

CONSTITUTIONAL AMENDMENT

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

House BILL NO. 603

INTRODUCED BY [Signature]

A BILL FOR AN ACT ENTITLED: "AN ACT SUBMITTING TO THE QUALIFIED ELECTORS OF MONTANA AMENDMENTS TO THE MONTANA CONSTITUTION TO PROHIBIT PROPERTY TAXES UNLESS REQUIRED FOR PAYMENT OF EXISTING BONDED INDEBTEDNESS; ALLOWING THE USE OF SCHOOL LANDS TO SECURE EXISTING SCHOOL BONDS; PROHIBITING TAX LIENS AGAINST REAL PROPERTY AND IMPROVEMENTS; AMENDING ARTICLE VIII, SECTION 7, AND ARTICLE XII, SECTION 1, OF THE MONTANA CONSTITUTION; REPEALING ARTICLE VIII, SECTIONS 3, 4, AND 5, OF THE MONTANA CONSTITUTION; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Article VIII, section 7, of The Constitution of the State of Montana is amended to read:

"Section 7. Tax appeals. The legislature shall provide independent appeal procedures for taxpayer grievances about ~~appraisals, assessments, equalization, and~~ taxes. The legislature shall include a review procedure at the local government unit level."

Section 2. Article VIII of The Constitution of the State of Montana is amended by adding a new section 17 that reads:

Section 17. Property taxes prohibited -- preexisting indebtedness. (1) No tax shall be imposed on any real or personal property.

(2) (a) Subsection (1) does not apply to property taxes or special assessments required to pay principal and interest on bonded indebtedness entered into prior to November 1, 1998.

(b) The legislature may provide for reimbursement to property taxpayers for payment of interest and principal on bonded indebtedness and may, subject to the approval of the debtholders, provide for the payment from other sources of revenue of bonded indebtedness that was previously payable from property taxation.

(c) Subject to approval of the debtholders, the legislature may provide that state school lands may be used as security for bonds issued for school purposes prior to November 1, 1998.



1 **Section 3.** Article VIII of The Constitution of the State of Montana is amended by adding a new
2 section 18 that reads:

3 **Section 18. Tax liens on real property and improvements prohibited.** Real property and
4 improvements on real property may not be the subject of a lien for the nonpayment of any tax, and real
5 property and improvements on real property may not be sold to satisfy the payment of any tax.

6

7 **Section 4.** Article XII, section 1, of The Constitution of the State of Montana is amended to read:

8 **"Section 1. Agriculture.** ~~(1)~~ The legislature shall provide for a Department of Agriculture and enact
9 laws and provide appropriations to protect, enhance, and develop all agriculture.

10 ~~(2) Special levies may be made on livestock and on agricultural commodities for disease control~~
11 ~~and indemnification, predator control, and livestock and commodity inspection, protection, research, and~~
12 ~~promotion. Revenue derived shall be used solely for the purposes of the levies."~~

13

14 **NEW SECTION. Section 5. Repealer.** Article VIII, sections 3, 4, and 5, of The Constitution of the
15 State of Montana are repealed.

16

17 **NEW SECTION. Section 6. Effective date.** If approved by the electorate, sections 1 through 5 are
18 effective January 1, 2000.

19

20 **NEW SECTION. Section 7. Submission to electorate.** The amendments and repealers set forth in
21 sections 1 through 5 shall be submitted to the qualified electors of Montana at the general election to be
22 held in November 1998 by printing on the ballot the full title of this act and the following:

23 [] FOR prohibiting property taxes unless required for payment of existing bonded indebtedness.

24 [] AGAINST prohibiting property taxes unless required for payment of existing bonded
25 indebtedness.

26

-END-