

SENATE BILL NO. 542

INTRODUCED BY W. GALT

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING TAX LAWS; ~~FREEZING CERTAIN~~
~~PROPERTY VALUES FOR PROPERTY TAX PURPOSES; PROVIDING THAT THE 2024 PROPERTY VALUE~~
~~IS USED FOR 2025 AND 2026 UNLESS THE DEPARTMENT OF REVENUE DETERMINES THE PROPERTY~~
~~VALUE HAS DECREASED; REQUIRING BOND ELECTIONS TO BE HELD AT A GENERAL ELECTION;~~
AMENDING ~~SECTION 15-7-111, SECTIONS 7-7-2223, 7-7-4226, 7-12-4244, 7-31-106, 7-31-107, 7-31-109, 7-~~
~~34-2414, 13-1-104, 20-9-421, 20-9-428, 67-11-303, 76-15-506, AND 85-7-2013,~~ MCA; AND PROVIDING AN
IMMEDIATE EFFECTIVE DATE, ~~A RETROACTIVE AND AN~~ APPLICABILITY DATE, ~~AND A TERMINATION~~
~~DATE.~~"

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

(Refer to Introduced Bill)

Strike everything after the enacting clause and insert:

Section 1. Section 7-7-2223, MCA, is amended to read:

"7-7-2223. Election required for issuance of certain bonds. (1) County bonds for any purpose
other than those enumerated in 7-7-2221 and 7-7-2311 may not be issued unless authorized by registered
electors of the county voting at ~~an a general~~ election conducted in accordance with Title 13, chapter 1, part 4.
(2) A bond election may not be called unless the board of county commissioners:
(a) initiates and unanimously adopts a resolution in accordance with the provisions of 7-7-2227(2);
or
(b) receives a petition, delivered and certified by the election administrator, asking that the election
be held and the question be submitted. The petition must be signed by at least 20% of the registered electors of
the county."

Section 2. Section 7-7-4226, MCA, is amended to read:

"7-7-4226. Resolution to submit question of issuing bonds to voters. (1) When the governing body of any municipality considers it necessary to issue bonds pledging the general credit of the municipality pursuant to a statute of this state, the governing body shall pass and adopt a resolution.

(2) The resolution must:

(a) recite the purpose or purposes for which it is proposed to issue the bonds;

(b) fix the amount of bonds to be issued for each purpose;

(c) determine the number of years through which the bonds are to be paid, not exceeding the limits fixed in 7-7-4205; and

(d) unless the bonds are revenue bonds not pledging the general credit of the municipality, make provisions that are necessary for submitting the question to the registered electors of the city or town at ~~an~~a general election conducted in accordance with Title 13, chapter 1, part 4.

(3) Whenever the bond issuance is proposed by petition, the governing body shall, before submitting the measure to the electors, pass a resolution containing the information required in this section and setting forth the essential facts in regard to the filing and presentation of the petition."

Section 3. Section 7-12-4244, MCA, is amended to read:

"7-12-4244. Issuance of bonds based upon supplemental revolving fund -- election. (1) At any time after the award of the contract for any of the improvements described in 7-12-4241 and prior to the issuance of bonds or warrants under the provisions of 7-12-4201 and 7-12-4203, the council may by resolution determine that the improvement is of a character that bonds may be issued under 7-12-4241 through 7-12-4258 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 question whether the bonds shall be issued.

(2) The proposal to issue bonds:

(a) must be submitted at a general election;

(b) may be submitted at the same election as the proposal to create the supplemental revolving fund; and

(c) must be approved by a majority of the qualified electors voting on the question."

Section 4. Section 7-31-106, MCA, is amended to read:

"7-31-106. Authorization for county to issue bonds -- election required. (1) If the petition is presented to the board of county commissioners, the board shall, for the purpose of raising money to meet the payments under the terms and conditions of the contract and other necessary and proper expenses for the contract and for the approval or disapproval of the petition:

(a) ascertain, within 30 days after submission of the petition, the existing indebtedness of the county in the aggregate; and

(b) submit, after ascertaining the aggregate indebtedness, to the electors of the county the proposition to approve or disapprove the contract and the issuance of bonds necessary to carry out the contract. The election must be held in conjunction with a ~~regular or primary~~ general election.

(2) The amount of the bonds authorized by this section may not exceed the debt limitation established in 7-7-2203 prior to the issuance of the bonds."

Section 5. Section 7-31-107, MCA, is amended to read:

"7-31-107. Authorization for municipality to issue bonds -- election required. (1) If the petition is presented to the council of any incorporated city or town, the council, for the purpose of raising money to meet the payments under the terms and conditions of the contract and other necessary and proper expenses for the contract and for the approval or disapproval of the petition, shall:

(a) ascertain, within 30 days after submission of the petition, the aggregate indebtedness of the city or town; and

(b) submit, after ascertaining the aggregate indebtedness, to the electors of the city or town the proposition to approve or disapprove the contract and the issuance of bonds necessary to carry out the contract. The election must be held in conjunction with a ~~regular or primary~~ general election.

(2) The amount of the bonds authorized by this section may not exceed 0.9% of the total assessed value of taxable property, determined as provided in 15-8-111, within the city or town, inclusive of the existing indebtedness of the city or town, as ascertained in the manner provided in this part."

Section 6. Section 7-31-109, MCA, is amended to read:

"7-31-109. Conduct of election. (1) The vote upon a proposition under this part must be at an election for that purpose to be held, conducted, and counted and with results ascertained and determined in the manner and by the same officers provided by law for general elections, except as otherwise provided in this section. The election must be held in conjunction with a ~~regular or primary general~~ election.

(2) The proposition must be submitted upon printed tickets or ballots, upon each of which is printed the following: "For the contract and bonds" and "Against the contract and bonds". The elector shall vote by a cross opposite one statement.

(3) No registration under the election laws of this state is required for the purposes of the election, and the registration from the last election governs and controls for the purpose of the election to be held under this part."

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

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

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

Section 8. Section 13-1-104, MCA, is amended to read:

"13-1-104. Times for holding general elections. (1) A general election must be held throughout the state on the first Tuesday after the first Monday in November.

(2) In every even-numbered year, the following elections must be held on general election day:

(a) an election on any ballot issue submitted to electors pursuant to Article III, section 6, unless the legislature orders a special election, or Article XIV, section 8, of the Montana constitution;

(b) an election of federal officers, members of the legislature, state officers, multicounty district officers elected at a statewide election, district court judges, and county officers; and

(c) any other election required by law to be held on general election day in an even-numbered year.

(3) In every odd-numbered year, the following elections must be held on the same day as the general election:

(a) an election of officers for municipalities required by law to hold the election; and

(b) any other election required by law to be held on general election day in an odd-numbered year.

(4) A bond election must be held on a general election day."

Section 9. Section 20-9-421, MCA, is amended to read:

"20-9-421. Election to authorize the issuance of school district bonds and the methods of introduction. (1) A school district may not issue bonds for any purpose other than that provided in 15-1-402, 20-9-412, and 20-9-471 unless the issuance of bonds has been authorized by the qualified electors of the school district at an election called for the purpose of considering a proposition to issue the bonds. A school district bond election must be called by a resolution as prescribed under the provisions of 20-20-201 when:

~~(1)(a)~~ the trustees, of their own volition, adopt a resolution to that effect; or

~~(2)(b)~~ the trustees have received a petition that asks for an election to be held to consider a bond proposition and that has been validated under the provisions of 20-9-425.

(2) An election pursuant to this section must be held in conjunction with a general election."

Section 10. 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) 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) determine the total number of qualified electors voting at the school bond election from the tally sheets for the election; and~~

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

~~(b) When the calculated percentage in subsection (1)(a)(iii) is:~~

~~(i) 40% 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;~~

~~(ii) more than 30% but less than 40%, 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~~

~~(iii) 30% 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 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 11. 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

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-general election called for

8 that purpose by the governing body of the municipality and a majority of the electors voting on the question

9 have voted in favor of the resolution. ~~The special election must be held in conjunction with a regular or primary~~

10 ~~election.~~ The notice and conduct of the election is governed, to the extent applicable, as provided for municipal

11 general obligation bonds in Title 7, chapter 7, part 42, for an election called by cities and towns and as provided

12 for county general obligation bonds in Title 7, chapter 7, part 22, for an election called by counties. If a majority

13 of the electors voting on the issue vote against approval of the resolution, the municipality may not make the

14 covenant or levy a tax for the payment of deficiencies pursuant to this section, but the municipality or authority

15 may issue bonds under this chapter payable solely from the sources referred to in subsection (1)."

16

17 **Section 12.** Section 76-15-506, MCA, is amended to read:

18 **"76-15-506. Bonds authorized -- election.** (1) Whenever a board of supervisors deems it necessary,

19 it may issue bonds payable from revenues, assessments, or both, or the district may use other financing as

20 provided for by this part and part 6 for the cost of works.

21 (2) The board of supervisors ~~may call an~~ shall submit the bond question at a general election to be

22 held in accordance with Title 13, chapter 1, part 5.

23 (3) If from the returns of the election it appears that the majority of votes cast at the election was in

24 favor of and assented to the incurring of the indebtedness, then the board of supervisors may by resolution

25 provide for the issuance of the bonds.

26 (4) The issuance of bonds must be carried out in accordance with 7-7-4426 and 7-7-4432 through

27 7-7-4435. The validity of the bonds, use of the bond revenue, and the refunding of the bonds must be done in

28 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) 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."

Section 13. Section 85-7-2013, MCA, is amended to read:

"85-7-2013. Majority vote, petition, and protest requirements. (1) Bonds provided for in 85-7-2012 through 85-7-2015 may not be authorized or issued by or on behalf of any irrigation district organized under this chapter or by an irrigation district on behalf of a subdistrict located in the district and a contract may not be made with the United States as provided in 85-7-1906 except on:

(a) approval by a majority vote of those voting on the question at ~~an~~ a general election conducted in accordance with Title 13, chapter 1, part 5, with votes cast and counted as prescribed in 85-7-1710;

(b) receipt of a petition signed by a majority in acreage of the holders of title or evidence of title to lands included within the district or, if the bonds are issued on behalf of or if the contract relates to a subdistrict, a majority in acreage of the holders of title or evidence of title to lands within the subdistrict;

(c) receipt of a petition signed by at least 75%, in number and acreage, of the holders of title or evidence of title to the lands who are residents of the county or counties in which lands of the district are situated or, if the bonds are issued on behalf of or if the contract relates to a subdistrict, at least 75% in number and acreage of the holders of title or evidence of title to the lands who are residents of the county or counties in which lands of the subdistrict are situated; or

(d) adoption of a resolution by the board of commissioners approving special taxes or assessments to repay bonds pursuant to 85-7-2048 following a determination that a protest as provided in 85-7-2045 by owners of assessed irrigable acres as determined by 85-7-2043 comprises no more than 50% of the special tax or assessment proposed to pay the costs of the suggested improvements.

(2) The petition must be addressed to the board of commissioners, set forth the aggregate amount of bonds to be issued and the purpose or purposes of the bonds, have attached to it an affidavit verifying the signatures to the petition, and be filed with the secretary of the board. When bonds are issued for the sole purpose of redeeming or paying the existing and outstanding bonds or warrants, or both, including delinquent and accrued interest, of the district, the bonds may be authorized and issued in the manner provided for by 85-7-2019.

Amendment - 1st Reading/2nd House-blue - Requested by: Greg Hertz - (H) Taxation

- 2025

69th Legislature 2025

Drafter: Megan Moore,

SB0542.001.002

(3) In an election held for approval to allow a district or subdistrict to issue bonds or enter into a contract under this section, the voting majority must own at least 50% of the acreage included in the district or subdistrict."

NEW SECTION. **Section 14. Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 15. Applicability.** [This act] applies to bond elections and mill levy elections held on or after [the effective date of this act].

- END -