

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 AT FISCAL YEAREND. 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 OR CURRENT fiscal year, WHICHEVER IS GREATER; 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 SHALL BE REVIEWED ON AN ANNUAL BASIS TO DETERMINE WHETHER THE FUND IS SOUNDLY FUNDED PURSUANT TO 19-18-503.

(2) BASED ON THE ANNUAL REVIEW:

(A) IF 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



1 the taxable value of all taxable property within the city or town;

2 ~~(2) When (B) IF the fund contains an amount that is less than 0.52% but more than 0.21% of the total~~
3 ~~assessed value of all taxable property within the city or town~~ the maximum but more than the minimum required
4 to keep the fund soundly funded pursuant to 19-18-503(1)(a), the city or town council may, if authorized by the
5 voters as provided in 15-10-425, levy an annual tax.

6 (3) All revenue from the tax must be deposited in the fund."
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8 NEW SECTION. SECTION 3. DISPOSITION OF EXCESS FUNDS. (1) BASED ON THE ANNUAL REVIEW REQUIRED
9 BY 19-18-504, IF THE FUND CONTAINS MORE THAN THE MAXIMUM AMOUNT REQUIRED TO KEEP THE FUND SOUNDLY
10 FUNDED PURSUANT TO 19-18-503, THE CITY OR TOWN COUNCIL SHALL TRANSFER THE EXCESS FUNDS AS SOON AS
11 POSSIBLE.

12 (2) IF THE EXCESS FUNDS ORIGINATED FROM A SPECIAL VOTED LEVY PURSUANT TO 19-18-504, THE FUNDS MUST
13 BE APPLIED TO REDUCE THE SPECIAL VOTED LEVY FOR THE NEXT OR SUBSEQUENT FISCAL YEAR.

14 (3) ANY EXCESS FUNDS REMAINING AFTER THE TRANSFER UNDER SUBSECTION (1) MUST BE TRANSFERRED TO
15 THE GENERAL FUND TO BE USED AS BUDGETED BY THE CITY OR TOWN COUNCIL.

16
17 NEW SECTION. SECTION 4. CODIFICATION INSTRUCTION. [SECTION 3] IS INTENDED TO BE CODIFIED AS AN
18 INTEGRAL PART OF TITLE 19, CHAPTER 18, PART 5, AND THE PROVISIONS OF TITLE 19, CHAPTER 18, PART 5, APPLY TO
19 [SECTION 3].

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

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