

SENATE BILL NO. 16

INTRODUCED BY L. JONES

BY REQUEST OF THE STATE ADMINISTRATION AND VETERANS' AFFAIRS INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE BASIS FOR DETERMINING WHETHER THE DISABILITY AND PENSION FUND OF A CITY'S OR TOWN'S FIRE RELIEF ASSOCIATION IS SOUNDLY FUNDED; AMENDING SECTIONS 19-18-503 AND 19-18-504, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 19-18-503, MCA, is amended to read:

"19-18-503. Fund to be soundly funded. (1) Each disability and pension fund must be soundly funded.

The fund is soundly funded if, subject to subsection (2):

(a) ~~assets in the fund are maintained at a level equal to at least 0.21% but no more than 0.52% of the total assessed value of taxable property, determined as provided in 15-8-111, within the limits of the city or town three times but no more than five times the benefits paid by the fund in the previous fiscal year; or~~

(b) funding is maintained at a level determined by an actuarial valuation to be sufficient to keep the fund actuarially sound.

(2) An actuarial valuation may be requested only by a city, town, or association. ~~Once an actuarial valuation has been conducted, funding must continue to be based on actuarial determinations rather than on the total assessed value of taxable property pursuant to subsection (1)(a)."~~

Section 2. Section 19-18-504, MCA, is amended to read:

"19-18-504. Special tax levy for fund required. (1) Whenever the fund contains an amount that is less than the minimum amount required to keep the fund soundly funded pursuant to 19-18-503, the city or town council shall, subject to 15-10-420, levy an annual tax on the taxable value of all taxable property within the city or town.

(2) When the fund contains an amount that is less than ~~0.52% but more than 0.21% of the total assessed value of all taxable property within the city or town~~ the maximum but more than the minimum required to keep



1 the fund soundly funded pursuant to 19-18-503(1)(a), the city or town council may, if authorized by the voters as
2 provided in 15-10-425, levy an annual tax.

3 (3) All revenue from the tax must be deposited in the fund."
4

5 NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

6 - END -