

1 SENATE BILL NO. 27

2 INTRODUCED BY KEATING

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE AMOUNT THAT A COUNTY MAY BORROW
5 WITHOUT APPROVAL OF THE ELECTORATE BASED UPON A COUNTY'S TAXABLE VALUATION; AND
6 AMENDING SECTION 7-7-2402, MCA."

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9
10 **Section 1.** Section 7-7-2402, MCA, is amended to read:

11 **"7-7-2402. Election required to borrow money -- exceptions.** (1) Except as provided in subsection
12 ~~(3)~~ (4), the board of county commissioners may not borrow money for any of the purposes mentioned in
13 this title or for any single purpose in an amount exceeding ~~\$500,000~~ the limits set in subsection (2)
14 without:

15 (a) first ~~having submitted~~ submitting the question of a loan to a vote of the electors of the county;

16 and

17 (b) obtaining the approval of a majority of the electors of the county.

18 (2) Based upon the taxable valuation of a county, a county may borrow the following amounts
19 without a vote of the electorate:

20 (a) up to \$500,000 if the county's taxable value is less than \$50 million;

21 (b) up to \$750,000 if the county's taxable value is between \$50 million and \$100 million; and

22 (c) up to \$1 million if the county's taxable valuation is greater than \$100 million.

23 ~~(2)(3)~~ If a majority of the votes cast are in favor of the loan, then the board of county
24 commissioners may ~~make~~ enter into the loan, issuing bonds or otherwise as ~~may seem best for~~ is in the
25 best interests of the county.

26 ~~(3)(4)~~ It is not necessary to submit to the electors the question of borrowing money:

27 (a) to refund outstanding bonds; or

28 (b) for the purpose of enabling any county to liquidate its indebtedness to another county incident
29 to the creation of a new county or the change of any county boundary lines."

30 -END-

APPROVED BY COM ON
LOCAL GOVERNMENT

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

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10 **SECTION 1. SECTION 7-7-2101, MCA, IS AMENDED TO READ:**

11 **"7-7-2101. Limitation on amount of county indebtedness.** (1) A county may not become indebted
12 in any manner or for any purpose to an amount, including existing indebtedness, in the aggregate exceeding
13 23% of the total of the taxable value of the property in the county subject to taxation, plus the value
14 provided by the department of revenue in 15-36-324(10), as ascertained by the last assessment for state
15 and county taxes previous to the incurring of the indebtedness, plus, for indebtedness to be incurred during
16 fiscal year 1997, an additional 11% of the taxable value of class eight property within the county for tax
17 year 1995, for indebtedness to be incurred during fiscal year 1998, an additional 22% of the taxable value
18 of class eight property within the county for tax year 1995, and for indebtedness to be incurred during
19 fiscal years 1999 through 2008, an additional 33% of the taxable value of class eight property within the
20 county for tax year 1995, in each case of class eight property, multiplied by 23%.

21 (2) A county may not incur indebtedness or liability for any single purpose to an amount exceeding
22 \$500,000 without the approval of a majority of the electors of the county voting at an election to be
23 provided by law, except as provided in 7-7-2402, 7-21-3413, and 7-21-3414.

24 (3) This section does not apply to the acquisition of conservation easements as set forth in Title
25 76, chapter 6."

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27 **Section 2.** Section 7-7-2402, MCA, is amended to read:

28 **"7-7-2402. Election required to borrow money -- exceptions.** (1) Except as provided in subsection
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