

1 HOUSE BILL NO. 206  
 2 INTRODUCED BY R. MARSHALL, E. BUTTREY, R. FITZGERALD, M. HOPKINS  
 3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING MILL LEVY ELECTION LAWS; LIMITING THE  
 5 DURATION OF A VOTED MILL LEVY; ~~REQUIRING VOTER TURNOUT TO EXCEED 50% FOR A VOTED~~  
 6 ~~LEVY; REVISING THE DETERMINATION OF APPROVAL OR REJECTION OF A MILL LEVY ELECTION;~~  
 7 REVISING THE INFORMATION THAT MUST BE INCLUDED IN THE RESOLUTION OR PETITION FOR THE  
 8 MILL LEVY ELECTION; REVISING THE INFORMATION THAT MUST BE PROVIDED TO VOTERS; AND  
 9 AMENDING SECTIONS 7-6-4431, 7-14-1134, 7-16-2102, 7-16-2109, 7-22-2142, 7-32-235, 15-10-425, 20-9-  
 10 353, ~~20-9-502~~, AND 20-9-533, MCA."

11  
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13  
14 **Section 1.** Section 7-6-4431, MCA, is amended to read:

15 **"7-6-4431. Authorization to exceed or impose less than maximum mill levy -- election required**  
 16 **to exceed.** The governing body of a municipality may raise money by taxation for the support of municipal  
 17 government services, facilities, or other capital projects in excess of the levy allowed by 15-10-420 under the  
 18 following conditions:

19 (1) The governing body shall pass a resolution indicating its intent to exceed the current statutory  
 20 mill levy limit on the approval of a majority of the qualified electors voting in an election under subsection (2).

21 The resolution must include:

- 22 (a) the specific purpose for which the additional money will be used;
- 23 (b) the specific dollar amount to be raised; and
- 24 (c) the approximate number of mills required.

25 (2) The governing body shall submit the question of the additional mill levy to the qualified electors  
 26 of the municipality at an election as provided in 15-10-425. The question may not be submitted more than once  
 27 in any calendar year. If the majority of voters voting on approve the question is in favor of the additional levy or  
 28 levies, the governing body is authorized to impose the mill levy in the amount specified in the resolution.

1 filed with the county clerk and recorder at least 90 days prior to the date of the election.

2 (b) The question must be submitted as provided in 15-10-425.

3 (c) The board of county commissioners shall collect the assessment if the imposition or continued  
4 imposition of the single assessment is approved by a majority of the electors voting on the question as provided  
5 in 15-10-425."

6

7 **Section 5.** Section 7-22-2142, MCA, is amended to read:

8 **"7-22-2142. Sources of money for noxious weed fund.** (1) The commissioners may provide  
9 sufficient money in the noxious weed fund for the board to fulfill its duties, as specified in 7-22-2109, by:

10 (a) appropriating money from any source in an amount not less than \$100,000 or an amount  
11 equivalent to 1.6 mills levied on the taxable value of all property; and

12 (b) subject to 15-10-420 and at any time fixed by law for levy and assessment of taxes, levying a  
13 tax of not less than 1.6 mills on the taxable value of all taxable property in the county. The tax levied under this  
14 subsection (1)(b) must be identified on the assessment as the tax that will be used for noxious weed control.

15 (2) The proceeds of the noxious weed control tax or other contribution must be used solely for the  
16 purpose of managing noxious weeds in the county and must be deposited in the noxious weed fund.

17 (3) Any proceeds from work or herbicide sales must revert to the noxious weed fund and must be  
18 available for reuse within that fiscal year or any subsequent year.

19 (4) The commissioners may accept any private, state, or federal gifts, grants, contracts, or other  
20 funds to aid in the management of noxious weeds within the district. These funds must be placed in the noxious  
21 weed fund.

22 (5) Subject to 15-10-420, the commissioners may impose a tax for weed control within a special  
23 management zone as provided in 7-22-2121(4). For the purposes of imposing the tax, the special management  
24 zone boundaries must be established by the board and approved by a majority of the voters within the special  
25 management zone. Pursuant to an election held in accordance with 15-10-425, the amount of the tax must be  
26 approved by a majority of the voters within the special management zone, and approval of the zone and the tax  
27 may occur simultaneously. Revenue received from a special management zone tax must be spent on weed  
28 management projects within the boundaries of the special management zone."

1

2           **Section 6.** Section 7-32-235, MCA, is amended to read:

3           **"7-32-235. Search and rescue units authorized -- under control of county sheriff -- optional**  
4 **funding.** (1) A county may establish or recognize one or more search and rescue units within the county.

5           (2)     (a) Except in time of martial rule as provided in 10-1-106, search and rescue units and their  
6 officers are under the operational control and supervision of the county sheriff, or the sheriff's designee, having  
7 jurisdiction and whose span of control would be considered within reasonable limits.

8           (b)     A county sheriff or the sheriff's designee may authorize the participation of members of the civil  
9 air patrol, including cadets under 18 years of age, in search and rescue operations.

10          (3)     Subject to 15-10-420, a county may, after approval by a majority of the people voting on of the  
11 question at an election held throughout the county, levy an annual tax on the taxable value of all taxable  
12 property within the county to support one or more search and rescue units established or recognized under  
13 subsection (1). The election must be held as provided in 15-10-425.

14          (4)     A search and rescue unit established or recognized by a county may possess human remains  
15 as defined in 37-19-101 for the purpose of training canines used for search and rescue work.

16          (a)     The county sheriff or the sheriff's designee shall keep an inventory of all human remains that  
17 are kept for the purpose of training search and rescue canines. The inventory must be updated when the  
18 search and rescue unit receives human remains or disposes of human remains that are no longer useful to the  
19 search and rescue unit.

20          (b)     Each search and rescue unit that possesses human remains for the purpose of training search  
21 and rescue canines shall establish policies and standard operating procedures for access to, the inventory of,  
22 and the possession and disposal of human remains kept for the purpose of training search and rescue  
23 canines."

24

25           **Section 7.** Section 15-10-425, MCA, is amended to read:

26           **"15-10-425. Mill levy election.** (1) A county, consolidated government, incorporated city,  
27 incorporated town, school district, or other taxing entity may impose a new mill levy, increase a mill levy that is  
28 required to be submitted to the electors, or exceed the mill levy limit provided for in 15-10-420 by conducting an

1 election as provided in this section.

2 (2) An election pursuant to this section must be held in accordance with Title 13, chapter 1, part 4  
3 or 5, or Title 20 for school elections, whichever is appropriate to the taxing entity. ~~The~~ Subject to subsection (4)  
4 (5), the governing body shall pass a resolution, shall amend its self-governing charter, or must receive a petition  
5 indicating an intent to impose a new property tax levy, increase a mill levy, or exceed the current statutory mill  
6 levy provided for in 15-10-420 on the approval of a majority of the qualified electors voting in the election. The  
7 resolution, charter amendment, or petition must include:

- 8 (a) the specific purpose for which the additional money will be used;
- 9 (b) either:
  - 10 (i) the specific amount of money to be raised and the approximate number of mills to be imposed;
  - 11 or
  - 12 (ii) the specific number of mills to be imposed and the approximate amount of money to be raised;
- 13 and
- 14 (c) ~~whether the levy is permanent or the durational limit on the levy, which may not exceed 5 6~~  
15 ~~years except as provided in 20-9-308, 20-9-353, 20-9-502(2)(b), and 20-9-533, and except for mill levies that~~  
16 ~~support law enforcement, fire protection, search and rescue, water, wastewater, storm water, solid waste, or the~~  
17 ~~uses authorized in 15-70-101(4); and~~
- 18 (d) a list of expected operating and maintenance expenses if the levy is approved.

19 (3) Notice of the election must be prepared by the governing body and given as provided in 13-1-  
20 108. The form of the ballot must reflect the content of the resolution or charter amendment and must include a  
21 statement of the impact of the election on a home valued at \$100,000, ~~and a home valued at \$200,000~~  
22 ~~\$300,000, and a home valued at \$600,000 in the district and a home valued at the current average sale price~~  
23 ~~for a home in the county~~ in terms of actual dollars in additional property taxes that would be imposed on  
24 residences with those values if the mill levy were to pass. The ballot may also include a statement of the impact  
25 of the election on homes of any other value in the district, if appropriate.

26 (4) (a) Except as provided in subsection (4)(c), if the mill levy election is held at a regular election  
27 or at a special election, the governing body shall:

- 28 (i) determine the total number of qualified electors of the taxing jurisdiction who are qualified to

1 vote at the mill levy election;

2 (ii) determine the total number of qualified electors voting at the mill levy election from the tally

3 sheets for the election; and

4 (iii) calculate the percentage of qualified electors voting at the mill levy election by dividing the

5 amount determined in subsection (4)(a)(ii) by the amount determined in subsection (4)(a)(i).

6 (b) When the calculated percentage in subsection (4)(a)(iii) is:

7 (i) 40% or more, the mill levy is approved and adopted if a majority of the votes cast are in favor of

8 the mill levy. If not, the mill levy is rejected.

9 (ii) more than 30% but less than 40%, the mill levy is approved and adopted if 60% or more of the

10 votes cast are in favor of the mill levy. If not, the mill levy is rejected.

11 (iii) 30% or less, the mill levy is rejected.

12 (c) If the mill levy election is held in conjunction with an election that is conducted by mail ballot, as

13 provided in Title 13, chapter 19, or in conjunction with a general or primary election, the determination of the

14 approval or rejection of the mill levy election is made by a majority of the votes cast on the issue.

15 ~~(4)(5) If voter turnout exceeds 50% of qualified electors and the majority voting on the question are in~~

16 ~~favor of the additional levy. If the levy is approved as provided in subsection (4), the governing body is~~

17 ~~authorized to impose the levy in either the amount or the number of mills specified in the resolution or charter~~

18 ~~amendment. Voter turnout must be determined by dividing the total number of qualified electors who voted in~~

19 ~~the election from the tally sheets for the election by the total number of electors who were qualified to vote in~~

20 ~~the election.~~

21 ~~(5)(6)~~ A governing body, as defined in 7-6-4002, may reduce an approved levy in any fiscal year

22 without losing the authority to impose in a subsequent fiscal year up to the maximum amount or number of mills

23 approved in the election. However, nothing in this subsection authorizes a governing body to impose more than

24 the approved levy in any fiscal year or to extend the duration of the approved levy."

25

26 **Section 8.** Section 20-9-353, MCA, is amended to read:

27 **"20-9-353. Additional financing for general fund -- election for authorization to impose.** (1) The

28 trustees of a district may propose to adopt an over-BASE budget amount for the district general fund that does

1 not exceed the general fund budget limitations, as provided in 20-9-308.

2 (2) When the trustees of the district propose to adopt an over-BASE budget under subsection (1),  
3 any increase in local property taxes authorized by 20-9-308(4) over revenue previously authorized by the  
4 electors of the district or imposed by the district in any of the previous 5 years must be submitted to a vote of  
5 the qualified electors of the district, as provided in 15-10-425. The trustees are not required to submit to the  
6 qualified electors any increase in state funding of the basic or per-ANB entitlements or of the general fund  
7 payments established in 20-9-327 through 20-9-330 approved by the legislature. When the trustees of a district  
8 determine that a voted amount of financing is required for the general fund budget, the trustees shall submit the  
9 proposition to finance the voted amount to the electors who are qualified under 20-20-301 to vote upon the  
10 proposition. The election must be called and conducted in the manner prescribed by this title for school  
11 elections and must conform to the requirements of 15-10-425. The ballot for the election must conform to the  
12 requirements of 15-10-425.

13 (3) If the proposition on any additional financing for the general fund is approved by a majority vote  
14 of the electors voting at the election, the proposition carries and the trustees may use any portion or all of the  
15 authorized amount in adopting the final general fund budget. The trustees shall certify any additional levy  
16 amount authorized by the election on the budget form that is submitted to the county superintendent, and the  
17 county commissioners shall levy the authorized number of mills on the taxable value of all taxable property  
18 within the district, as prescribed in 20-9-141.

19 (4) All levies adopted under this section must be authorized by the election conducted before  
20 August 1 of the school fiscal year for which it is effective.

21 (5) If the trustees of a district are required to submit a proposition to finance an over-BASE budget  
22 amount, as allowed by 20-9-308, to the electors of the district, the trustees shall comply with the provisions of  
23 subsections (2) through (4) of this section."  
24

25 ~~Section 9. Section 20-9-502, MCA, is amended to read:~~

26 ~~"20-9-502. Purpose and authorization of building reserve fund -- subfund structure. (1) The~~  
27 ~~trustees of any district may establish a building reserve fund to budget for and expend funds for any of the~~  
28 ~~purposes set forth in this section. Appropriate subfunds must be created to ensure separate tracking of the~~

1 ~~expenditure of funds from voted and nonvoted levies and transfers for school safety pursuant to 20-9-236.~~

2 ~~(2) (a) A voted levy may be imposed and a subfund must be created with the approval of the~~  
3 ~~qualified electors of the district for the purpose of raising money for the future construction, equipping, or~~  
4 ~~enlarging of school buildings or for the purpose of purchasing land needed for school purposes in the district. In~~  
5 ~~order to submit to the qualified electors of the district a building reserve proposition for the establishment of or~~  
6 ~~addition to a building reserve, the trustees shall pass a resolution that specifies:~~

7 ~~(i) the purpose or purposes for which the new or addition to the building reserve will be used;~~

8 ~~(ii) the duration of time over which the new or addition to the building reserve will be raised in~~  
9 ~~annual, equal installments;~~

10 ~~(iii) the total amount of money that will be raised during the duration of time specified for the levy;~~

11 ~~and~~

12 ~~(iv) any other requirements under 15-10-425 and 20-20-201 for the calling of an election.~~

13 ~~(b) Except as provided in subsection (4)(b), a building reserve tax authorization may not be for~~  
14 ~~more than 20 years.~~

15 ~~(c) The election must be conducted in accordance with the school election laws of this title, and~~  
16 ~~the electors qualified to vote in the election must be qualified under the provisions of 20-20-301. The ballot for a~~  
17 ~~building reserve proposition must be substantially in compliance with 15-10-425.~~

18 ~~(d) The building reserve proposition is approved if a majority of those the electors voting at the~~  
19 ~~election approve the establishment of or addition to the building reserve as provided in 15-10-425. The annual~~  
20 ~~budgeting and taxation authority of the trustees for a building reserve is computed by dividing the total~~  
21 ~~authorized amount by the specified number of years. The authority of the trustees to budget and impose the~~  
22 ~~taxation for the annual amount to be raised for the building reserve lapses when, at a later time, a bond issue is~~  
23 ~~approved by the qualified electors of the district for the same purpose or purposes for which the building~~  
24 ~~reserve fund of the district was established. Whenever a subsequent bond issue is made for the same purpose~~  
25 ~~or purposes of a building reserve, the money in the building reserve must be used for the purpose or purposes~~  
26 ~~before any money realized by the bond issue is used.~~

27 ~~(3) (a) A subfund must be created to account for revenue and expenditures for school major~~  
28 ~~maintenance and repairs authorized under this subsection (3). The trustees of a district may authorize and~~



1 ~~impose a levy of no more than 10 mills on the taxable value of all taxable property within the district for that~~  
2 ~~school fiscal year for the purposes of raising revenue for identified improvements or projects meeting the~~  
3 ~~requirements of 20-9-525(2). The 10-mill limit under this subsection (3) must be calculated using the district's~~  
4 ~~total taxable valuation most recently certified by the department of revenue under 15-10-202. The amount of~~  
5 ~~money raised by the levy, the deposits and transfers authorized under subsection (3)(f) of this section, and~~  
6 ~~anticipated state aid pursuant to 20-9-525(3) may not exceed the district's school major maintenance amount.~~  
7 ~~For the purposes of this section, the term "school major maintenance amount" means the sum of \$15,000 and~~  
8 ~~the product of \$110 multiplied by the district's budgeted ANB for the prior fiscal year. To authorize and impose a~~  
9 ~~levy under this subsection (3), the trustees shall:~~

10 ~~(i) following public notice requirements pursuant to 20-9-116, adopt no later than March 31 of~~  
11 ~~each fiscal year a resolution:~~

12 ~~(A) identifying the anticipated improvements or projects for which the proceeds of the levy, the~~  
13 ~~deposits and transfers authorized under subsection (3)(f) of this section, and anticipated state aid pursuant to~~  
14 ~~20-9-525(3) will be used; and~~

15 ~~(B) estimating a total dollar amount of money to be raised by the levy, the deposits and transfers~~  
16 ~~authorized under subsection (3)(f) of this section, anticipated state aid pursuant to 20-9-525(3), and the~~  
17 ~~resulting estimated number of mills to be levied using the district's taxable valuation most recently certified by~~  
18 ~~the department of revenue under 15-10-202; and~~

19 ~~(ii) include the amount of any final levy to be imposed as part of its final budget meeting noticed in~~  
20 ~~compliance with 20-9-131.~~

21 ~~(b) Proceeds from the levy may be expended only for the purposes under 20-9-525(2), and the~~  
22 ~~expenditure of the money must be reported in the annual trustees' report as required by 20-9-213.~~

23 ~~(c) Whenever the trustees of a district impose a levy pursuant to this subsection (3) during the~~  
24 ~~current school fiscal year, they shall budget for the proceeds of the levy, the deposits and transfers authorized~~  
25 ~~under subsection (3)(f) of this section, and anticipated state aid pursuant to 20-9-525(3) in the district's building~~  
26 ~~reserve fund budget. Any expenditures of the funds must be made in accordance with the financial~~  
27 ~~administration provisions of this title for a budgeted fund.~~

28 ~~(d) When a tax levy pursuant to this subsection (3) is included as a revenue item on the final~~



1 ~~building reserve fund budget, the county superintendent shall report the levy requirement to the county~~  
2 ~~commissioners by the later of the first Tuesday in September or within 30 calendar days after receiving certified~~  
3 ~~taxable values and a levy on the district must be made by the county commissioners in accordance with 20-9-~~  
4 ~~142.~~

5 ~~(e) — A subfund in the building reserve fund must be created for the deposit of proceeds from the~~  
6 ~~levy, the deposits and transfers authorized under subsection (3)(f) of this section, and anticipated state aid~~  
7 ~~pursuant to 20-9-525(3).~~

8 ~~(f) — If the imposition of 10 mills pursuant to subsection (3)(a) is estimated by the trustees to~~  
9 ~~generate an amount less than the maximum levy revenue specified in subsection (3)(a), the trustees may~~  
10 ~~deposit additional funds from any lawfully available revenue source and may transfer additional funds from any~~  
11 ~~lawfully available fund of the district to the subfund provided for in subsection (3)(a), up to the difference~~  
12 ~~between the revenue estimated to be raised by the imposition of 10 mills and the maximum levy revenue~~  
13 ~~specified in subsection (3)(a). The district's local effort for purposes of calculating its eligibility for state school~~  
14 ~~major maintenance aid pursuant to 20-9-525 consists of the combined total of funds raised from the imposition~~  
15 ~~of 10 mills and additional funds raised from deposits and transfers in compliance with this subsection (3)(f).~~

16 ~~(4) — (a) A voted levy may be imposed and a subfund must be created with the approval of the~~  
17 ~~qualified electors of the district to provide funding for transition costs incurred when the trustees:~~

18 ~~(i) — open a new school under the provisions of Title 20, chapter 6;~~

19 ~~(ii) — close a school;~~

20 ~~(iii) — replace a school building;~~

21 ~~(iv) — consolidate with or annex another district under the provisions of Title 20, chapter 6; or~~

22 ~~(v) — receive approval from voters to expand an elementary district into a K-12 district pursuant to~~

23 ~~20-6-326.~~

24 ~~(b) — Except as provided in subsection (4)(c), the total amount the trustees may submit to the~~  
25 ~~electorate for transition costs may not exceed the number of years specified in the proposition times the greater~~  
26 ~~of 5% of the district's maximum general fund budget for the current year or \$250 per ANB for the current year.~~

27 ~~The duration of the levy for transition costs may not exceed 6 years.~~

28 ~~(c) — If the levy for transition costs is for consolidation or annexation:~~

~~(i) the limitation on the amount levied is calculated using the ANB and the maximum general fund budget for the districts that are being combined; and~~

~~(ii) the proposition must be submitted to the qualified electors in the combined district.~~

~~(d) The levy for transition costs may not be considered as outstanding indebtedness for the purpose of calculating the limitation in 20-9-406.~~

~~(5) (a) A subfund in the building reserve fund must be created for:~~

~~(i) the funds transferred to the building reserve fund for school safety and security pursuant to 20-9-236; and~~

~~(ii) funds generated by a voter approved levy for school and student safety and security pursuant to subsection (5)(b) of this section.~~

~~(b) A voted levy may be imposed with the approval of the qualified electors of the district to provide funding for improvements to school and student safety and security that meet any of the criteria set forth in 20-9-236(1)(a) through (1)(e). A voted levy for school and student safety and security may not be considered as outstanding indebtedness for the purpose of calculating the limitation in 20-9-406. The election for a voted levy for school and student safety and security must be conducted in accordance with the school election laws of this title, and the electors qualified to vote in the election must be qualified under the provisions of 20-20-301. The ballot for a building reserve proposition must be substantially in compliance with 15-10-425."~~

**Section 9.** Section 20-9-533, MCA, is amended to read:

**"20-9-533. Technology acquisition and depreciation fund -- limitations.** (1) The trustees of a district may establish a technology acquisition and depreciation fund for school district expenditures incurred for:

(a) the purchase, rental, repair, and maintenance of technological equipment, including computers and computer network access;

(b) cloud computing services for technology infrastructure, platform, software, network, storage, security, data, database, test environment, curriculum, or desktop virtualization purposes, including any subscription or any license-based or pay-per-use service that is accessed over the internet or other remote network to meet the district's information technology and other needs; and