

SENATE BILL NO. 478

INTRODUCED BY STORY, ANDERSON, DEPRATU, DEVLIN, FORRESTER, FUCHS, GLASER,
 JACKSON, KEENAN, LAMBERT, MATTHEWS, MCNUTT, MOOD, A. OLSON, PETERSON, F. THOMAS,
 WAITSCHIES

A BILL FOR AN ACT ENTITLED: "AN ACT CHANGING THE WAY THAT A POLITICAL SUBDIVISION MAY EXEMPT A PROPERTY TAX MILL LEVY FOR PREMIUM CONTRIBUTIONS FOR GROUP BENEFITS FROM THE PROPERTY TAX LIMITATION LAW; CHANGING THE OPERATIVE DATES; PROVIDING THAT THE HEARING ON THE EXEMPTION MUST COMPLY WITH NOTICE AND HEARING REQUIREMENTS; REQUIRING THAT THE EXEMPT MILL LEVY OR DOLLAR AMOUNT BE LISTED SEPARATELY ON THE PROPERTY TAX NOTICE; AMENDING SECTIONS 2-9-212 AND 2-18-703, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

Section 1. Section 2-9-212, MCA, is amended to read:

"2-9-212. Political subdivision tax levy to pay premiums. (1) Subject to 15-10-420 and subsection (2) of this section, a political subdivision, except for a school district, may levy an annual property tax in the amount necessary to fund the premium for insurance, deductible reserve fund, and self-insurance reserve fund as authorized in this section and to pay the principal and interest on bonds or notes issued pursuant to 2-9-211(5).

(2) (a) ~~The~~ If a political subdivision made contributions for group benefits under 2-18-703 before July 1, 2001, the increase in a the political subdivision's property tax levy for the political subdivision's premium contributions for group benefits under 2-18-703 beyond the amount of contributions in effect on July 1, 1999, at the beginning of the last fiscal year is not subject to the mill levy calculation limitation provided for in 15-10-420. Levies implemented under this section must be calculated separately from the mill levies calculated under 15-10-420 and are not subject to the inflation factor described in 15-10-420(1)(a). IF TAX-BILLING SOFTWARE IS CAPABLE, THE county treasurer shall list separately the cumulative mill levy OR DOLLAR AMOUNT on the tax notice sent to each taxpayer under 15-16-101(2). THE AMOUNT MUST ALSO BE REPORTED TO THE DEPARTMENT OF ADMINISTRATION PURSUANT TO 7-6-4003. The mill levy must be described as the permissive medical levy.

(b) ~~Prior~~ Each year prior to implementing a levy under subsection (2)(a), after notice of the hearing given

under 7-1-2121 OR 7-1-4127, a public hearing ~~complying with the provisions of 7-1-4131~~ must be held regarding any proposed increases.

(c) A levy under this section in the previous year may not be included in the amount of property taxes that a governmental entity is authorized to levy for the purposes of determining the amount that the governmental entity may assess under the provisions of 15-10-420(1)(a). When a levy under this section decreases or is no longer levied, the revenue may not be combined with the revenue determined in 15-10-420(1)(a)."

Section 2. Section 2-18-703, MCA, is amended to read:

"2-18-703. Contributions. (1) Each agency, as defined in 2-18-601, and the state compensation insurance fund shall contribute the amount specified in this section toward the group benefits cost.

(2) For employees defined in 2-18-701 and for members of the legislature, the employer contribution for group benefits is ~~\$295 a month for the period from July 2001 through December 2001, \$325 a month for the period from January 2002 through December 2002, and \$366 a month for January 2003 and for each succeeding month.~~ For employees of the Montana university system, the employer contribution for group benefits is ~~\$325 a month for the period from July 2001 through June 2002 and \$366 a month for the period from July 2002 through June 2003 and for each succeeding month.~~ When a state employee is terminated to achieve a reduction in force, the continuation of contributions for group benefits beyond the termination date is subject to negotiation under 39-31-305. Permanent part-time, seasonal part-time, and temporary part-time employees who are regularly scheduled to work less than 20 hours a week are not eligible for the group benefit contribution. An employee who elects not to be covered by a state-sponsored group benefit plan may not receive the state contribution. A portion of the employer contribution for group benefits may be applied to an employee's costs for participation in Part B of medicare under Title XVIII of the Social Security Act, as amended, if the state group benefit plan is the secondary payer and medicare the primary payer.

(3) For employees of elementary and high school districts and of local government units, the employer's premium contributions may exceed but may not be less than \$10 a month. Subject to the public hearing requirement provided in 2-9-212(2)(b), the increase in a local government's property tax levy for premium contributions for group benefits beyond the amount of contributions in effect on ~~July 1, 1999,~~ the first day of the last fiscal year is not subject to the mill levy calculation limitation provided for in 15-10-420.

(4) Unused employer contributions for any state employee must be transferred to an account established for this purpose by the department of administration and upon transfer may be used to offset losses occurring to the group of which the employee is eligible to be a member.

(5) Unused employer contributions for any government employee may be transferred to an account established for this purpose by a self-insured government and upon transfer may be used to offset losses occurring to the group of which the employee is eligible to be a member or to increase the reserves of the group.

(6) The laws prohibiting discrimination on the basis of marital status in Title 49 do not prohibit bona fide group insurance plans from providing greater or additional contributions for insurance benefits to employees with dependents than to employees without dependents or with fewer dependents."

NEW SECTION. **Section 3. Transition.** A levy made prior to [the effective date of this act] under 2-9-212(2) may not be included as a levy in a previous year in determining the amount of property taxes that a governmental entity may assess under the provisions of 15-10-420(1)(a). If a levy made prior to [the effective date of this act] under 2-9-212(2) decreased or was no longer levied, the difference between that levy and the next year levy may not be carried forward for imposition in a subsequent year under 15-10-420(1)(b).

NEW SECTION. **Section 4. Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 5. Retroactive applicability.** [Section 3] applies retroactively, within the meaning of 1-2-109, to levies made after December 31, 1998.

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