

1 *House* BILL NO. *548*

2 INTRODUCED BY *Lyce*

3 *ORR Adams Wells Gore*

4 A BILL FOR AN ACT ENTITLED: "AN ACT SUBMITTING TO THE QUALIFIED ELECTORS OF MONTANA  
5 AMENDMENTS TO THE MONTANA CONSTITUTION TO GENERALLY REVISE TAXATION BY PROHIBITING  
6 THE TAXATION OF INCOME AND PROPERTY; INCREASING THE MAXIMUM RATE ALLOWABLE FOR A  
7 STATEWIDE SALES AND USE TAX FROM 4 PERCENT TO 8 PERCENT; AUTHORIZING THE USE OF  
8 SPECIAL IMPROVEMENT DISTRICTS BASED UPON CHARGES OTHER THAN ON THE VALUE OF THE  
9 BENEFITED PROPERTY; REPEALING CONSTITUTIONAL PROVISIONS RELATING TO THE ADMINISTRATION  
10 OF THE PROPERTY TAX; AMENDING ARTICLE VIII, SECTIONS 5 AND 16, OF THE MONTANA  
11 CONSTITUTION; AND REPEALING ARTICLE VIII, SECTIONS 3, 4, AND 7, OF THE MONTANA  
12 CONSTITUTION."

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

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16 **Section 1.** Article VIII of The Constitution of the State of Montana is amended by adding a new  
17 section 17 that reads:

18 **Section 17. Taxation of income and property prohibited.** Neither the state or any subdivision of  
19 the state may:

- 20 (1) impose a tax based on the value of property, either real or personal; or
- 21 (2) impose a tax on the income of either an individual or a business entity.

22  
23 **Section 2.** Article VIII, section 5, of The Constitution of the State of Montana is amended to read:

24 **"Section 5. ~~Property tax exemptions~~ Special improvement districts.** ~~(1) The legislature may exempt~~  
25 ~~from taxation:~~

- 26 ~~(a) Property of the United States, the state, counties, cities, towns, school districts, municipal~~  
27 ~~corporations, and public libraries, but any private interest in such property may be taxed separately.~~
- 28 ~~(b) Institutions of purely public charity, hospitals and places of burial not used or held for private~~  
29 ~~or corporate profit, places for actual religious worship, and property used exclusively for educational~~  
30 ~~purposes.~~



1           ~~(c) Any other classes of property.~~

2           ~~(2)~~ The legislature may authorize creation of special improvement districts for capital improvements  
3 and the maintenance ~~thereof of the capital improvements~~. It may authorize the assessment of charges,  
4 based on factors other than the value of property, for such the improvements and maintenance against tax  
5 ~~exempt~~ property directly benefited ~~thereby~~ by the improvements and maintenance."

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7           **Section 3.** Article VIII, section 16, of The Constitution of the State of Montana is amended to read:

8           **"Section 16. Limitation on sales tax or use tax rates.** The rate of a general statewide sales tax or  
9 use tax may not exceed 4% 8%."

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11           NEW SECTION. **Section 4. Repealer.** Article VIII, sections 3, 4, and 7, of The Constitution of the  
12 State of Montana are repealed.

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14           NEW SECTION. **Section 5. Submission to electorate.** This amendment and the repealers set forth  
15 in section 4 shall be submitted to the qualified electors of Montana at the general election to be held in  
16 November 1998 by printing on the ballot the full title of this act and the following:

17                  FOR eliminating the taxation of property and income and increasing the maximum rate of  
18 a statewide sales and use tax to 8%.

19                  AGAINST eliminating the taxation of property and income and increasing the maximum rate  
20 of a statewide sales and use tax to 8%.

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