in favor of the issuance of the bonds, the county may not issue the bonds under 7-34-2411."

8
9 **Section 20.** Section 13-15-405, MCA, is amended to read:

10 "**13-15-405. Declaration or certification of results.** (1) The board shall declare nominated or elected
11 the individuals having the highest number of votes cast for each county and precinct office, except as
12 provided in 13-10-204.

13 (2) The board shall proclaim the adoption or rejection of a county ballot issue.

14 (3) The board shall certify the results of the canvass of votes cast for individuals for political
15 subdivision offices and for and against political subdivision ballot issues to the governing body of each
16 political subdivision participating in the election.

17 (4) If there is a tie vote for a county office, an office of a political subdivision wholly within the
18 county, a precinct office, or a ballot issue voted on only in that county or portion of that county, the board
19 shall certify the vote to the election administrator.

20 (5) The board shall certify the results of the canvass of votes cast for justice of the peace, city
21 judge, and municipal court judge to the supreme court in order to ensure compliance with 3-1-1502 or
22 3-1-1503.

23 (6) In the case of an election called for the express purpose of determining whether a tax levy is
24 to be imposed or a bond issue approved, the board shall certify the result of approval of the levy or bond
25 issue only if the levy or bond issue is approved by a majority of the qualified electors of the political
26 subdivision or taxing unit and not by a majority of the qualified electors voting in the election."

27
28 **Section 21.** Section 15-10-412, MCA, is amended to read:

29 "**15-10-412. Property tax limited to 1986 levels -- clarification -- extension to all property classes.**

30 Section 15-10-402 is interpreted and clarified as follows:

1 (1) The limitation to 1986 levels is extended to apply to all classes of property described in Title
2 15, chapter 6, part 1.

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

10 (3) The limitation on the amount of taxes levied does not prohibit a further increase in the total
11 taxable valuation of a taxing unit as a result of:

- 12 (a) annexation of real property and improvements into a taxing unit;
- 13 (b) construction, expansion, or remodeling of improvements;
- 14 (c) transfer of property into a taxing unit;
- 15 (d) subdivision of real property;
- 16 (e) reclassification of property;
- 17 (f) increases in the amount of production or the value of production for property described in
18 15-6-131 or 15-6-132;
- 19 (g) transfer of property from tax-exempt to taxable status; or
- 20 (h) revaluations caused by:
 - 21 (i) cyclical reappraisal; or
 - 22 (ii) expansion, addition, replacement, or remodeling of improvements.

23 (4) The limitation on the amount of taxes levied does not prohibit a further increase in the taxable
24 valuation or in the actual tax liability on individual property in each class as a result of:

- 25 (a) a revaluation caused by:
 - 26 (i) construction, expansion, replacement, or remodeling of improvements that adds value to the
27 property; or
 - 28 (ii) cyclical reappraisal;
- 29 (b) transfer of property into a taxing unit;
- 30 (c) reclassification of property;

1 (d) increases in the amount of production or the value of production for property described in
2 15-6-131 or 15-6-132;

3 (e) annexation of the individual property into a new taxing unit; or

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

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

8 (a) new construction;

9 (b) expanded, deleted, replaced, or remodeled improvements;

10 (c) annexed property; or

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

12 (6) Property described in subsections (5)(a) through (5)(d) that is not class four property is valued
13 according to the procedures used in 1986 but is also subject to the dollar cap in each taxing unit based on
14 1986 mills levied.

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

23 (a) except as provided in subsection (B)(a), the taxing unit's taxable valuation decreases by 5%
24 or more from the 1986 tax year. If a taxing unit's taxable valuation decreases by 5% or more from the
25 1986 tax year, it may levy additional mills to compensate for the decreased taxable valuation, but the mills
26 levied may not exceed a number calculated to equal the revenue from property taxes for the 1986 tax year
27 in that taxing unit.

28 (b) a levy authorized under Title 20 raised less revenue in 1986 than was raised in either 1984 or
29 1985, in which case the taxing unit may, after approval by ~~the voters~~ a majority of the qualified electors
30 in the taxing unit, raise each year ~~thereafter~~ after 1986 an additional number of mills but may not levy more

1 revenue than the 3-year average of revenue raised for that purpose during 1984, 1985, and 1986;

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

7 (8) (a) Except as provided in subsection (8)(b), if a taxing unit has levied additional mills under
8 subsection (7)(a) to compensate for a decrease in taxable valuation, it may continue to levy additional mills
9 to equal the revenue from property taxes for the 1986 tax year when the taxing unit's taxable valuation
10 is greater than 95% but less than 100% of the taxing unit's taxable valuation in tax year 1986.

11 (b) When the taxable valuation of a taxing unit that levied additional mills under subsection (7)(a)
12 or (8)(a) is equal to or greater than the taxing unit's taxable valuation in tax year 1986, it may not levy
13 additional mills to compensate for a subsequent decrease in taxable valuation unless the conditions of
14 subsection (7)(a) are satisfied.

15 (9) The limitation on the amount of taxes levied does not apply to the following levy or special
16 assessment categories, whether or not they are based on commitments made before or after approval of
17 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 indebtedness, including tax increment bonds;
- 21 (d) city street maintenance districts;
- 22 (e) tax increment financing districts;
- 23 (f) satisfaction of judgments against a taxing unit;
- 24 (g) street lighting assessments;
- 25 (h) revolving funds to support any categories specified in this subsection (9);
- 26 (i) levies for economic development authorized pursuant to 90-5-112~~(4)~~(5);
- 27 (j) levies authorized under 7-6-502 for juvenile detention programs;
- 28 (k) levies authorized under 76-15-531 and 76-15-532 for conservation district special
29 administrative assessments;
- 30 (l) elementary and high school districts; and

1 (m) voted poor fund levies authorized under 53-2-322.

2 (10) The limitation on the amount of taxes levied does not apply in a taxing unit if ~~the voters a~~
3 majority of the qualified electors in the taxing unit approve an increase in tax liability following a resolution
4 of the governing body of the taxing unit containing:

5 (a) a finding that there are insufficient funds to adequately operate the taxing unit as a result of
6 15-10-401 and 15-10-402;

7 (b) an explanation of the nature of the financial emergency;

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

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

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

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

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

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

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

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

21 (ii) county, city, or town ambulance services authorized by a vote of the electorate under
22 7-34-102(2); and

23 (iii) a rail authority, as provided in Title 7, chapter 14, part 16, authorized by a board of county
24 commissioners. A levy for the support of a rail authority may not exceed the 6-mill limit established in
25 7-14-1632.

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

29 (13) The limitation on the amount of taxes levied does not apply to a levy increase to repay taxes
30 paid under protest in accordance with 15-1-402.

1 (14) A taxing jurisdiction that included special improvement district revolving fund levies in the
2 limitation on the amount of taxes levied prior to April 22, 1993, may continue to include the amount of the
3 levies within the dollar amount due in each taxing unit for the 1986 tax year even if the necessity for the
4 revolving fund has diminished and the levy authority has been transferred."
5

6 **Section 22.** Section 20-6-206, MCA, is amended to read:

7 **"20-6-206. Consolidation or annexation election with assumption of bonded indebtedness.** A
8 consolidation election involving the mutual assumption of bonded indebtedness by the elementary districts
9 to be consolidated, as prescribed in 20-6-203, or an annexation election involving the joint assumption of
10 bonded indebtedness by the elementary district to be annexed, as prescribed in 20-6-205, ~~shall~~ must
11 comply with the following procedures in addition to those prescribed by this title for other school elections:

12 (1) In a consolidation election the ballots ~~shall~~ must read, after stating the consolidation
13 proposition, "FOR consolidation with assumption of bonded indebtedness" and "AGAINST consolidation
14 with assumption of bonded indebtedness".

15 (2) In an annexation election the ballots ~~shall~~ must read, after stating the annexation proposition,
16 "FOR annexation with assumption of bonded indebtedness" and "AGAINST annexation with assumption
17 of bonded indebtedness".

18 (3) ~~Any~~ An elector qualified to vote under the provisions of 20-20-301 may vote.

19 (4) When the trustees in each elementary district conducting an election canvass the vote under
20 the provisions of 20-20-415, they shall decide, according to the following procedure, if the proposition has
21 been approved:

22 (a) determine if a sufficient number of the qualified electors of the district ~~have voted to validate~~
23 ~~the election and~~ have voted to approve the election proposition in the same manner required for bond
24 elections by 20-9-428; and

25 (b) when the proposition is approved under subsection (4)(a), determine the number of votes "FOR"
26 and "AGAINST" the proposition.

27 (5) The proposition ~~shall be~~ is approved in the district if a majority of those voting approve the
28 proposition. If the proposition is disapproved under either the provisions of subsection (4)(a) or (4)(b), the
29 proposition ~~shall be~~ is disapproved in the district. However, if the consolidation or annexation would result
30 in an increase in the mill levy in a district holding an election, the proposition is approved in the district only

1 if the proposition is approved by a majority of the qualified electors in the district."

2

3 **Section 23.** Section 20-6-318, MCA, is amended to read:

4 **"20-6-318. Consolidation or annexation election with assumption of bonded indebtedness.** A
5 consolidation election involving the mutual assumption of bonded indebtedness by the high school districts
6 to be consolidated as prescribed in 20-6-315 or an annexation election involving the joint assumption of
7 bonded indebtedness by the high school districts to be annexed as prescribed in 20-6-317 must comply
8 with the following procedures in addition to those prescribed by this title for other school elections:

9 (1) In a consolidation election the ballots must read, after stating the consolidation proposition,
10 "FOR consolidation with assumption of bonded indebtedness" and "AGAINST consolidation with
11 assumption of bonded indebtedness".

12 (2) In an annexation election the ballots must read, after stating the annexation proposition, "FOR
13 annexation with assumption of bonded indebtedness" and "AGAINST annexation with assumption of
14 bonded indebtedness".

15 (3) Any elector qualified to vote under the provisions of 20-20-301 may vote.

16 (4) When the trustees in each high school district conducting an election canvass the vote under
17 the provisions of 20-20-415, they shall decide according to the following procedure if the proposition has
18 been approved:

19 (a) determine if a sufficient number of the qualified electors of the district voted to ~~validate the~~
20 ~~election and voted to~~ approve the election proposition in the manner required for bond elections by
21 20-9-428; and

22 (b) if the proposition is approved under subsection (4)(a), determine the number of votes "FOR"
23 and "AGAINST" the proposition.

24 (5) If the proposition is disapproved under the provisions of subsection (4)(a), the proposition is
25 disapproved in the district. However, if the consolidation or annexation would result in an increase in the
26 mill levy in a district holding an election, the proposition is approved in the district only if the proposition
27 is approved by a majority of the qualified electors in the district."

28

29 **Section 24.** Section 20-9-353, MCA, is amended to read:

30 **"20-9-353. Additional financing for general fund -- election for authorization to impose.** (1) The

1 trustees of a district may propose to adopt:

2 (a) a budget amount up to the BASE budget amount for the district general fund that is within the
3 limitations and required budget increases provided in 20-9-308(2);

4 (b) an over-BASE budget amount for the district general fund that does not exceed the maximum
5 general fund budget for the district or other limitations, as provided in 20-9-308(3); or

6 (c) a general fund budget amount in excess of the maximum general fund budget amount for the
7 district, as provided in 20-9-308(4).

8 (2) When the trustees of a district determine that a voted amount of financing is required for the
9 general fund budget, the trustees shall submit the proposition to finance the additional amount of general
10 fund financing to the electors who are qualified under 20-20-301 to vote upon the proposition. The special
11 election must be called and conducted in the manner prescribed by this title for school elections. The ballot
12 for the election must state the amount of money to be financed, the approximate number of mills required
13 to raise all or a portion of the money, and the purpose for which the money will be expended. The ballot
14 must be in the following format:

15 PROPOSITION

16 Shall the district be authorized to expend the sum of (state the additional amount to be expended),
17 and being approximately (give number) mills, for the purpose of (insert the purpose for which the additional
18 financing is made)?

19 FOR budget authority and any levy.

20 AGAINST budget authority and any levy.

21 (3) If the election on any additional financing for the general fund is approved by a majority ~~vote~~
22 of the qualified electors ~~voting at the election of the district~~, the proposition carries and the trustees may
23 use any portion or all of the authorized amount in adopting the preliminary general fund budget. The
24 trustees shall certify any additional levy amount authorized by the special election on the budget form that
25 is submitted to the county superintendent, and the county commissioners shall levy the authorized number
26 of mills on the taxable value of all taxable property within the district, as prescribed in 20-9-141, to raise
27 the amount of the additional levy.

28 (4) Authorization to levy an additional tax to support a budget amount adopted as allowed by
29 20-9-308(4) is effective for only 1 school fiscal year.

30 (5) All levies adopted under this section must be authorized by a special election conducted before

1 August 1 of the school fiscal year for which it is effective.

2 (6) If the trustees of a district are required to submit a proposition to finance an increased amount
3 up to the BASE budget amount, as provided in 20-9-308(2)(b), an increased over-BASE budget amount,
4 as provided in 20-9-308(3)(a), or an amount in excess of the maximum general fund budget amount for the
5 district as allowed by 20-9-308(4) to the electors of the district, the trustees shall comply with the
6 provisions of subsections (2) through (4)."

7

8 **Section 25.** Section 20-9-428, MCA, is amended to read:

9 **"20-9-428. Determination of approval or rejection of proposition at bond election.** (1) When the
10 trustees canvass the vote of a school district bond election under the provisions of 20-20-415, they shall
11 determine the approval or rejection of the school bond proposition in the following manner:

12 (a) determine the total number of electors of the school district who are qualified to vote under the
13 provisions of 20-20-301 from the list of electors supplied by the county registrar for ~~such~~ the school bond
14 election; and

15 (b) determine the total number of qualified electors who voted at in favor of the ~~school~~ bond
16 election proposition from the tally sheet or sheets for ~~such~~ the election; ;

17 ~~(c) calculate the percentage of qualified electors voting at the school bond election by dividing the~~
18 ~~amount determined in subsection (1)(b) by the amount determined in subsection (1)(a); and~~

19 ~~(d) when the calculated percentage in subsection (1)(c) is 40% or more, the~~

20 (2) The school bond proposition shall be deemed to have has been approved and adopted if a
21 majority of the votes shall of the qualified electors have been cast in favor of ~~such~~ the proposition,
22 otherwise it shall be deemed to have has been rejected; ~~or~~

23 ~~(e) when the calculated percentage in subsection (1)(c) is more than 30% but less than 40%, the~~
24 ~~school bond proposition shall be deemed to have been approved and adopted if 60% or more of the votes~~
25 ~~shall have been cast in favor of such proposition, otherwise it shall be deemed to have been rejected; ~~or~~~~

26 ~~(f) when the calculated percentage in subsection (1)(c) is 30% or less, the school bond proposition~~
27 ~~shall be deemed to have been rejected.~~

28 ~~(2)(3)~~ If the canvass of the vote establishes the approval and adoption of the school bond
29 proposition, the trustees shall issue a certificate proclaiming the passage of ~~such~~ the proposition and the
30 authorization to issue bonds of the school district for the purposes specified on the ballot for ~~such~~ the

1 school district bond election."

2

3 **Section 26.** Section 20-9-453, MCA, is amended to read:

4 **"20-9-453. Duty of board of county commissioners to call election and issue bonds.** Immediately
5 upon the receipt of ~~any a~~ bond proposition request from the trustees of the county high school, ~~it shall be~~
6 ~~the duty of~~ the board of county commissioners ~~to~~ shall submit ~~such the~~ the question to the qualified electors
7 of the county in the manner otherwise provided by law for the submission of the proposition of the issuance
8 of other county bonds. If a majority of the qualified electors of the county ~~voting upon the proposition so~~
9 ~~submitted shall~~ approve ~~such the~~ the issue, then the board of county commissioners shall issue and market the
10 bonds authorized as in the case of other county bonds."
11

11

12 **Section 27.** Section 20-9-465, MCA, is amended to read:

13 **"20-9-465. Action to restrain bond issue -- time for bringing.** (1) ~~No~~ An action may not be brought
14 for the purpose of restraining the issuance and sale of bonds or other obligations by ~~any a~~ school district
15 or for the purpose of restraining the levy and collection of taxes for the payment of ~~such the~~ the bonds or other
16 obligations ~~after the expiration of more than 60 days from the date of~~ after the election on ~~such the~~ the bonds
17 or obligations or, if no election was held ~~thereon, after the expiration of more than 60 days from~~ after the
18 date of the resolution authorizing the issuance ~~thereof~~ of the bonds or obligations on account of ~~any a~~
19 defect, irregularity, or informality in giving notice of or in holding the election; ~~nor may any.~~ A defense
20 based upon ~~any such a~~ defect, irregularity, or informality in giving notice of or in holding the election may
21 not be interposed raised in any an action unless ~~brought~~ the defense is raised within this period.

22 (2) This section applies but is not limited to any action and defense in which the issue is raised
23 whether a voted debt or liability has carried by the required majority vote of the qualified electors ~~qualified~~
24 ~~and offering to vote thereon.~~"
25

25

26 **Section 28.** Section 20-9-502, MCA, is amended to read:

27 **"20-9-502. Purpose and authorization of a building reserve fund by an election.** (1) The trustees
28 of any district, with the approval of the qualified electors of the district, may establish a building reserve
29 for the purpose of raising money for the future construction, equipping, or enlarging of school buildings or
30 for the purpose of purchasing land needed for school purposes in the district. In order to submit to the

1 qualified electors of the district a building reserve proposition for the establishment of or addition to a
 2 building reserve, the trustees shall pass a resolution that specifies:

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

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

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

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

9 (2) The total amount of building reserve when added to the outstanding indebtedness of the district
 10 may not be more than the limitations provided in 20-9-406. A building reserve tax authorization may not
 11 be for more than 20 years.

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

15 OFFICIAL BALLOT SCHOOL DISTRICT BUILDING RESERVE ELECTION

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

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

24 BUILDING RESERVE--YES.

25 BUILDING RESERVE--NO.

26 (4) The building reserve proposition is approved if a majority of ~~these~~ the qualified electors ~~voting~~
 27 ~~at the election of the district vote to~~ approve the establishment of or addition to the building reserve. The
 28 annual budgeting and taxation authority of the trustees for a building reserve is computed by dividing the
 29 total authorized amount by the specified number of years. The authority of the trustees to budget and
 30 impose the taxation for the annual amount to be raised for the building reserve lapses when, at a later time,

1 a bond issue is approved by the qualified electors of the district for the same purpose or purposes for which
 2 the building reserve fund of the district was established. Whenever a subsequent bond issue is made for
 3 the same purpose or purposes of a building reserve, the money in the building reserve must be used for
 4 ~~such~~ the purpose or purposes before any money realized by the bond issue is used."

5
 6 **Section 29.** Section 20-15-231, MCA, is amended to read:

7 **"20-15-231. Annexation of territory of districts to community college district.** (1) Whenever 10%
 8 of the registered electors of an elementary district or districts of a county that is contiguous to the existing
 9 community college district petition the board of trustees of a community college district for annexation of
 10 the territory encompassed in ~~such~~ the elementary school districts, the board of trustees of the community
 11 college district may order an annexation election in the area defined by the petition. ~~Such~~ The election ~~shall~~
 12 must be held on the next general election day.

13 (2) (a) Prior to the election on the question of annexation, the trustees shall adopt a plan that
 14 includes:

15 (i) a schedule that provides for the orderly transition from the existing trustee representation to the
 16 representation required by 20-15-204, with ~~such~~ the transition period not to exceed 3 years from the date
 17 of the election on the question of annexation;

18 (ii) provisions relating to the assumption or nonassumption of existing community college district
 19 bonded indebtedness by the annexed area and provisions relating to the responsibilities of the annexed area
 20 for any bonded indebtedness if it withdraws from the district; and

21 (iii) a procedure by means of which the electors of the annexed area may withdraw the annexed
 22 area from the community college district and the conditions of such withdrawal.

23 (b) The plan required by this subsection (2) may not be changed by the trustees without the
 24 approval of a majority of the electors of the annexed area voting on the question. The bonding provisions
 25 of the plan set forth pursuant to subsection (2)(a)(ii) may not be changed.

26 (3) The election ~~shall~~ must be conducted in the proposed area for annexation in accordance with
 27 the requirements of the community college organization election, except that the board of trustees of the
 28 community college shall perform the requirements of the board of regents and there ~~shall~~ may not be an
 29 election of the board of trustees of the community college.

30 (4) The proposition on the ballot ~~shall~~ must be as follows:

1 Shall school districts be annexed to and become a part of the Community College District of
2 Montana?

3 FOR annexation.

4 AGAINST annexation.

5 (5) To carry, the proposals to annex must receive a majority of the total votes cast ~~thereon~~.
6 However, if the annexation would result in an increased mill levy within the annexed area, the proposal
7 must receive the approval of a majority of the registered electors of the area defined by the petition. Upon
8 receipt of the certified results of the election from the elementary districts encompassed in the proposed
9 area to be annexed, the board of trustees of the community college district shall canvass the vote and
10 declare the results of the election. If the annexation proposition carries, a certified copy of the canvassing
11 resolution ~~shall~~ must be filed in the office of the county clerk and recorder of the county encompassing the
12 area to be annexed and, upon such filing, the area to be annexed ~~shall~~ must then become a part of the
13 community college district."
14

15 **Section 30.** Section 20-20-416, MCA, is amended to read:

16 "**20-20-416. Certificate of election vote to determine tax levy or bond issue.** (1) After the canvass
17 of the total votes cast, the trustees shall issue a certificate of election. In the case of a trustee election,
18 the certificate ~~shall~~ must be issued to the elected trustee and the county superintendent designating the
19 term of the trustee position to which ~~he~~ the trustee has been elected. In the case of an election on a
20 proposition, the trustees shall issue a certificate specifying the outcome of the election. The certificate ~~shall~~
21 must be issued to the official or public body which ordered the election within 15 days after the election.
22 When the election has been ordered by resolution of the trustees, the canvassed results ~~shall~~ must be
23 published immediately in a newspaper that will give notice to the largest number of people of the district.

24 (2) In the case of an election called for the express purpose of determining whether a tax levy is
25 to be imposed or a bond issue approved, the trustees may not certify the result of approval of the levy or
26 bond issue unless the levy or bond issue is approved by a majority of the qualified electors of the district
27 and not by a majority of the qualified electors voting in the election."
28

29 **Section 31.** Section 22-1-304, MCA, is amended to read:

30 "**22-1-304. Tax levy -- special library fund -- bonds.** (1) The governing body of ~~any~~ a city or

1 county ~~which that~~ has established a public library may levy in the same manner and at the same time as
 2 other taxes are levied a special tax in the amount necessary to maintain adequate public library service.
 3 The special tax may not exceed 5 mills on the dollar, upon all property in ~~such the~~ county ~~which that~~
 4 may be levied by the governing body of ~~such the~~ county and may not exceed 7 mills on the dollar upon
 5 all property in ~~such the~~ city ~~which that~~ may be levied by the governing body of ~~such the~~ city.

6 (2) (a) The governing body of ~~any a~~ city or county may by resolution submit the question of
 7 exceeding the maximum tax levy provided in subsection (1) to a vote of the qualified electors ~~thereof of~~
 8 the city or county at the next general election. ~~Such The~~ resolution must be adopted at least 75 days prior
 9 to the general election at which the question will be voted on.

10 (b) ~~Upon~~ If a petition ~~being is~~ filed with the governing body and signed by not less than 5% of the
 11 resident taxpayers of ~~any a~~ city or county requesting an election for the purpose of exceeding the maximum
 12 mill levy, the governing body shall submit to a vote of the qualified electors ~~thereof of~~ the city or county
 13 at the next general election the question of exceeding the maximum mill levy. ~~Such A~~ petition must be
 14 delivered to the governing body at least 90 days prior to the general election at which the question will be
 15 voted on.

16 (c) The question ~~shall~~ must be submitted by ballots upon which the words "FOR exceeding the ...
 17 mill maximum levy and authorizing an additional ... mill(s) for the library" and "AGAINST exceeding the ...
 18 mill maximum library levy" ~~shall~~ appear, with a square before each proposition and a direction to insert an
 19 "X" mark in the square before one or the other of the propositions.

20 (d) The votes cast for the adoption or rejection of the question must be canvassed, and:

21 (i) if a majority of the qualified voters ~~voting on the question of the city or county~~ vote to exceed
 22 the maximum mill levy, the governing body shall levy the additional tax for the year in which the vote was
 23 taken; or

24 (ii) if a majority of the qualified voters ~~voting on the question of the city or county~~ vote to not
 25 exceed the maximum mill levy, the maximum mill levy may not be exceeded.

26 (3) The municipal tax authorized in this section is in addition to all other taxes authorized by law
 27 and is not within the all-purpose mill levy established by 7-6-4451 through 7-6-4453.

28 (4) The proceeds of ~~such the special~~ tax ~~shall~~ constitute a separate fund called the public library
 29 fund and ~~shall~~ may not be used for any purpose except those of the public library.

30 (5) ~~No money shall~~ Money may not be paid out of the public library fund by the treasurer of the

1 city or county except by order or warrant of the board of library trustees.

2 (6) Bonds may be issued by the governing body in the manner prescribed by law for the erection
3 and equipment of public library buildings and the purchase of land ~~therefor~~ for those buildings."

4

5 **Section 32.** Section 67-10-402, MCA, is amended to read:

6 "**67-10-402. Tax levy.** (1) For the purpose of establishing, constructing, equipping, maintaining,
7 and operating airports, landing fields, and ports under the provisions of this chapter and as provided in Title
8 7, chapter 14, part 11, the county commissioners or the city or town council may each year assess and
9 levy, in addition to the annual levy for general administrative purposes or the all-purpose levy authorized
10 by 7-6-4451 and 7-6-4452, a tax on the dollar of taxable value of the property of ~~said~~ the county, city, or
11 town:

12 (a) not to exceed 2 mills for airports and landing fields; and

13 (b) not to exceed 2 mills for ports.

14 (2) In the ~~event~~ case of a jointly established airport, landing field, or port, the county
15 commissioners and the council or councils involved shall determine in advance the levy necessary for ~~such~~
16 those purposes and the proportion each political subdivision joining in the venture ~~must~~ is required to pay.

17 (3) ~~No property~~ Property within ~~any~~ a political subdivision may not be subject to a tax pursuant
18 to this section at an annual rate in excess of 2 mills for airports, landing fields, or ports unless ~~it is found~~
19 ~~that~~ the levy is insufficient for the purposes enumerated. ~~In such a case~~ If the levy is insufficient, the
20 commissioners and councils ~~acting are authorized and empowered to~~ may contract an indebtedness on
21 behalf of ~~such~~ the county, city, or town, as the case may be, upon the credit ~~thereof~~ of the county, city,
22 or town by borrowing money or issuing bonds for ~~such purposes, provided that no~~ the purpose of the
23 airports, landing fields, or ports. ~~However,~~ bonds may not be issued for ~~such purpose~~ those purposes until
24 the proposition has been submitted to the qualified electors and a majority of the qualified electors of the
25 county, city, or town vote ~~east therefor~~ in favor of issuing the bonds, except as provided in subsection (4).

26 (4) For the purpose of establishing a reserve fund to resurface, overlay, or improve existing
27 runways, taxiways, and ramps, the governing bodies may set up annual reserve funds in their annual
28 budget if:

29 (a) the reserve is approved by the governing bodies during the normal budgeting procedure;

30 (b) the necessity to resurface or improve ~~said~~ the runways by overlays or similar methods every

1 so many years is based upon competent engineering estimates; and

2 (c) the funds are expended at least within each 10-year period.

3 (5) The reserve fund may not exceed at any time a competent engineering estimate of the cost of
 4 resurfacing or overlaying the existing runways, taxiways, and ramps of any one airport for each fund. The
 5 governing body of the airport or port, if in its judgment it considers it advantageous, may invest the fund
 6 in any interest-bearing deposits in a state or national bank insured by the FDIC or obligations of the United
 7 States of America, either short-term or long-term. Interest earned from ~~such~~ the investments must be
 8 credited to the operations and maintenance budget of the airport or port governing body. The ~~above~~
 9 provisions of this section, notwithstanding other budget control measures and due to the uniqueness of the
 10 subject matter, are declared necessary in the interests of the public health and safety."

11

12 **Section 33.** Section 67-11-303, MCA, is amended to read:

13 **"67-11-303. Bonds and obligations.** (1) An authority may borrow money for any of its corporate
 14 purposes and issue its bonds for those purposes, including refunding bonds, in the form and upon the terms
 15 that it may determine, payable out of any revenue of the authority, including revenue derived from:

16 (a) an airport or air navigation facility or facilities;

17 (b) taxes levied pursuant to 67-11-301 or other law for airport purposes;

18 (c) grants or contributions from the federal government; or

19 (d) other sources.

20 (2) The bonds may be issued by resolution of the authority, without an election and without any
 21 limitation of amount, ~~except that.~~ However, bonds may not be issued at any time if the total amount of
 22 principal and interest to become due in any year on the bonds and on any then outstanding bonds for which
 23 revenue from the same source or sources are pledged exceeds the amount of revenue to be received in that
 24 year as estimated in the resolution authorizing the issuance of the bonds. The authority shall take all action
 25 necessary and possible to impose, maintain, and collect rates, charges, rentals, and taxes, if any are
 26 pledged, sufficient to make the revenue from the pledged source in the year at least equal to the amount
 27 of principal and interest due in that year.

28 (3) The bonds may be sold at public or private sale and may bear interest as provided in 17-5-102.
 29 Except as otherwise provided in this section, any bonds issued pursuant to this chapter by an authority may
 30 be payable as to principal and interest solely from revenue of the authority and must state on their face the

1 applicable limitations or restrictions regarding the source from which the principal and interest are payable.

2 (4) Bonds issued by an authority or municipality pursuant to the provisions of this chapter are
3 declared to be issued for an essential public and governmental purpose by a political subdivision within the
4 meaning of 15-30-111(2)(a).

5 (5) For the security of bonds, the authority or municipality may by resolution make and enter into
6 any covenant, agreement, or indenture and may exercise any additional powers authorized to be exercised
7 by a municipality under Title 7, chapter 7, parts 44 and 45. The sums required from time to time to pay
8 principal and interest and to create and maintain a reserve for the bonds may be paid from any ~~revenues~~
9 revenue referred to in this chapter, prior to the payment of current costs of operation and maintenance of
10 the facilities.

11 (6) Subject to the conditions stated in this subsection, the governing body of any municipality
12 having a population in excess of 10,000, with respect to bonds issued pursuant to this chapter by the
13 municipality or by an authority in which the municipality is included, may by resolution covenant that in the
14 event that at any time all revenue, including taxes, appropriated and collected for the bonds is insufficient
15 to pay principal or interest then due, it will levy a general tax upon all of the taxable property in the
16 municipality for the payment of the deficiency. The governing body may further covenant that at any time
17 a deficiency is likely to occur within 1 year for the payment of principal and interest due on such bonds,
18 it will levy a general tax upon all the taxable property in the municipality for the payment of the deficiency,
19 and the taxes are not subject to any limitation of rate or amount applicable to other municipal taxes but are
20 limited to a rate estimated to be sufficient to produce the amount of the deficiency. In the event that more
21 than one municipality having a population ~~in excess of~~ more than 10,000 is included in an authority issuing
22 bonds pursuant to this chapter, the municipalities may apportion the obligation to levy taxes for the
23 payment of, or in anticipation of, a deficiency in the revenue appropriated for the bonds in a manner that
24 the municipalities may determine. The resolution must state the principal amount and purpose of the bonds
25 and the substance of the covenant respecting deficiencies. A resolution ~~may not be~~ is not effective until
26 the question of its approval has been submitted to the qualified electors of the municipality at a special
27 election called for that purpose by the governing body of the municipality and a majority of the qualified
28 ~~electors voting on the question of the municipality~~ electors have voted in favor of the resolution. The special election
29 must be held in conjunction with a regular or primary election. The notice and conduct of the election is
30 governed, to the extent applicable, as provided for municipal general obligation bonds in Title 7, chapter

1 7, part 42, for an election called by cities and towns and as provided for county general obligation bonds
 2 in Title 7, chapter 7, part 22, for an election called by counties. If a majority of the qualified electors ~~voting~~
 3 ~~on the issue of the municipality~~ vote against approval of the resolution, the municipality may not make the
 4 covenant or levy a tax for the payment of deficiencies pursuant to this section, but the municipality or
 5 authority may issue bonds under this chapter payable solely from the sources referred to in subsection (1)."

6
 7 **Section 34.** Section 85-9-624, MCA, is amended to read:

8 **"85-9-624. Issuance of bonds -- approval and assessments.** (1) For a bond issue to be approved,
 9 ~~40% of the qualified electors must vote thereon and 60% of those voting must approve the issue~~ it must
 10 be approved by a majority of the qualified electors of the district.

11 (2) Approval of the bond issue ~~shall authorize~~ authorizes the directors to make assessments
 12 necessary to pay the principal and interest on bonds issued, as provided in 85-9-601.

13 (3) The directors shall enter the results of the election in their records.

14 (4) If otherwise fairly conducted, ~~no~~ irregularities or informalities ~~shall do not~~ invalidate the election.

15 (5) Bonds for more than one purpose may be submitted to the electors as a single proposition."

16
 17 **Section 35.** Section 90-5-112, MCA, is amended to read:

18 **"90-5-112. Economic development levy.** (1) The governing body of a city, county, or town is
 19 ~~authorized to~~ may levy up to 1 mill upon the taxable value of all the property in the city, county, or town
 20 that is subject to taxation for the purpose of economic development. The governing body may:

21 (a) submit the question of the mill levy to the qualified voters voting in a city, county, or town
 22 election; or

23 (b) approve the mill levy by a vote of the governing body.

24 (2) If the question is submitted to the electors, the question is approved if a majority of the
 25 qualified electors of the city, county, or town vote in favor of the question.

26 ~~(2)(3)~~ Funds derived from this levy may be used for purchasing land for industrial parks,
 27 constructing buildings to house manufacturing and processing operations, conducting preliminary feasibility
 28 studies, promoting economic development opportunities in a particular area, and other activities generally
 29 associated with economic development. These funds may not be used to directly assist an industry's
 30 operations by loan or grant or to pay the salary or salary supplements of government employees.

1 ~~(3)~~(4) The governing body of the county, city, or town may use the funds derived from this levy
2 to contract with local development companies and other associations or organizations capable of
3 implementing the economic development function.

4 ~~(4)~~(5) A tax authorized by a vote of the electorate, as provided in subsection (1)(a), may be levied
5 for a period not to exceed 6 years and is not subject to the provisions of Title 15, chapter 10, part 4."
6

7 NEW SECTION. **Section 36. Saving clause.** [This act] does not affect rights and duties that
8 matured, penalties that were incurred, or proceedings that were begun before [the effective date of this
9 act].
10

11 NEW SECTION. **Section 37. Applicability.** [This act] applies only to elections held after [the
12 effective date of this act].
13

14 NEW SECTION. **Section 38. Effective date.** [This act] is effective on passage and approval.
15

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0393, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

A bill requiring bond issues and property tax levies subject to voter approval to be approved by a majority of the electors qualified to vote in the election and not by approval of a majority of qualified electors voting in the election, and requiring school district annexations or consolidations subject to voter approval to be approved by a majority of electors qualified to vote in the election only if the consolidation or annexation would result in an increased mill levy within the area holding the election.

FISCAL IMPACT:

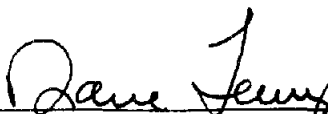
Passage of HB 393 will have no fiscal impact on the state.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

If HB 393 passes, it will be more difficult for local governments to get property tax levy issues passed. If the issues are always placed on general elections and ballots, to get sufficient voter turnout, increased costs would be minimal. If special elections or mail elections are used, additional, but indeterminable, costs are likely.

TECHNICAL NOTES:

Section 23 of HB 393 requires approval by a majority of the qualified electors in the district "if the consolidation or annexation would result in an increase in the mill levy in a district holding an election." Perhaps the language of the bill should include who is to determine if an increase will take place, and the procedures used to make this decision.

 2-3-97
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

WILLIAM BOHARSKI, PRIMARY SPONSOR DATE

Fiscal Note for HB0393, as introduced

HB 393