

SENATE EDUCATION

Exhibit No. 7
Date 2/11/15
Bill No. SB 250

Amendment to SB 250

7-15-4286. Procedure to determine and disburse tax increment. (1) Mill rates of taxing bodies for taxes levied after the effective date of the tax increment provision must be calculated on the basis of the sum of the taxable value, as shown by the last equalized assessment roll, of all taxable property located outside the urban renewal area or targeted economic development district and the base taxable value of all taxable property located within the area or district. The mill rate determined must be levied against the sum of the actual taxable value of all taxable property located within as well as outside the area or district.

(2) (a) The tax increment, if any, received in each year from the levy of the combined mill rates of all the affected taxing bodies against the incremental taxable value within the area or district, except for the university system and local school transportation mills levied and assessed against property, must be paid into a special fund held by the treasurer of the local government and used as provided in [7-15-4282](#) through [7-15-4294](#).

(b) The balance of the taxes collected in each year must be paid to each of the taxing bodies as otherwise provided by law.

History: En. 11-3921 by Sec. 1, Ch. 287, L. 1974; amd. Sec. 1, Ch. 452, L. 1975; amd. Sec. 2, Ch. 532, L. 1977; amd. Sec. 31, Ch. 566, L. 1977; R.C.M. 1947, 11-3921(4); amd. Sec. 7, Ch. 667, L. 1979; amd. Sec. 8, Ch. 712, L. 1989; amd. Sec. 4, Ch. 441, L. 1991; amd. Sec. 2, Ch. 422, L. 1997; amd. Sec. 6, Ch. 566, L. 2005; amd. Sec. 4, Ch. 394, L. 2009; amd. Sec. 9, Ch. 214, L. 2013.

VOLUME NO. 54

OPINION NO. 6

SCHOOL DISTRICTS - Authority of school district to construct a new school using multiple funding sources;

TAXATION AND REVENUE - Use of property taxes levied to support adult education and transportation funds;

MONTANA CODE ANNOTATED - Title 20, chapters 7, 9; chapter 10, part 1; sections 20-7-701, (2), -702, -704, -705, (2), (3), 20-9-201(1), -203, -208, (1), (2), (a)(i), (B), (ii), -212(1), -311, -502, -508, -516, -533, -541, -542, (1), -543, (1), (a), (ii), -544(1), (2), 20-10-101, -107, -121, -124, -125, -142, -143(1), (a), (b), (c), (d), (e), -144, -145;

MONTANA CODE ANNOTATED (2011) - Section 20-9-208(2)(a)(i)(B);

MONTANA CODE ANNOTATED (2009) - Section 20-9-208(2)(a), (i);

OPINIONS OF THE ATTORNEY GENERAL - 44 Op. Att'y Gen. No. 41 (1992).

HELD: Property taxes levied to support the adult education and transportation funds may be transferred to the school flexibility fund, but the transfer must be within or directly related to the purposes for which the property taxes were raised, i.e., adult education programming and transportation services. A transfer of property taxes for any other purpose is invalid. Once transferred, property taxes levied to support the adult education and transportation funds may not be converted for other purposes or comingled with flex fund revenues or cash balances to cover expenditures authorized for flex funds. The school board and/or the county may demand an accounting to ensure that a valid transfer occurred and the funding sources have been properly spent.

February 3, 2012

Mr. Chris Christensen
Madison County Attorney
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Dear Mr. Christensen: