

Postsecondary Education Policy and Budget Subcommittee (PEPB)

Six-Mill Levy Decision Pathway

June 12, 2006

Montana Legislative Fiscal Division (Alan Peura, Fiscal Analyst II)

Policy Decision #1:

Does PEPB want to recommend action to continue the 6-mill levy for the Montana University System?

YES

NO ... No Action
Taken by Voters/Legs. In
2007-2009

Consequences: See
Revenue Chart

Policy Decision #2:

What are the procedural options to implement the 6-mill levy to support the Montana University System?

Voter Initiative*

MT Const. Art. III, Sect. 4
2-step/2-year process

* MT Constitution
Prohibits Voters
from Appropriating
Funds

Legislative Referendum*

MT Const. Art. III, Sect. 5
Historical Process
3-steps/3-years

Act by Legislature

(Tax Authority Currently
Exists...as per 1972
Constitution) 1-step process,
never used for 6-Mill

Discussion of Issues with Current Legislative Referendum Process

See Attached Chart: Six Mill Levy Historical Background

Discussion of Recommended Legislative Referendum Process

- 1) New Step One: Bill draft to put Tax on the Ballot (LC 8888)
- 2) Step Two: Same...statewide popular vote on the referendum
- 3) Step three in 2009 Legislative Session:
 - a. Code Commissioner Cleanup Bill (to implement if no substantive changes...e.g. #-mill or sunset): or,
 - b. Clean-up Bill to reflect substantive changes

Policy Decisions #3 and #4:

Additional policy decisions...does the legislature want to consider changes to the following?

Increase
or decrease to the # of
mills (currently six)

Continue or
discontinue the 10-year
sunset provision

PEPB Decision for Consideration:

Does PEPB wish to make a Six-Mill Levy recommendation to the Education and Local Government Committee? And, if so, for the June meeting or for the August meeting?