

1 HOUSE BILL NO. 26

2 INTRODUCED BY R. HOLLANDSWORTH

3 BY REQUEST OF THE REVENUE AND TRANSPORTATION INTERIM COMMITTEE

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE PROVISIONS OF THE LOCAL GOVERNMENT
 6 ENTITLEMENT SHARE PAYMENT PROGRAM; PROHIBITING AN INCREASE IN THE NUMBER OF MILLS
 7 A LOCAL GOVERNMENT MAY LEVY FOR A REIMBURSED TAX BASE DECREASE; AMENDING SECTIONS
 8 15-1-121 AND 15-10-420, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11
 12 **Section 1.** Section 15-1-121, MCA, is amended to read:

13 **"15-1-121. Entitlement share payment -- purpose -- appropriation.** (1) As described in 15-1-120(3),
 14 each local government is entitled to an annual amount that is the replacement for revenue received by local
 15 governments for diminishment of property tax base and various earmarked fees and other revenue that, pursuant
 16 to Chapter 574, Laws of 2001, amended by section 4, Chapter 13, Special Laws of August 2002, and later
 17 enactments, were consolidated to provide aggregation of certain reimbursements, fees, tax collections, and other
 18 revenue in the state treasury with each local government's share. The reimbursement under this section is
 19 provided by direct payment from the state treasury rather than the ad hoc system that offset certain state
 20 payments with local government collections due the state and reimbursements made by percentage splits, with
 21 a local government remitting a portion of collections to the state, retaining a portion, and in some cases sending
 22 a portion to other local governments. The amount calculated pursuant to this subsection, as adjusted pursuant
 23 to subsection (3)(a)(i), is each local government's base entitlement share. The department shall estimate the total
 24 amount of revenue that each local government received from the following sources for the fiscal year ending June
 25 30, 2004:

26 (2) The sources of dedicated revenue that were relinquished by local governments in exchange for an
 27 entitlement share of the state general fund were:

28 (a) personal property tax reimbursements pursuant to sections 167(1) through (5) and 169(6), Chapter
 29 584, Laws of 1999;

30 (b) vehicle, boat, and aircraft taxes and fees pursuant to:

- 1 (i) Title 23, chapter 2, part 5;
- 2 (ii) Title 23, chapter 2, part 6;
- 3 (iii) Title 23, chapter 2, part 8;
- 4 (iv) 61-3-317;
- 5 (v) 61-3-321;
- 6 (vi) Title 61, chapter 3, part 5, except for 61-3-509(3), as that subsection read prior to the amendment
- 7 of 61-3-509 in 2001;
- 8 (vii) Title 61, chapter 3, part 7;
- 9 (viii) 5% of the fees collected under 61-10-122;
- 10 (ix) 61-10-130;
- 11 (x) 61-10-148; and
- 12 (xi) 67-3-205;
- 13 (c) gaming revenue pursuant to Title 23, chapter 5, part 6, except for the permit fee in 23-5-612(2)(a);
- 14 (d) district court fees pursuant to:
- 15 (i) 25-1-201, except those fees in 25-1-201(1)(d), (1)(g), and (1)(j);
- 16 (ii) 25-1-202;
- 17 (iii) 25-9-506; and
- 18 (iv) 27-9-103;
- 19 (e) certificate of title fees for manufactured homes pursuant to 15-1-116;
- 20 (f) financial institution taxes collected pursuant to the former provisions of Title 15, chapter 31, part 7;
- 21 (g) all beer, liquor, and wine taxes pursuant to:
- 22 (i) 16-1-404;
- 23 (ii) 16-1-406; and
- 24 (iii) 16-1-411;
- 25 (h) late filing fees pursuant to 61-3-220;
- 26 (i) title and registration fees pursuant to 61-3-203;
- 27 (j) veterans' cemetery license plate fees pursuant to 61-3-459;
- 28 (k) county personalized license plate fees pursuant to 61-3-406;
- 29 (l) special mobile equipment fees pursuant to 61-3-431;
- 30 (m) single movement permit fees pursuant to 61-4-310;

1 (n) state aeronautics fees pursuant to 67-3-101; and

2 (o) department of natural resources and conservation payments in lieu of taxes pursuant to Title 77,
3 chapter 1, part 5.

4 ~~(2) (a) From the amounts estimated in subsection (1) for each county government, the department shall~~
5 ~~deduct fiscal year 2001 county government expenditures for district courts, less reimbursements for district court~~
6 ~~expenses, and fiscal year 2001 county government expenditures for public welfare programs to be assumed by~~
7 ~~the state in fiscal year 2002.~~

8 ~~(b)(3) The total amount estimated pursuant to subsections (1) and (2)(a) received by each local~~
9 ~~government in fiscal year 2010 as an entitlement share payment under this section is the base component for~~
10 ~~the fiscal year 2011 distribution, and in each subsequent year the prior year entitlement share payment, including~~
11 ~~any reimbursement payments received pursuant to subsection (7).~~ is each local government's base year
12 component. The sum of all local governments' base year components is the base fiscal year entitlement share
13 pool. ~~For the purpose of calculating the sum of all local governments' base year components, the base year~~
14 ~~component for a local government may not be less than zero.~~

15 ~~(3)(4) (a) The base year entitlement share pool must be increased annually by a growth rate as provided~~
16 ~~for in this subsection (3) (4). The amount determined through the application of annual growth rates is the~~
17 ~~entitlement share pool for each fiscal year. By October 1 of each even-numbered year, the department shall~~
18 ~~calculate the growth rate of the entitlement share pool for each year of the next biennium in the following manner:~~

19 ~~(i) Before applying the growth rate for fiscal year 2007 to determine the fiscal year 2007 entitlement share~~
20 ~~payments, the department shall subtract from the fiscal year 2006 entitlement share payments the following~~
21 ~~amounts:~~

22 ~~Beaverhead — \$6,972~~

23 ~~Big Horn — \$52,551~~

24 ~~Blaine — \$13,625~~

25 ~~Broadwater — \$2,564~~

26 ~~Carbon — \$11,537~~

27 ~~Carter — \$407~~

28 ~~Cascade — \$100,000~~

29 ~~Chouteau — \$3,536~~

30 ~~Custer — \$7,011~~

- 1 Daniels ——— \$143
- 2 Dawson ——— \$3,893
- 3 Fallon — \$1,803
- 4 Fergus — \$9,324
- 5 Flathead ——— \$100,000
- 6 Gallatin ——— \$160,000
- 7 Garfield ——— \$91
- 8 Glacier — \$3,035
- 9 Golden Valley — \$2,282
- 10 Granite — \$4,554
- 11 Hill ——— \$31,740
- 12 Jefferson ——— \$5,700
- 13 Judith Basin — \$1,487
- 14 Lake ——— \$38,314
- 15 Lewis and Clark ——— \$160,000
- 16 Liberty — \$152
- 17 Lincoln — \$3,759
- 18 Madison ——— \$8,805
- 19 McCone ——— \$1,651
- 20 Meagher ——— \$2,722
- 21 Mineral — \$2,361
- 22 Missoula ——— \$200,000
- 23 Musselshell — \$23,275
- 24 Park ——— \$6,582
- 25 Petroleum ——— \$36
- 26 Phillips — \$653
- 27 Pondera ——— \$10,270
- 28 Powder River — \$848
- 29 Powell — \$5,146
- 30 Prairie — \$717

1	Ravalli	\$93,090
2	Richland	\$3,833
3	Roosevelt	\$9,526
4	Rosebud	\$19,971
5	Sanders	\$30,712
6	Sheridan	\$271
7	Stillwater	\$12,117
8	Sweet Grass	\$2,463
9	Teton	\$5,560
10	Toole	\$7,113
11	Treasure	\$54
12	Valley	\$6,899
13	Wheatland	\$918
14	Wibaux	\$72
15	Yellowstone	\$270,000
16	Anaconda-Deer Lodge	\$20,707
17	Butte-Silver Bow	\$53,057
18	Alberton	\$675
19	Bainville	\$258
20	Baker	\$2,828
21	Bearcreek	\$143
22	Belgrade	\$11,704
23	Belt	\$1,056
24	Big Sandy	\$1,130
25	Big Timber	\$2,910
26	Billings	\$163,499
27	Boulder	\$2,340
28	Bozeman	\$52,805
29	Bridger	\$1,303
30	Broadus	\$766

1	Broadview	—————	\$258
2	Brockton	—————	\$414
3	Browning	—————	\$1,830
4	Cascade	—————	\$1,374
5	Chester	—————	\$1,430
6	Chinook	—————	\$2,275
7	Choteau	—————	\$3,050
8	Circle	—————	\$1,018
9	Clyde Park	—————	\$572
10	Colstrip	—————	\$4,090
11	Columbia Falls	—————	\$6,805
12	Columbus	—————	\$3,245
13	Conrad	—————	\$4,562
14	Culbertson	—————	\$1,216
15	Cut Bank	—————	\$5,316
16	Darby	—————	\$1,348
17	Deer Lodge	—————	\$5,708
18	Denton	—————	\$503
19	Dillon	—————	\$6,928
20	Dodson	—————	\$194
21	Drummond	—————	\$561
22	Dutton	—————	\$661
23	East Helena	—————	\$2,888
24	Ekalaka	—————	\$689
25	Ennis	—————	\$1,518
26	Eureka	—————	\$1,733
27	Fairfield	—————	\$1,120
28	Fairview	—————	\$1,152
29	Flaxville	—————	\$143
30	Forsyth	—————	\$3,286

1	Fort Benton	\$2,579
2	Fort Peck	\$393
3	Froid	\$328
4	Fromberg	\$855
5	Geraldine	\$457
6	Glasgow	\$5,361
7	Glendive	\$8,099
8	Grass Range	\$254
9	Great Falls	\$96,422
10	Hamilton	\$7,148
11	Hardin	\$5,920
12	Harlem	\$1,422
13	Harlowton	\$1,678
14	Havre	\$16,223
15	Helena	\$45,877
16	Hingham	\$263
17	Hobson	\$397
18	Hot Springs	\$912
19	Hysham	\$482
20	Ismay	\$43
21	Joliet	\$1,006
22	Jordan	\$606
23	Judith Gap	\$263
24	Kalispell	\$28,144
25	Kevin	\$304
26	Laurel	\$10,804
27	Lavina	\$361
28	Lewistown	\$10,170
29	Libby	\$4,475
30	Lima	\$397

1	Livingston	\$12,145
2	Lodge Grass	\$889
3	Malta	\$3,389
4	Manhattan	\$2,485
5	Medicine Lake	\$410
6	Meistone	\$234
7	Miles City	\$14,152
8	Missoula	\$104,264
9	Moore	\$319
10	Nashua	\$536
11	Neihart	\$149
12	Opheim	\$180
13	Outlook	\$125
14	Philipsburg	\$1,612
15	Pinesdale	\$1,413
16	Plains	\$2,007
17	Plentywood	\$3,185
18	Plevna	\$225
19	Polson	\$7,722
20	Poplar	\$1,544
21	Red Lodge	\$3,903
22	Rexford	\$263
23	Richey	\$309
24	Ronan	\$3,262
25	Roundup	\$3,280
26	Ryegate	\$465
27	Saco	\$354
28	Scobey	\$1,798
29	Shelby	\$5,677
30	Sheridan	\$1,150

- 1 ~~Sidney \$7,747~~
- 2 ~~Stanford \$737~~
- 3 ~~Stevensville \$3,063~~
- 4 ~~St. Ignatius \$1,367~~
- 5 ~~Sunburst \$709~~
- 6 ~~Superior \$1,521~~
- 7 ~~Terry \$1,011~~
- 8 ~~Thompson Falls \$2,272~~
- 9 ~~Three Forks \$3,130~~
- 10 ~~Townsend \$3,286~~
- 11 ~~Troy \$1,654~~
- 12 ~~Twin Bridges \$695~~
- 13 ~~Valier \$817~~
- 14 ~~Virginia City \$223~~
- 15 ~~Walkerville \$1,183~~
- 16 ~~West Yellowstone \$2,083~~
- 17 ~~Westby \$263~~
- 18 ~~White Sulphur Springs \$1,734~~
- 19 ~~Whitefish \$9,932~~
- 20 ~~Whitehall \$1,889~~
- 21 ~~Wibaux \$893~~
- 22 ~~Winifred \$259~~
- 23 ~~Winnett \$314~~
- 24 ~~Wolf Point \$4,497~~

25 ~~(ii)(i)~~ The department shall calculate the average annual growth rate of the Montana gross state product,
 26 as published by the bureau of economic analysis of the United States department of commerce, for the following
 27 periods:

28 ~~(A)~~ the last 4 calendar years for which the information has been published; and

29 ~~(B)~~ the 4 calendar years beginning with the year before the first year in the period referred to in
 30 subsection ~~(3)(a)(ii)(A)~~.

1 ~~(iii)(ii)~~ The department shall calculate the average annual growth rate of Montana personal income, as
 2 published by the bureau of economic analysis of the United States department of commerce, for ~~the following~~
 3 ~~periods:~~

4 ~~———(A) the last 4 calendar years for which the information has been published; and~~

5 ~~———(B) the 4 calendar years beginning with the year before the first year in the period referred to in~~
 6 ~~subsection (3)(a)(iii)(A).~~

7 (b) ~~(i)~~ The entitlement share pool growth rate for ~~the first~~ each year of the biennium must be the following
 8 percentage of the average of the growth rates calculated in subsections ~~(3)(a)(ii)(B)~~ (4)(a)(i) and ~~(3)(a)(iii)(B)~~
 9 (4)(a)(ii):

10 ~~(A)(i)~~ for counties, 54%;

11 ~~(B)(ii)~~ for consolidated local governments, 62%; and

12 ~~(C)(iii)~~ for incorporated cities and towns, 70%.

13 ~~(ii) The entitlement share pool growth rate for the second year of the biennium must be the following~~
 14 ~~percentage of the average of the growth rates calculated in subsections (3)(a)(ii)(A) and (3)(a)(iii)(A):~~

15 ~~———(A) for counties, 54%;~~

16 ~~———(B) for consolidated local governments, 62%; and~~

17 ~~———(C) for incorporated cities and towns, 70%.~~

18 ~~(4)(5)~~ As used in this section, "local government" means a county, a consolidated local government, an
 19 incorporated city, and an incorporated town. A local government does not include a tax increment financing
 20 district provided for in subsection ~~(6)~~ (8). For purposes of calculating the base year component for a county or
 21 consolidated local government, the department shall include the revenue listed in subsection ~~(1)~~ for all special
 22 districts within the county or consolidated local government. The county or consolidated local government is
 23 responsible for making an allocation from the county's or consolidated local government's share of the entitlement
 24 share pool to each special district within the county or consolidated local government in a manner that reasonably
 25 reflects each special district's loss of revenue sources ~~listed in subsection (1)~~ for which reimbursement is provided
 26 in this section.

27 ~~(5)(6)~~ (a) The entitlement share pools calculated in this section and the ~~block grants~~ funding provided
 28 for in subsection ~~(6)~~ (8) are statutorily appropriated, as provided in 17-7-502, from the general fund to the
 29 department for distribution to local governments. Each local government is entitled to a pro rata share of each
 30 year's entitlement share pool based on the local government's base component in relation to the base year

1 ~~entitlement share pool~~. The distributions must be made on a quarterly basis.

2 (b) (i) The growth amount is the difference between the entitlement share pool in the current fiscal year
3 and the entitlement share pool in the previous fiscal year. ~~For the purposes of subsection (5)(b)(ii)(A), a county~~
4 ~~with a negative base year component has a base year component of zero~~. The growth factor in the entitlement
5 share must be calculated separately for:

6 (A) counties;

7 (B) consolidated local governments; and

8 (C) incorporated cities and towns.

9 (ii) In each fiscal year, the growth amount for counties must be allocated as follows:

10 (A) 50% of the growth amount must be allocated based upon each county's percentage of the ~~base prior~~
11 fiscal year entitlement share pool for all counties; and

12 (B) 50% of the growth amount must be allocated based upon the percentage that each county's
13 population bears to the state population not residing within consolidated local governments as determined by the
14 latest interim year population estimates from the Montana department of commerce as supplied by the United
15 States bureau of the census.

16 (iii) In each fiscal year, the growth amount for consolidated local governments must be allocated as
17 follows:

18 (A) 50% of the growth amount must be allocated based upon each consolidated local government's
19 percentage of the ~~base prior fiscal~~ year entitlement share pool for all consolidated local governments; and

20 (B) 50% of the growth amount must be allocated based upon the percentage that each consolidated local
21 government's population bears to the state's total population residing within consolidated local governments as
22 determined by the latest interim year population estimates from the Montana department of commerce as
23 supplied by the United States bureau of the census.

24 (iv) In each fiscal year, the growth amount for incorporated cities and towns must be allocated as follows:

25 (A) 50% of the growth amount must be allocated based upon each incorporated city's or town's
26 percentage of the ~~base prior fiscal~~ year entitlement share pool for all incorporated cities and towns; and

27 (B) 50% of the growth amount must be allocated based upon the percentage that each city's or town's
28 population bears to the state's total population residing within incorporated cities and towns as determined by the
29 latest interim year population estimates from the Montana department of commerce as supplied by the United
30 States bureau of the census.

1 (v) In each fiscal year, the amount of the entitlement share pool ~~not represented by~~ before the growth
 2 amount or adjustments made under subsection (7) are applied is to be distributed to each local government in
 3 the same manner as the entitlement share pool was distributed in the prior fiscal year.

4 (7) If the legislature enacts a reimbursement provision that is to be distributed pursuant to this section,
 5 the department shall determine the reimbursement amount as provided in the enactment and add the appropriate
 6 amount to the entitlement share distribution under this section. The total entitlement share distributions in a fiscal
 7 year, including distributions made pursuant to this subsection, equal the local fiscal year entitlement share pool.
 8 The ratio of each local government's distribution from the entitlement share pool must be recomputed to
 9 determine each local government's ratio to be used in the subsequent year's distribution determination under
 10 subsections (6)(b)(ii)(A), (6)(b)(iii)(A), and (6)(b)(iv)(A).

11 ~~(6)(8)~~ (a) If a tax increment financing district was not in existence during the fiscal year ending June 30,
 12 2000, then the tax increment financing district is not entitled to any ~~block grant funding~~. If a tax increment
 13 financing district referred to in subsection ~~(6)(b)~~ (8)(b) terminates, then the ~~block grant funding for the district~~
 14 provided for in subsection ~~(6)(b)~~ (8)(b) terminates.

15 (b) One-half of the payments provided for in this subsection ~~(6)(b)~~ (8)(b) must be made by November
 16 30 and the other half by May 31 of each year. Subject to subsection ~~(6)(a)~~ (8)(a), the entitlement share for tax
 17 increment financing districts is as follows:

18	Cascade	Great Falls - downtown	\$468,966
19	Deer Lodge	TIF District 1	3,148 \$3,148
20	Deer Lodge	TIF District 2	3,126
21	Flathead	Kalispell - District 1	758,359
22	Flathead	Kalispell - District 2	5,153
23	Flathead	Kalispell - District 3	41,368
24	Flathead	Whitefish District	164,660
25	Gallatin	Bozeman - downtown	34,620
26	Lewis and Clark	Helena - #2	731,614
27	Missoula	Missoula - 4-1B & 1-1C	1,100,507 <u>250,279</u>
28	Missoula	Missoula - 4-1C	33,343
29	Silver Bow	Butte - uptown	283,801
30	Yellowstone	Billings	436,815

1 ~~(7)~~(9) The estimated ~~base~~ fiscal year entitlement share pool and any subsequent entitlement share pool
 2 for local governments do not include revenue received from tax increment financing districts, from countywide
 3 transportation block grants, or from countywide retirement block grants.

4 ~~(8) (a)~~ If revenue that is included in the sources listed in subsections ~~(1)(b) through (1)(c)~~ is significantly
 5 reduced, except through legislative action, the department shall deduct the amount of revenue loss from the
 6 entitlement share pool beginning in the succeeding fiscal year and the department shall work with local
 7 governments to propose legislation to adjust the entitlement share pool to reflect an allocation of the loss of
 8 revenue.

9 ~~(b)~~ For the purposes of subsection ~~(8)(a)~~, a significant reduction is a loss that causes the amount of
 10 revenue received in the current year to be less than 95% of the amount of revenue received in the base year.

11 ~~(9)~~(10) A three-fifths vote of each house of the legislature is required to reduce the amount of the
 12 entitlement share calculated pursuant to subsections (1) through ~~(3)~~ (4).

13 ~~(10)~~(11) When there has been an underpayment of a local government's share of the entitlement share
 14 pool, the department shall distribute the difference between the underpayment and the correct amount of the
 15 entitlement share. When there has been an overpayment of a local government's entitlement share, the local
 16 government shall remit the overpaid amount to the department.

17 ~~(11)~~(12) A local government may appeal the department's estimation of the base ~~year~~ component, the
 18 entitlement share pool growth rate, or a local government's allocation of the entitlement share pool, according
 19 to the uniform dispute review procedure in 15-1-211.

20 ~~(12)~~(13) A payment required pursuant to this section may not be offset by a debt owed to a state agency
 21 by a local government in accordance with Title 17, chapter 4, part 1."

22

23 **Section 2.** Section 15-10-420, MCA, is amended to read:

24 **"15-10-420. Procedure for calculating levy.** (1) (a) Subject to the provisions of this section, a
 25 governmental entity that is authorized to impose mills may impose a mill levy sufficient to generate the amount
 26 of property taxes actually assessed in the prior year plus one-half of the average rate of inflation for the prior 3
 27 years. The maximum number of mills that a governmental entity may impose is established by calculating the
 28 number of mills required to generate the amount of property tax actually assessed in the governmental unit in the
 29 prior year based on the current year taxable value, less the current year's value of newly taxable property, plus
 30 one-half of the average rate of inflation for the prior 3 years.

1 (b) A governmental entity that does not impose the maximum number of mills authorized under
2 subsection (1)(a) may carry forward the authority to impose the number of mills equal to the difference between
3 the actual number of mills imposed and the maximum number of mills authorized to be imposed. The mill authority
4 carried forward may be imposed in a subsequent tax year.

5 (c) For the purposes of subsection (1)(a), the department shall calculate one-half of the average rate of
6 inflation for the prior 3 years by using the consumer price index, U.S. city average, all urban consumers, using
7 the 1982-84 base of 100, as published by the bureau of labor statistics of the United States department of labor.

8 (2) A governmental entity may apply the levy calculated pursuant to subsection (1)(a) plus any additional
9 levies authorized by the voters, as provided in 15-10-425, to all property in the governmental unit, including newly
10 taxable property.

11 (3) (a) For purposes of this section, newly taxable property includes:

12 (i) annexation of real property and improvements into a taxing unit;

13 (ii) construction, expansion, or remodeling of improvements;

14 (iii) transfer of property into a taxing unit;

15 (iv) subdivision of real property; and

16 (v) transfer of property from tax-exempt to taxable status.

17 (b) Newly taxable property does not include an increase in value that arises because of an increase in
18 the incremental value within a tax increment financing district.

19 (4) (a) For the purposes of subsection (1), the taxable value of newly taxable property includes the
20 release of taxable value from the incremental taxable value of a tax increment financing district because of:

21 (i) a change in the boundary of a tax increment financing district;

22 (ii) an increase in the base value of the tax increment financing district pursuant to 7-15-4287; or

23 (iii) the termination of a tax increment financing district.

24 (b) If a tax increment financing district terminates prior to the certification of taxable values as required
25 in 15-10-202, the increment value is reported as newly taxable property in the year in which the tax increment
26 financing district terminates. If a tax increment financing district terminates after the certification of taxable values
27 as required in 15-10-202, the increment value is reported as newly taxable property in the following tax year.

28 (c) For the purpose of subsection (3)(a)(ii), the value of newly taxable class four property that was
29 constructed, expanded, or remodeled property since the completion of the last reappraisal cycle is the current
30 year market value of that property less the previous year market value of that property.

1 (d) For the purpose of subsection (3)(a)(iv), the subdivision of real property includes the first sale of real
2 property that results in the property being taxable as class four property under 15-6-134 or as nonqualified
3 agricultural land as described in 15-6-133(1)(c).

4 (5) Subject to subsection (8), subsection (1)(a) does not apply to:

5 (a) school district levies established in Title 20; or

6 (b) a mill levy imposed for a newly created regional resource authority.

7 (6) For purposes of subsection (1)(a), taxes imposed do not include net or gross proceeds taxes received
8 under 15-6-131 and 15-6-132.

9 (7) In determining the maximum number of mills in subsection (1)(a), the governmental entity:

10 (a) may increase the number of mills to account for a decrease in reimbursements; and

11 (b) may not increase the number of mills to account for a loss of tax base because of legislative action
12 that is reimbursed under the provisions of 15-1-121(7).

13 (8) The department shall calculate, on a statewide basis, the number of mills to be imposed for purposes
14 of 15-10-108, 20-9-331, 20-9-333, 20-9-360, and 20-25-439. However, the number of mills calculated by the
15 department may not exceed the mill levy limits established in those sections. The mill calculation must be
16 established in tenths of mills. If the mill levy calculation does not result in an even tenth of a mill, then the
17 calculation must be rounded up to the nearest tenth of a mill.

18 (9) (a) The provisions of subsection (1) do not prevent or restrict:

19 (i) a judgment levy under 2-9-316, 7-6-4015, or 7-7-2202;

20 (ii) a levy to repay taxes paid under protest as provided in 15-1-402;

21 (iii) an emergency levy authorized under 10-3-405, 20-9-168, or 20-15-326;

22 (iv) a levy for the support of a study commission under 7-3-184;

23 (v) a levy for the support of a newly established regional resource authority; or

24 (vi) the portion that is the amount in excess of the base contribution of a governmental entity's property
25 tax levy for contributions for group benefits excluded under 2-9-212 or 2-18-703.

26 (b) A levy authorized under subsection (9)(a) may not be included in the amount of property taxes
27 actually assessed in a subsequent year.

28 (10) A governmental entity may levy mills for the support of airports as authorized in 67-10-402,
29 67-11-301, or 67-11-302 even though the governmental entity has not imposed a levy for the airport or the airport
30 authority in either of the previous 2 years and the airport or airport authority has not been appropriated operating

1 funds by a county or municipality during that time.

2 (11) The department may adopt rules to implement this section. The rules may include a method for
3 calculating the percentage of change in valuation for purposes of determining the elimination of property, new
4 improvements, or newly taxable property in a governmental unit."

5
6 **NEW SECTION. Section 3. Saving clause.** [This act] does not affect rights and duties that matured,
7 penalties that were incurred, or proceedings that were begun before [the effective date of this act].

8
9 **NEW SECTION. Section 4. Effective date.** [This act] is effective July 1, 2011.

10
11 **NEW SECTION. Section 5. Applicability.** [This act] applies to fiscal years beginning after June 30,
12 2011.

13 - END -