

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."
7

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].~~

20
21 NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval.

22 - END -