

HOUSE BILL NO. 834

INTRODUCED BY J. GILLETTE

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A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING AGRICULTURAL PROPERTY FROM OPEN SPACE BONDS; AMENDING SECTIONS 7-7-2201, 7-7-2206, AND 7-7-2221, 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 7-7-2201, MCA, is amended to read:

**"7-7-2201. Purposes for which general obligation bonds of county may be issued.** (1) The board of county commissioners of a county may issue, negotiate, and sell coupon bonds on the credit of the county, as more specifically provided in this part, for any of the following purposes:

~~(1)~~(a) acquiring land for sites and grounds for a public building or buildings of any kind within the county and under its control, which the county has lawful authority to acquire or erect, control, and maintain except that if the bonds are sold to fund a multicounty jail facility, funds may be used in the county in which the multicounty jail facility is located;

~~(2)~~(b) acquiring land for any other public use or activity within the county, under its control and authorized by law;

~~(3)~~(c) ~~(a)~~ (i) constructing, erecting, or acquiring by purchase necessary public buildings within the county, under its control and authorized by law;

~~(b)~~(ii) making additions to and repairing buildings; and

~~(c)~~(iii) furnishing and equipping the buildings except that if the bonds are sold to fund a multicounty jail facility, funds may be used in the county in which the multicounty jail facility is located;

~~(4)~~(d) building, purchasing, constructing, and maintaining devices intended to protect the safety of the public from open ditches carrying irrigation or other water;

~~(5)~~(e) enabling a county to liquidate its indebtedness to another county incident to the creation of a new county or the changing of any county boundary line;

1           ~~(6)~~(f) funding, paying, and retiring outstanding county warrants lawfully issued against the county  
2 general fund, road fund, or bridge fund when:

3           ~~(a)~~(i) there is not sufficient money in the fund against which the warrants are drawn to pay and retire  
4 the warrants; and

5           ~~(b)~~(ii) the levying of taxes sufficient to pay and retire the warrants within a period of 3 years would, in  
6 the judgment of the board, work a hardship and be an undue burden upon the taxpayers of the county.

7           (2) Property classified as agricultural property under 15-6-133 is exempt from open space bonds."

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9           **Section 2.** Section 7-7-2206, MCA, is amended to read:

10           **"7-7-2206. Term of general obligation bonds.** (1) Bonds issued for any of the purposes designated  
11 in ~~7-7-2201(1) through (4)~~ 7-7-2201(1)(a) through (1)(d) may not be for a longer term than 20 years.

12           (2) Bonds issued for any of the purposes designated in ~~7-7-2201(5) and (6)~~ 7-7-2201(1)(e) and  
13 (1)(f) may not be for a longer term than 10 years.

14           (3) Bonds issued for any of the purposes designated in 7-7-2202 may not be for a longer term than  
15 20 years.

16           (4) The length of the term required must be estimated and calculated by the board of county  
17 commissioners, based upon the percentage of valuation of the property upon which taxes are levied and paid  
18 within the county as ascertained from the last-completed assessment for state and county taxes, taking into  
19 account probable changes in the taxable valuation and losses in tax collections. Irrespective of any  
20 miscalculation by the county commissioners in fixing the term of the bonds, the county shall from year to year  
21 make a sufficient tax levy to pay the interest and installments on principal on the bonds as the payments are  
22 due.

23           (5) For purposes of 7-7-2207 and this section, the term of a bond issue commences on July 1 of  
24 the fiscal year in which the county first levies taxes to pay principal and interest on the bonds."

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26           **Section 3.** Section 7-7-2221, MCA, is amended to read:

27           **"7-7-2221. Issuance of certain general obligation bonds without election.** Bonds may be issued  
28 without submitting the same to an election if the bonds are issued for the purpose of:

1           (1)       enabling a county to liquidate its indebtedness to another county incident to the creation of a  
2 new county or the changing of a county boundary line, as set forth in ~~7-7-2201(5)~~ 7-7-2201(1)(e); and

3           (2)       funding, paying in full, or compromising, settling, and satisfying any judgment which may have  
4 been rendered against the county in a court of competent jurisdiction, as set forth in 7-7-2202 and 15-1-402."

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

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8           NEW SECTION. Section 5. Retroactive applicability. [This act] applies retroactively, within the  
9 meaning of 1-2-109, to property tax years beginning on or after January 1, 2023.

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