

The 1987 Legislature did not approve a policy lowering property taxes and I-105 became law. Two sections of the initiative were codified as the sections indicated below. The 1997 Legislature made significant changes to the sections enacted by I-105 in Senate Bill No. 195 (Ch. 463). The nonhighlighted portions of the sections remain in law today and the comments on the right include language inserted to replace the stricken language.

*Section 15-10-401*

**SECTION 1: Declaration of policy.**

(1) The State of Montana's reliance on the taxation of property to support education and local government has placed an unreasonable burden on the owners of classes three, four, six, nine, twelve, and fourteen property, as those classes are defined in Title 15, ch. 6, part 1.

(2) The legislature's failure to give local governments and local school districts the flexibility to develop alternative sources of revenue will only lead to increases in the tax burden on the already overburdened property taxpayer.

(3) The legislature is the appropriate forum to make the difficult and complex decisions to develop:

- (a) a tax system that is fair to property taxpayers; and
- (b) a method of providing adequate funding for local government and education.

(4) The legislature has failed in its responsibility to taxpayers, education, and local government, to relieve the tax burden on property classes three, four, six, nine, twelve, and fourteen.

(5) The people of the State of Montana declare it is the policy of the State of Montana that no further property tax increases be imposed on property classes three, four, six, nine, twelve, and fourteen.

**Comment [SU1]:** Deleted Ch. 463, L. 1997.  
Inserted: "all classes of property described in"

**Comment [SU2]:** Deleted Ch. 463, L. 1997.

**Comment [SU3]:** Inserted "Except as provided 15-10-412," Ch. 463, L. 1997.  
Reference to 15-10-412 replaced with reference to 15-10-420 in Ch. 584, L. 1999.

**Comment [SU4]:** Deleted Ch. 463, L. 1997.  
Inserted: "In order to reduce volatility in property taxation and in order to reduce taxpayer uncertainty, it is the policy of the Legislature to develop alternatives to market value for purposes of taxation."

**Comment [SU5]:** Revised catchline to reflect change in limit to 1996 levels.

**Comment [SU6]:** Deleted Ch. 463, L. 1997.  
Inserted: "in 15-10-420" in Ch. 584, L. 1999.

**Comment [SU7]:** Deleted Ch. 463, L. 1997.  
Inserted: "Title 15, chapter 6, part 1."

**Comment [SU8]:** Deleted Ch. 463, L. 1997.  
Inserted: "tax year 1996"

*Section 15-10-402*

**SECTION 2: Property tax limited to 1986 levels.**

(1) Except as provided in subsections (2) and (3), the amount of taxes levied on property described in 15-6-133, 15-6-134, 15-6-136, 15-6-139 [now repealed], 15-6-142 [now repealed], and 15-6-144 [now repealed] may not, for any taxing jurisdiction, exceed the amount levied for taxable year 1986.

(2) the limitation contained in subsection (1) does not apply to levies for rural improvement districts, Title 7, ch. 12, part 21; special improvement districts, Title 7, ch. 12, part 41; or bonded indebtedness.

(3) New construction or improvements to or deletions from property described in subsection (1) is subject to taxation at 1986 levels.

(4) As used in this section, the "amount of taxes levied" and the "amount levied" mean the actual dollar amount of taxes imposed on an individual piece of property, notwithstanding an increase or decrease in value due to inflation, reappraisal, adjustments in the percentage multiplier used to convert appraised value to taxable value, changes in the number of mills levied, or increase or decrease in the value of a mill.

**Comment [SU9]:** Deleted Ch. 463, L. 1997.