

SENATE BILL NO. 205

INTRODUCED BY G. HERTZ

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE THRESHOLD FOR APPROVAL OF BOND ELECTIONS AND MILL LEVY ELECTIONS; AMENDING SECTIONS 7-6-2512, 7-6-4431, 7-7-2237, 7-7-4235, 7-12-4244, 7-14-1134, 7-15-4218, 7-16-2102, 7-16-2109, 7-22-2142, 7-31-110, 7-32-235, 7-34-2414, 15-10-425, 20-9-353, 20-9-428, 20-9-471, 20-9-502, 20-9-533, 67-11-303, AND 76-15-506, 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) Subject to 15-10-420, the board of county commissioners may, annually at the time of levying county taxes, fix and levy a tax ~~upon~~on 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. 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 the term of the bonds, to the extent necessary, and to apply the collections of the tax to the costs of erecting, furnishing, equipping, expanding, improving, maintaining, and operating the health care facility or facilities of the county or the payment of principal of or interest on the bonds. The pledge of the taxes to the payment of the bonds may not cause the bonds to be considered indebtedness of the county for the purpose of any statutory limitation or restriction. The pledge may be made by the board only upon authorization of ~~a majority of the~~ electors of the county voting on the pledge at a general or special election as provided in 7-34-2414."

**Section 2.** Section 7-6-4431, MCA, is amended to read:

**"7-6-4431. Authorization to exceed or impose less than maximum mill levy -- election required**

**to exceed.** The governing body of a municipality may raise money by taxation for the support of municipal government services, facilities, or other capital projects in excess of the levy allowed by 15-10-420 under the following conditions:

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

The resolution must include:

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

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

(c) the approximate number of mills required.

(2) The governing body shall submit the question of the additional mill levy to the qualified electors of the municipality at an election as provided in 15-10-425. The question may not be submitted more than once in any calendar year. If the ~~majority of voters voting on~~ approve the question is in favor of the additional levy or ~~levies as provided in 15-10-425~~, the governing body is authorized to impose the mill levy in the amount specified in the resolution.

(3) An election is not required for a governing body to impose less than the maximum number of mills or to carry forward authorization to impose the maximum number of mills in a subsequent tax year as provided in 15-10-420(1)(b)."

**Section 3.** Section 7-7-2237, MCA, is amended to read:

**"7-7-2237. Percentage of electors required to authorize bond issue.** Whenever the question of issuing county bonds for any purpose is submitted to the registered electors of a county, the determination of the approval or rejection of the bond proposition is made in the following manner:

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

(2) determine the total number of qualified electors who voted in the bond election from the tally sheet or sheets for the election;

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

(4) when the calculated percentage in subsection (3) is 40%;

(a) 50% or more, the bond proposition is considered approved and adopted if a majority of the votes cast were in favor of the proposition, ~~otherwise it is considered rejected; or. If less than a majority of the~~ votes cast were in favor of the proposition, the proposition is considered rejected.

~~(5)(b) when the calculated percentage in subsection (3) is more than 30% 40% but less than 40%~~ 50%, the bond proposition is considered approved and adopted if 60% or more of the votes cast were in favor of the proposition, ~~otherwise it is considered rejected; or. If less than 60% of the votes cast were in favor of the~~ proposition, the proposition is considered rejected.

~~(6)(c) when the calculated percentage in subsection (3) is 30% 40% or less, the bond proposition is~~ considered rejected."

**Section 4.** Section 7-7-4235, MCA, is amended to read:

**"7-7-4235. Percentage of electors required to authorize issuing of bonds.** Whenever the question of issuing bonds for any purpose is submitted to the registered electors of a city or town, the determination of the approval or rejection of the bond proposition is made ~~by a majority of the votes cast on the issue in the~~ following manner:

(1) determine the ~~total~~ number of ~~active~~ electors who were qualified to vote in the bond election ~~at the close of the regular registration pursuant to 13-2-301;~~

(2) determine the total number of ~~qualified~~ electors who voted in the bond election from the tally sheet or sheets for the election;

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

(4) when the calculated percentage in subsection (3) is:

(a) 50% or more, the bond proposition is considered approved and adopted if a majority of the votes cast were in favor of the proposition. If less than a majority of the votes cast were in favor of the proposition, the proposition is considered rejected.

(b) more than 40% but less than 50%, the bond proposition is considered approved and adopted if 60% or more of the votes cast were in favor of the proposition. If less than 60% of the votes cast were in favor

1 of the proposition, the proposition is considered rejected.

2 (c) 40% or less, the bond proposition is considered rejected."

3

4 **Section 5.** Section 7-12-4244, MCA, is amended to read:

5 **"7-12-4244. Issuance of bonds based upon on supplemental revolving fund -- election.** (1) At

6 any time after the award of the contract for any of the improvements described in 7-12-4241 and prior to the

7 issuance of bonds or warrants under the provisions of 7-12-4201 and 7-12-4203, the council may by resolution

8 determine that the improvement is of a character that bonds may be issued under 7-12-4241 through 7-12-4258

9 in lieu of bonds under 7-12-4201 and 7-12-4203, and may submit to the qualified electors of the city or town the

10 question of whether the bonds shall be issued.

11 (2) The proposal to issue bonds may be submitted at the same election as the proposal to create

12 the supplemental revolving fund and must be approved by a majority of the qualified electors voting on the

13 question as provided in subsection (3).

14 (3) The determination of the approval or rejection of the bond proposition is made in the following  
15 manner:

16 (a) determine the ~~total~~ number of active electors who were qualified to vote in the bond election at  
17 the close of regular registration pursuant to 13-2-301;

18 (b) determine the total number of qualified electors who voted in the bond election from the tally  
19 sheet or sheets for the election;

20 (c) calculate the percentage of qualified electors voting in the bond election by dividing the number  
21 determined in subsection (3)(b) by the number determined in subsection (3)(a); and

22 (d) when the calculated percentage in subsection (3)(c) is:

23 (i) 50% or more, the bond proposition is considered approved and adopted if a majority of the  
24 votes cast were in favor of the proposition. If less than a majority of the votes cast were in favor of the  
25 proposition, the proposition is considered rejected.

26 (ii) more than 40% but less than 50%, the bond proposition is considered approved and adopted if  
27 60% or more of the votes cast were in favor of the proposition. If less than 60% of the votes cast were in favor  
28 of the proposition, the proposition is considered rejected.

(iii) 40% or less, the bond proposition is considered rejected."

**Section 6.** Section 7-14-1134, MCA, is amended to read:

**"7-14-1134. Method of funding deficiency -- election required.** (1) Subject to the conditions stated in this section, the governing body of a county or of a municipality having a population in excess of 10,000 may by resolution covenant that if at any time all revenue, including taxes, appropriated and collected for bonds issued pursuant to this part is insufficient to pay principal or interest then due, it will levy a general tax on all of the taxable property in the county or municipality for the payment of the deficiency.

(2) The governing body may further covenant that at any time a deficiency is likely to occur within 1 year for the payment of principal and interest due on the bonds, it will levy a general tax on all the taxable property in the county or municipality for the payment of the deficiency. The taxes are not subject to any limitation of rate or amount applicable to other county or municipal taxes but are limited to a rate estimated to be sufficient to produce the amount of the deficiency.

(3) If more than one local government is included in an authority issuing bonds pursuant to this part, the local governments may apportion the obligation to levy taxes for the payment of, or in anticipation of, a deficiency in the revenue appropriated for the bonds in a manner that the local governments may determine.

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

(3)(5) A resolution is not effective until the question of its approval has been submitted to the qualified electors of the local government at an election called for that purpose by the governing body of the local government and held as provided in 15-10-425 and the question is approved by a majority of the electors voting.

(4)(6) If ~~a majority of the electors voting on the issue vote against approval of~~ do not approve the resolution as provided in 15-10-425, the local government may not make the covenant or levy a tax for the payment of deficiencies pursuant to this section. The local government or authority may issue bonds under this part payable solely from the sources referred to in 7-14-1133(1)."

**Section 7.** Section 7-15-4218, MCA, is amended to read:

1           **"7-15-4218. Voter approval of urban renewal plan required when general obligation bonds to be**  
2 **used.** If the plan or any subsequent modification ~~thereof of the plan~~ involves financing by the issuance of  
3 general obligation bonds of the municipality as authorized in 7-15-4302(1) or the financing of water or sewer  
4 improvements by the issuance of revenue bonds under the provisions of ~~part 44 of chapter 7, part 44, or of part~~  
5 ~~43 of chapter 13, part 43,~~ the question of approving the plan and issuing ~~such the~~ bonds shall must be  
6 submitted to a vote of the qualified electors of ~~such the~~ municipality, in accordance with the provisions  
7 governing municipal general obligation bonds under chapter 7, part 42, at the same election and shall must be  
8 approved by a majority of those qualified electors voting on such question in the manner provided for in 7-7-  
9 4235."

11           **Section 8.** Section 7-16-2102, MCA, is amended to read:

12           **"7-16-2102. Authorization for tax levy for parks and certain cultural, social, and recreational**  
13 **facilities.** (1) Subject to 15-10-420, the board of county commissioners may annually levy on the taxable  
14 property of the county, in the same manner and at the same time as other county taxes are levied, a tax for the  
15 purpose of maintaining, operating, and equipping parks, cultural facilities, and any county-owned civic center,  
16 youth center, recreation center, recreational complex, or any combination of purposes, parks, and facilities.

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

21           (b)     The question must be submitted as provided in 15-10-425.

22           (c)     The board of county commissioners shall levy the tax if the question for the imposition of the  
23 tax is approved by a majority of the electors voting on the question as provided in 15-10-425.

24           (3)     All laws applicable to the collection of county taxes apply to the collection of the tax provided  
25 for in this section."

27           **Section 9.** Section 7-16-2109, MCA, is amended to read:

28           **"7-16-2109. Single assessment for county fair activities, county parks, and certain cultural,**

**social, and recreational facilities -- restriction.** (1) Subject to 15-10-420 and except as provided in subsection (2) of this section, the county commissioners of a county that has levied taxes pursuant to 7-16-2102 may combine that levy with any fees assessed in accordance with 7-11-1024 into a single assessment for the purpose of maintaining, operating, and equipping county fair activities, county parks, cultural facilities, and any county-owned civic center, youth center, recreation center, recreational complex, or any combination of purposes, activities, and facilities. The money collected may be distributed among the activities and facilities as determined by the county commissioners.

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

(b) The question must be submitted as provided in 15-10-425.

(c) The board of county commissioners shall collect the assessment if the imposition or continued imposition of the single assessment is approved by a majority of the electors voting on the question as provided in 15-10-425."

**Section 10.** Section 7-22-2142, MCA, is amended to read:

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

(a) appropriating money from any source in an amount not less than \$100,000 or an amount equivalent to 1.6 mills levied on the taxable value of all property; and

(b) subject to 15-10-420 and at any time fixed by law for levy and assessment of taxes, levying a tax of not less than 1.6 mills on the taxable value of all taxable property in the county. The tax levied under this subsection (1)(b) must be identified on the assessment as the tax that will be used for noxious weed control.

(2) The proceeds of the noxious weed control tax or other contribution must be used solely for the purpose of managing noxious weeds in the county and must be deposited in the noxious weed fund.

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

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

(5) Subject to 15-10-420, the commissioners may impose a tax for weed control within a special management zone as provided in 7-22-2121(4). For the purposes of imposing the tax, the special management zone boundaries must be established by the board and approved by a majority of the voters within the special management zone. Pursuant to an election held in accordance with 15-10-425, the amount of the tax must be approved by a majority of the voters within the special management zone, and approval of the zone and the tax may occur simultaneously. Revenue received from a special management zone tax must be spent on weed management projects within the boundaries of the special management zone."

**Section 11.** Section 7-31-110, MCA, is amended to read:

**"7-31-110. Effect of election.** (1) If a majority of the votes cast were for the contract and bonds are considered approved pursuant to subsection (3), then the contract is in full force and effect and the bonds shall must be issued and disposed of in the manner provided in this part.

(2) If there was a tie vote or a majority of the votes were cast against the contract and bonds were not approved as provided in subsection (3), then the contract and surety bond given for its fulfillment are void and the bonds shall may not be issued.

(3) The determination of the approval or rejection of the bond proposition is made in the following manner:

(a) determine the ~~total~~ number of ~~active~~ electors who were qualified to vote in the bond election at the close of regular registration pursuant to 13-2-301;

(b) determine the total number of ~~qualified~~ electors who voted in the bond election from the tally sheet or sheets for the election;

(c) calculate the percentage of ~~qualified~~ electors voting in the bond election by dividing the number determined in subsection (3)(b) by the number determined in subsection (3)(a); and

(d) when the calculated percentage in subsection (3)(c) is:

(i) 50% or more, the bond proposition is considered approved and adopted if a majority of the



1 votes cast were in favor of the proposition. If less than a majority of the votes cast were in favor of the  
2 proposition, the proposition is considered rejected.

3 (ii) more than 40% but less than 50%, the bond proposition is considered approved and adopted if  
4 60% or more of the votes cast were in favor of the proposition. If less than 60% of the votes cast were in favor  
5 of the proposition, the proposition is considered rejected.

6 (iii) 40% or less, the bond proposition is considered rejected."

7  
8 **Section 12.** Section 7-32-235, MCA, is amended to read:

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

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

14 (b) A county sheriff or the sheriff's designee may authorize the participation of members of the civil  
15 air patrol, including cadets under 18 years of age, in search and rescue operations.

16 (3) Subject to 15-10-420, a county may, after approval ~~by a majority of the people voting on~~ of the  
17 question at an election held throughout the county, levy an annual tax on the taxable value of all taxable  
18 property within the county to support one or more search and rescue units established or recognized under  
19 subsection (1). The election must be held as provided in 15-10-425.

20 (4) A search and rescue unit established or recognized by a county may possess human remains  
21 as defined in 37-19-101 for the purpose of training canines used for search and rescue work.

22 (a) The county sheriff or the sheriff's designee shall keep an inventory of all human remains that  
23 are kept for the purpose of training search and rescue canines. The inventory must be updated when the  
24 search and rescue unit receives human remains or disposes of human remains that are no longer useful to the  
25 search and rescue unit.

26 (b) Each search and rescue unit that possesses human remains for the purpose of training search  
27 and rescue canines shall establish policies and standard operating procedures for access to, the inventory of,  
28 and the possession and disposal of human remains kept for the purpose of training search and rescue

1 canines."

2

3 **Section 13.** Section 7-34-2414, MCA, is amended to read:

4 **"7-34-2414. Election required on question of issuance of bonds.** (1) A county may not issue  
5 bonds to which all or a portion of the taxes levied under 7-6-2512 are pledged or to which the general tax  
6 authorized under 7-34-2418 is pledged until the question of approval of the issuance of the bonds has been  
7 submitted to the registered electors of the county at a general election or a special election called for that  
8 purpose by the governing body of the county and the majority of the electors voting on the question have voted  
9 in favor of approved the issuing of the bonds as provided in subsection (3). A special election must be  
10 conducted in conjunction with a regular or primary election. The notice and conduct of the election must be  
11 governed, to the extent applicable, by the laws governing the election on county general obligation bonds in  
12 chapter 7, part 22.

13 (2) If less than a majority of the electors voting on the issuance of the bonds do not approve vote  
14 in favor of the issuance of the bonds, the county may not issue the bonds under 7-34-2411.

15 (3) The determination of the approval or rejection of the bond proposition is made in the following  
16 manner:

17 (a) determine the ~~total~~ number of ~~active~~ electors who were qualified to vote in the bond election at  
18 ~~the close of regular registration pursuant to 13-2-301;~~

19 (b) determine the total number of ~~qualified~~ electors who voted in the bond election from the tally  
20 sheet or sheets for the election;

21 (c) calculate the percentage of ~~qualified~~ electors voting in the bond election by dividing the number  
22 determined in subsection (3)(b) by the number determined in subsection (3)(a); and

23 (d) when the calculated percentage in subsection (3)(c) is:

24 (i) 50% or more, the bond proposition is considered approved and adopted if a majority of the  
25 votes cast were in favor of the proposition. If less than a majority of the votes cast were in favor of the  
26 proposition, the proposition is considered rejected.

27 (ii) more than 40% but less than 50%, the bond proposition is considered approved and adopted if  
28 60% or more of the votes cast were in favor of the proposition. If less than 60% of the votes cast were in favor

1 of the proposition, the proposition is considered rejected.

2 (iii) 40% or less, the bond proposition is considered rejected."

3

4 **Section 14.** Section 15-10-425, MCA, is amended to read:

5 **"15-10-425. Mill levy election.** (1) A county, consolidated government, incorporated city,  
6 incorporated town, school district, or other taxing entity may impose a new mill levy, increase a mill levy that is  
7 required to be submitted to the electors, or exceed the mill levy limit provided for in 15-10-420 by conducting an  
8 election as provided in this section.

9 (2) An election pursuant to this section must be held in accordance with Title 13, chapter 1, part 4  
10 or 5, or Title 20 for school elections, whichever is appropriate to the taxing entity. The Subject to subsection (4),  
11 the governing body shall pass a resolution, shall amend its self-governing charter, or must receive a petition  
12 indicating an intent to impose a new levy, increase a mill levy, or exceed the current statutory mill levy provided  
13 for in 15-10-420 on the approval of a majority of the qualified electors voting in the election. The resolution,  
14 charter amendment, or petition must include:

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

16 (b) either:

17 (i) the specific amount of money to be raised and the approximate number of mills to be imposed;

18 or

19 (ii) the specific number of mills to be imposed and the approximate amount of money to be raised;

20 and

21 (c) whether the levy is permanent or the durational limit on the levy.

22 (3) Notice of the election must be prepared by the governing body and given as provided in 13-1-  
23 108. The form of the ballot must reflect the content of the resolution or charter amendment and must include:

24 (a) the statement that "an increase in property taxes may lead to an increase in rental costs"; and

25 (b) a statement of the impact of the election on homes valued at \$100,000, \$300,000, and  
26 \$600,000 in the district in terms of actual dollars in additional property taxes that would be imposed on  
27 residences with those values if the mill levy were to pass. The ballot may also include a statement of the impact  
28 of the election on homes of any other value in the district, if appropriate.

(4) ~~(a) If the majority voting on the question are in favor of voters approve~~ the additional levy as provided in subsection (4)(b), the governing body is authorized to impose the levy in either the amount or the number of mills specified in the resolution or charter amendment.

(b) The determination of the approval or rejection of a mill levy election is made in the following manner:

(i) determine the ~~total~~ number of ~~active~~ electors who were qualified to vote in the election ~~at the close of regular registration pursuant to 13-2-301;~~

(ii) determine the total number of ~~qualified~~ electors who voted in the election from the tally sheet or sheets for the election;

(iii) calculate the percentage of ~~qualified~~ electors voting in the election by dividing the number determined in subsection (4)(b)(ii) by the number determined in subsection (4)(b)(i); and

(iv) when the calculated percentage in subsection (4)(b)(iii) is:

(A) 50% or more, the levy is considered approved and adopted if a majority of the votes cast were in favor of the levy. If less than a majority of the votes cast were in favor of the levy, the levy is considered rejected.

(B) more than 40% but less than 50%, the levy is considered approved and adopted if 60% or more of the votes cast were in favor of the levy. If less than 60% of the votes cast were in favor of the levy, the levy is considered rejected.

(C) 40% or less, the levy is considered rejected.

(5) A governing body, as defined in 7-6-4002, may reduce an approved levy in any fiscal year without losing the authority to impose in a subsequent fiscal year up to the maximum amount or number of mills approved in the election. However, nothing in this subsection authorizes a governing body to impose more than the approved levy in any fiscal year or to extend the duration of the approved levy."

**Section 15.** Section 20-9-353, MCA, is amended to read:

**"20-9-353. Over-BASE budget levy -- election for authorization to impose.** (1) The trustees of a district may propose to adopt an over-BASE budget amount for the district general fund that does not exceed the general fund budget limitations, as provided in 20-9-308. If the trustees of a district are required to submit to

the electors of the district a proposition to finance an increase in the over-BASE budget amount pursuant to 20-9-308, the trustees shall comply with the provisions of subsections (2) through (4) of this section.

(2) When the trustees of the district propose to adopt an over-BASE budget under subsection (1), any increase in local property taxes authorized by 20-9-308(4) over revenue previously authorized by the electors of the district or imposed by the district in any of the previous 5 years must be submitted to a vote of the qualified electors of the district, as provided in 15-10-425. The trustees are not required to submit to the qualified electors any increase in state funding of the basic or per-ANB entitlements or of the general fund payments established in 20-9-327 through 20-9-330 approved by the legislature. When the trustees of a district determine that a voted amount of financing is required for the general fund budget, the trustees shall submit the proposition to finance the voted amount to the electors who are qualified under 20-20-301 to vote upon the proposition. The election must be called and conducted in the manner prescribed by this title for school elections and must conform to the requirements of 15-10-425. The ballot for the election must conform to the requirements of 15-10-425.

(3) If the proposition for an increase in the over-BASE budget levy for the general fund is approved by a majority vote of the electors voting at the election as provided in 15-10-425, the proposition carries and the trustees may use any portion or all of the authorized amount in adopting the final general fund budget. The trustees shall certify any over-BASE budget levy amount authorized by the election on the budget form that is submitted to the county superintendent, and the county commissioners shall levy the authorized number of mills on the taxable value of all taxable property within the district, as prescribed in 20-9-141.

(4) All levies adopted under this section must be authorized by the election conducted before August 1 of the school fiscal year for which it is effective."

**Section 16.** Section 20-9-428, MCA, is amended to read:

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

(a) ~~Except as provided in subsection (1)(c), if the school district bond election is held at a regular school election or at a special election called by the trustees, the trustees shall:~~

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

(ii)(b) determine the total number of qualified electors voting at the school bond election from the tally sheets for the election; and

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

(iv)(d) ~~When~~ when the calculated percentage in subsection (1)(a)(iii) (1)(c) is:

(i) ~~40% 50%~~ or more, the school bond proposition is approved and adopted if a majority of the votes were cast in favor of the proposition, ~~otherwise it is rejected~~; If less than a majority of the votes cast were in favor of the proposition, the proposition is considered rejected.

(ii) more than ~~30%~~ 40% but less than ~~40%~~ 50%, the school bond proposition is approved and adopted if 60% or more of the votes were cast in favor of the proposition, ~~otherwise it is rejected~~; or. If less than 60% of the votes cast were in favor of the proposition, the proposition is considered rejected.

(iii) ~~30%~~ 40% or less, the school bond proposition is rejected.

(c) ~~If the school district bond election is held in conjunction with an election that is conducted by mail ballot, as provided in Title 13, chapter 19, or in conjunction with a general or primary election, the determination of the approval or rejection of the bond proposition is made by a majority of the votes cast on the issue.~~

(2) If the canvass of the vote establishes the approval and adoption of the school bond proposition, the trustees shall issue a certificate proclaiming the passage of the proposition and the authorization to issue bonds of the school district for the purposes specified on the ballot for the school district bond election."

**Section 17.** Section 20-9-471, MCA, is amended to read:

**"20-9-471. Issuance of obligations -- authorization -- conditions.** (1) The trustees of a school district may, without a vote of the electors of the district, secure loans from or issue and sell to the board of investments or, as provided in subsection (2), a bank, building and loan association, savings and loan association, or credit union that is a regulated lender, as defined in 31-1-111, obligations for the purpose of financing all or a portion of:

(a) the costs of vehicles and equipment and construction of buildings used primarily for the storage and maintenance of vehicles and equipment;

(b) the costs associated with renovating, rehabilitating, and remodeling facilities, including but not limited to roof repairs, heating, plumbing, electrical systems, and cost-saving measures as defined in 90-4-1102;

(c) the costs of nonpermanent modular classrooms necessary for student instruction when existing buildings of the district are determined to be inadequate by the trustees;

(d) any other expenditure that the district is otherwise authorized to make, subject to subsection (5), including the payment of settlements of legal claims and judgments; and

(e) the costs associated with the issuance and sale of the obligations.

(2) (a) Before seeking to secure a loan or issue and sell obligations to a regulated lender specified in subsection (1), the trustees shall first offer the board of investments a written notice of the board's right of first refusal.

(b) If the board of investments accepts the offer to issue a loan or purchase obligations, the board shall provide a written response to the trustees by the later of:

(i) 120 days following delivery of the trustees' offer to the board; or

(ii) the day after the next meeting of the board of investments.

(c) If the trustees have not received a written acceptance by the deadline provided for in subsection (2)(b), the trustees may seek to secure a loan or issue and sell an obligation to a regulated lender specified in subsection (1).

(3) The term of the obligation, including an obligation for a qualified energy project, may not exceed 15 fiscal years. For the purposes of this subsection, a "qualified energy project" means a project designed to reduce energy use in a school facility and from which the resulting energy cost savings are projected to meet or exceed the debt service obligation for financing the project, as determined by the department of environmental quality.

(4) (a) At the time of issuing the obligation, there must exist an amount in the budget of an applicable budgeted fund of the district for the current fiscal year available and sufficient to make the debt service payment on the obligation coming due in the current year. The budget of an applicable budgeted fund of

1 the district for each following year in which any portion of the principal of and interest on the obligation is due  
2 must provide for payment of that principal and interest.

3 (b) For an obligation sold under subsection (1)(d) for the purposes of paying a tax protest refund, a  
4 district may pledge revenue from a special tax protest refund levy for the repayment of the obligation, pursuant  
5 to 15-1-402(7).

6 (5) Except as provided in 20-9-502, 20-9-503, and subsections (1)(a) and (1)(c) of this section, the  
7 proceeds of the obligation may not be used to acquire real property or construct a facility unless:

8 (a) the acquisition or construction project does not constitute more than 20% of the square footage  
9 of the existing real property improvements made to a facility containing classrooms;

10 (b) the 20% square footage limitation may not be exceeded within any 5-year period; and

11 (c) the electors of the district approve a proposition authorizing the trustees to apply for funds  
12 through the board of investments or a bank, building and loan association, savings and loan association, or  
13 credit union that is a regulated lender, as defined in 31-1-111, for the construction project. The proposition must  
14 be approved at an election held in accordance with all of the requirements of 20-9-428, ~~except that the~~  
15 ~~proposition is considered to have passed if a majority of the qualified electors voting approve the proposition.~~

16 (6) The school district may not submit for a vote of the electors of the district a proposition to  
17 impose a levy to pay the principal or any interest on an obligation that is payable from the guaranteed cost  
18 savings under energy performance contracts as defined in 90-4-1102.

19 (7) Except as provided in subsection (4)(b), the obligation must state clearly on its face that the  
20 obligation is not secured by a pledge of the school district's taxing power but is payable from amounts in its  
21 general fund or other legally available funds.

22 (8) An obligation issued is payable from any legally available fund of the district and constitutes a  
23 general obligation of the district.

24 (9) The obligation may bear interest at a fixed or variable rate and may be sold to the board of  
25 investments or a bank, building and loan association, savings and loan association, or credit union that is a  
26 regulated lender, as defined in 31-1-111, at par, at a discount, or with a premium and on any other terms and  
27 conditions that the trustees determine to be in the best interests of the district.

28 (10) The principal amount of the obligation, when added to the outstanding bonded indebtedness of



the district, may not exceed the debt limitation established in 20-9-406."

**Section 18.** Section 20-9-502, MCA, is amended to read:

**"20-9-502. Purpose and authorization of building reserve fund -- subfund structure.** (1) The trustees of any district may establish a building reserve fund to budget for and expend funds for any of the purposes set forth in this section. Appropriate subfunds must be created to ensure separate tracking of the expenditure of funds from voted and nonvoted levies and transfers for school safety pursuant to 20-9-236.

(2) (a) A voted levy may be imposed and a subfund must be created with the approval of the qualified electors of the district for the purpose of raising money for the future construction, equipping, or enlarging of school buildings or for the purpose of purchasing land needed for school purposes in the district. In order to submit to the qualified electors of the district a building reserve proposition for the establishment of or addition to a building reserve, the trustees shall pass a resolution that specifies:

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

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

(iii) the total amount of money that will be raised during the duration of time specified for the levy;

and

(iv) any other requirements under 15-10-425 and 20-20-201 for the calling of an election.

(b) Except as provided in subsection (4)(b), a building reserve tax authorization may not be for more than 20 years.

(c) The election must be conducted in accordance with the school election laws of this title, and the electors qualified to vote in the election must be qualified under the provisions of 20-20-301. The ballot for a building reserve proposition must be substantially in compliance with 15-10-425.

(d) The building reserve proposition is approved if ~~a majority of those the~~ the electors ~~voting at the~~ election approve the establishment of or addition to the building reserve as provided in 15-10-425. The annual budgeting and taxation authority of the trustees for a building reserve is computed by dividing the total authorized amount by the specified number of years. The authority of the trustees to budget and impose the taxation for the annual amount to be raised for the building reserve lapses when, at a later time, a bond issue is

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

5 (3) (a) A subfund must be created to account for revenue and expenditures for school major  
6 maintenance and repairs authorized under this subsection (3). The trustees of a district may authorize and  
7 impose a levy of no more than 10 mills on the taxable value of all taxable property within the district for that  
8 school fiscal year for the purposes of raising revenue for identified improvements or projects meeting the  
9 requirements of 20-9-525(2). The 10-mill limit under this subsection (3) must be calculated using the district's  
10 total taxable valuation most recently certified by the department of revenue under 15-10-202. The amount of  
11 money raised by the levy, the deposits and transfers authorized under subsection (3)(f) of this section, and  
12 anticipated state aid pursuant to 20-9-525(3) may not exceed the district's school major maintenance amount.  
13 For the purposes of this section, the term "school major maintenance amount" means the sum of \$15,000 and  
14 the product of \$110 multiplied by the district's budgeted ANB for the prior fiscal year. To authorize and impose a  
15 levy under this subsection (3), the trustees shall:

16 (i) following public notice requirements pursuant to 20-9-116, adopt no later than March 31 of  
17 each fiscal year a resolution:

18 (A) identifying the anticipated improvements or projects for which the proceeds of the levy, the  
19 deposits and transfers authorized under subsection (3)(f) of this section, and anticipated state aid pursuant to  
20 20-9-525(3) will be used; and

21 (B) estimating a total dollar amount of money to be raised by the levy, the deposits and transfers  
22 authorized under subsection (3)(f) of this section, anticipated state aid pursuant to 20-9-525(3), and the  
23 resulting estimated number of mills to be levied using the district's taxable valuation most recently certified by  
24 the department of revenue under 15-10-202; and

25 (ii) include the amount of any final levy to be imposed as part of its final budget meeting noticed in  
26 compliance with 20-9-131.

27 (b) Proceeds from the levy may be expended only for the purposes under 20-9-525(2), and the  
28 expenditure of the money must be reported in the annual trustees' report as required by 20-9-213.

(c) Whenever the trustees of a district impose a levy pursuant to this subsection (3) during the current school fiscal year, they shall budget for the proceeds of the levy, the deposits and transfers authorized under subsection (3)(f) of this section, and anticipated state aid pursuant to 20-9-525(3) in the district's building reserve fund budget. Any expenditures of the funds must be made in accordance with the financial administration provisions of this title for a budgeted fund.

(d) When a tax levy pursuant to this subsection (3) is included as a revenue item on the final building reserve fund budget, the county superintendent shall report the levy requirement to the county commissioners by the later of the first Tuesday in September or within 30 calendar days after receiving certified taxable values and a levy on the district must be made by the county commissioners in accordance with 20-9-142.

(e) A subfund in the building reserve fund must be created for the deposit of proceeds from the levy, the deposits and transfers authorized under subsection (3)(f) of this section, and anticipated state aid pursuant to 20-9-525(3).

(f) If the imposition of 10 mills pursuant to subsection (3)(a) is estimated by the trustees to generate an amount less than the maximum levy revenue specified in subsection (3)(a), the trustees may deposit additional funds from any lawfully available revenue source and may transfer additional funds from any lawfully available fund of the district to the subfund provided for in subsection (3)(a), up to the difference between the revenue estimated to be raised by the imposition of 10 mills and the maximum levy revenue specified in subsection (3)(a). The district's local effort for purposes of calculating its eligibility for state school major maintenance aid pursuant to 20-9-525 consists of the combined total of funds raised from the imposition of 10 mills and additional funds raised from deposits and transfers in compliance with this subsection (3)(f).

(4) (a) A voted levy may be imposed and a subfund must be created with the approval of the qualified electors of the district to provide funding for transition costs incurred when the trustees:

(i) open a new school under the provisions of Title 20, chapter 6;

(ii) close a school;

(iii) replace a school building;

(iv) consolidate with or annex another district under the provisions of Title 20, chapter 6; or

(v) receive approval from voters to expand an elementary district into a K-12 district pursuant to

1 20-6-326.

2 (b) Except as provided in subsection (4)(c), the total amount the trustees may submit to the  
3 electorate for transition costs may not exceed the number of years specified in the proposition times the greater  
4 of 5% of the district's maximum general fund budget for the current year or \$250 per ANB for the current year.  
5 The duration of the levy for transition costs may not exceed 6 years.

6 (c) If the levy for transition costs is for consolidation or annexation:

7 (i) the limitation on the amount levied is calculated using the ANB and the maximum general fund  
8 budget for the districts that are being combined; and

9 (ii) the proposition must be submitted to the qualified electors in the combined district.

10 (d) The levy for transition costs may not be considered as outstanding indebtedness for the  
11 purpose of calculating the limitation in 20-9-406.

12 (5) (a) A subfund in the building reserve fund must be created for:

13 (i) the funds transferred to the building reserve fund for school safety and security pursuant to 20-  
14 9-236; and

15 (ii) funds generated by a voter-approved levy for school and student safety and security pursuant  
16 to subsection (5)(b) of this section.

17 (b) A voted levy may be imposed with the approval of the qualified electors of the district to provide  
18 funding for improvements to school and student safety and security that meet any of the criteria set forth in 20-  
19 9-236(1)(a) through (1)(e). A voted levy for school and student safety and security may not be considered as  
20 outstanding indebtedness for the purpose of calculating the limitation in 20-9-406. The election for a voted levy  
21 for school and student safety and security must be conducted in accordance with the school election laws of  
22 this title, and the electors qualified to vote in the election must be qualified under the provisions of 20-20-301.  
23 The ballot for a building reserve proposition must be substantially in compliance with 15-10-425."  
24

25 **Section 19.** Section 20-9-533, MCA, is amended to read:

26 **"20-9-533. Technology acquisition and depreciation fund -- limitations.** (1) The trustees of a  
27 district may establish a technology acquisition and depreciation fund for school district expenditures incurred  
28 for:

(a) the purchase, rental, repair, and maintenance of technological equipment, including computers and computer network access;

(b) cloud computing services for technology infrastructure, platform, software, network, storage, security, data, database, test environment, curriculum, or desktop virtualization purposes, including any subscription or any license-based or pay-per-use service that is accessed over the internet or other remote network to meet the district's information technology and other needs; and

(c) associated technical training for school district personnel.

(2) Any expenditures from the technology acquisition and depreciation fund must be made in accordance with the financial administration requirements for a budgeted fund pursuant to this title. The trustees of a district shall fund the technology acquisition and depreciation fund with:

(a) the state money received under 20-9-534; and

(b) other local, state, private, and federal funds received for the purpose of funding technology or technology-associated training.

(3) In depreciating the technological equipment of a school district for levies approved prior to July 1, 2013, the trustees may include in the district's budget, contingent upon voter approval of a levy under subsection (6) and pursuant to the school budgeting requirements of this title, an amount each fiscal year that does not exceed 20% of the original cost of any technological equipment, including computers and computer network access, that is owned by the district. The amount budgeted pursuant to levies approved prior to July 1, 2013, may not, over time, exceed 150% of the original cost of the equipment.

(4) The annual revenue requirement for each district's technology acquisition and depreciation fund determined within the limitations of this section must be reported by the county superintendent of schools to the board of county commissioners on or before the later of the first Tuesday in September or within 30 calendar days after receiving certified taxable values as the technology acquisition and depreciation fund levy requirement for that district, and a levy must be made by the county commissioners in accordance with 20-9-142.

(5) Any expenditure of technology acquisition and depreciation fund money must be within the limitations of the district's final technology acquisition and depreciation fund budget and the school financial administration provisions of this title.

(6) In addition to the funds received pursuant to subsection (2), the trustees of a school district may submit a proposition to the qualified electors of the district to approve an additional levy to fund costs of providing the technologies included in subsection (1). The election must be called and conducted in the manner prescribed by this title for school elections and in the manner prescribed by 15-10-425. A technology levy authorization approved after July 1, 2013, may not exceed 10 years.

(7) The technology proposition is approved if ~~a majority of those the~~ electors ~~voting at the election~~ approve the levy as provided in 15-10-425. Notwithstanding any other provision of law, the levy under subsection (6) is subject to 15-10-420.

(8) A district whose qualified electors have previously approved a technology levy of perpetual duration prior to July 1, 2013, may submit a proposition to the qualified electors on or after July 1, 2013, for an increase in the amount of the levy to cover the costs of providing technologies under subsections (1)(b) and (1)(c) or to seek relief from the obligation of tracking depreciation of equipment under a levy approved prior to July 1, 2013. In seeking approval of the proposition, the district shall specify a proposed revised duration of the underlying perpetual levy previously approved and a proposed duration for the proposed increase in the amount of the levy, neither of which may exceed 10 years. If the proposition is approved by the qualified electors, both the underlying levy previously approved for a perpetual duration and the increase in the amount of the levy are subject to the revised durational limit specified on the ballot.

(9) The trustees of a district may not use revenue in the technology acquisition and depreciation fund to finance contributions to the teachers' retirement system, the public employees' retirement system, or the federal social security system or for unemployment compensation insurance."

**Section 20.** Section 67-11-303, MCA, is amended to read:

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

- (a) an airport or air navigation facility or facilities;
- (b) taxes levied pursuant to 67-11-301 or other law for airport purposes;
- (c) grants or contributions from the federal government; or

(d) other sources.

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

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

(4) Bonds issued by an authority or municipality pursuant to the provisions of this chapter are declared to be issued for an essential public and governmental purpose by a political subdivision.

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

(6) Subject to the conditions stated in this subsection, the governing body of any municipality having a population in excess of 10,000, with respect to bonds issued pursuant to this chapter by the municipality or by an authority in which the municipality is included, may by resolution covenant that in the event that at any time all revenue, including taxes, appropriated and collected for the bonds is insufficient to pay principal or interest then due, it shall, subject to 15-10-420, levy a general tax upon all of the taxable property in the municipality for the payment of the deficiency. The governing body may further covenant that at any time a deficiency is likely to occur within 1 year for the payment of principal and interest due on the bonds, it shall, subject to 15-10-420, levy a general tax upon all the taxable property in the municipality for the payment of the

deficiency, and the taxes are limited to a rate estimated to be sufficient to produce the amount of the deficiency.

In the event that more than one municipality having a population in excess of 10,000 is included in an authority issuing bonds pursuant to this chapter, the municipalities may apportion the obligation to levy taxes for the payment of, or in anticipation of, a deficiency in the revenue appropriated for the bonds in a manner that the municipalities may determine. The resolution must state the principal amount and purpose of the bonds and the substance of the covenant respecting deficiencies. A resolution may not be effective until the question of its approval has been submitted to the qualified electors of the municipality at a special election called for that purpose by the governing body of the municipality and ~~a majority of the electors voting on the question have voted in favor of approve~~ the resolution as provided in 7-7-4235. The special election must be held in conjunction with a regular or primary election. The notice and conduct of the election ~~is are~~ governed, to the extent applicable, as provided for municipal general obligation bonds in Title 7, chapter 7, part 42, for an election called by cities and towns and as provided for county general obligation bonds in Title 7, chapter 7, part 22, for an election called by counties. ~~If a majority of the electors voting on the issue vote against approval of do not approve~~ the resolution, as provided in 7-7-4235, the municipality may not make the covenant or levy a tax for the payment of deficiencies pursuant to this section, but the municipality or authority may issue bonds under this chapter payable solely from the sources referred to in subsection (1)."

**Section 21.** Section 76-15-506, MCA, is amended to read:

**"76-15-506. Bonds authorized -- election.** (1) Whenever a board of supervisors deems it necessary, it may issue bonds payable from revenues, assessments, or both, or the district may use other financing as provided for by this part and part 6 for the cost of works.

(2) The board of supervisors may call an election to be held in accordance with Title 13, chapter 1, part 5.

(3) ~~If from the returns of the election it appears that the majority of votes cast at the election was in favor of and assented to the incurring of the indebtedness~~ the bonds are considered approved pursuant to subsection (4), then the board of supervisors may by resolution provide for the issuance of the bonds.

(4) The determination of the approval or rejection of the bond proposition is made in the following manner:



(a) determine the ~~total~~ number of ~~active~~ electors who were qualified to vote in the bond election at the close of regular registration pursuant to 13-2-301;

(b) determine the total number of ~~qualified~~ electors who voted in the bond election from the tally sheet or sheets for the election;

(c) calculate the percentage of ~~qualified~~ electors voting in the bond election by dividing the number determined in subsection (4)(b) by the number determined in subsection (4)(a); and

(d) when the calculated percentage in subsection (4)(c) is:

(i) 50% or more, the bond proposition is considered approved and adopted if a majority of the votes cast were in favor of the proposition. If less than a majority of the votes cast were in favor of the proposition, the proposition is considered rejected.

(ii) more than 40% but less than 50%, the bond proposition is considered approved and adopted if 60% or more of the votes cast were in favor of the proposition. If less than 60% of the votes cast were in favor of the proposition, the proposition is considered rejected.

(iii) 40% or less, the bond proposition is considered rejected.

~~(4)(5)~~ The issuance of bonds must be carried out in accordance with 7-7-4426 and 7-7-4432 through 7-7-4435. The validity of the bonds, use of the bond revenue, and the refunding of the bonds must be done in accordance with the provisions of 7-7-4425, 7-7-4430, 7-7-4501(2) and (3), and 7-7-4502 through 7-7-4505.

~~(5)(6)~~ Any bonds issued under this part and part 6 have the same force, value, and use as bonds issued by a municipality and are exempt from taxation as property within the state of Montana."

NEW SECTION. **Section 22. Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 23. Applicability.** [This act] applies to bond elections and mill levy elections held on or after [the effective date of this act].

- END -