

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:

(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:

(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

1 deficiency, and the taxes are limited to a rate estimated to be sufficient to produce the amount of the deficiency.
2 In the event that more than one municipality having a population in excess of 10,000 is included in an authority
3 issuing bonds pursuant to this chapter, the municipalities may apportion the obligation to levy taxes for the
4 payment of, or in anticipation of, a deficiency in the revenue appropriated for the bonds in a manner that the
5 municipalities may determine. The resolution must state the principal amount and purpose of the bonds and the
6 substance of the covenant respecting deficiencies. A resolution may not be effective until the question of its
7 approval has been submitted to the qualified electors of the municipality at a special election called for that
8 purpose by the governing body of the municipality and ~~a majority of the electors voting on the question have~~
9 ~~voted in favor of approve~~ the resolution as provided in 7-7-4235. The special election must be held in
10 conjunction with a regular or primary election. The notice and conduct of the election ~~is~~ are governed, to the
11 extent applicable, as provided for municipal general obligation bonds in Title 7, chapter 7, part 42, for an
12 election called by cities and towns and as provided for county general obligation bonds in Title 7, chapter 7, part
13 22, for an election called by counties. ~~If a majority of the electors voting on the issue vote against approval of do~~
14 ~~not approve~~ the resolution, as provided in 7-7-4235, the municipality may not make the covenant or levy a tax
15 for the payment of deficiencies pursuant to this section, but the municipality or authority may issue bonds under
16 this chapter payable solely from the sources referred to in subsection (1)."

17
18 **Section 21.** Section 76-15-506, MCA, is amended to read:

19 **"76-15-506. Bonds authorized -- election.** (1) Whenever a board of supervisors deems it necessary,
20 it may issue bonds payable from revenues, assessments, or both, or the district may use other financing as
21 provided for by this part and part 6 for the cost of works.

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

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

27 (4) The determination of the approval or rejection of the bond proposition is made in the following
28 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].

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