



AN ACT REQUIRING LOCAL GOVERNMENTS TO INCLUDE INFORMATION ON PROPERTY TAX INCREASES IN BUDGET DOCUMENTS; REQUIRING THE BUDGET RESOLUTION TO INCLUDE INFORMATION ON PROPERTY TAX INCREASES; AMENDING SECTIONS 7-6-4020 AND 7-6-4030, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

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

Section 1. Section 7-6-4020, MCA, is amended to read:

"7-6-4020. Preliminary annual operating budget. (1) A preliminary annual operating budget must be prepared for the local government.

(2) This part does not provide for the consolidation or reassignment, but does not prohibit delegation by mutual agreement, of any duties of elected county officials.

(3) (a) Before June 1 of each year, the county clerk and recorder shall notify the county commission and each board, office, regional resource authority, or official that they are required to file preliminary budget proposals for their component of the total county budget.

(b) Component budgets must be submitted to the clerk and recorder before June 10th or on a date designated by the county commission and must be submitted on forms provided by the county clerk and recorder.

(c) The county clerk and recorder shall prepare and submit the county's preliminary annual operating budget.

(d) Component budget responsibilities as provided in this subsection (3) include but are not limited to the following:

(i) The county surveyor or any special engineer shall compute road and bridge component budgets and submit them to the county commission.

- (ii) The county commission shall submit road and bridge component budgets.
 - (iii) The county treasurer shall submit debt service component budgets.
 - (iv) The county commission shall submit component budgets for construction or improvements to be made from new general obligation debt.
- (4) The preliminary annual operating budget for each fund must include, at a minimum:
- (a) a listing of all revenue and other resources for the prior budget year, current budget year, and proposed budget year;
 - (b) a listing of all expenditures for the prior budget year, the current budget year, and the proposed budget year. All expenditures must be classified under one of the following categories:
 - (i) salaries and wages;
 - (ii) operations and maintenance;
 - (iii) capital outlay;
 - (iv) debt service; or
 - (v) transfers out.
 - (c) a projection of changes in fund balances or cash balances available for governmental fund types and a projection of changes in cash balances and working capital for proprietary fund types. This projection must be supported by a summary for each fund or group of funds listing the estimated beginning balance plus estimated revenue, less proposed expenditures, cash reserves, and estimated ending balances.
 - (d) a detailed list of proposed capital expenditures and a list of proposed major capital projects for the budget year;
 - (e) financial data on current and future debt obligations;
 - (f) schedules or summary tables of personnel or position counts for the prior budget year, current budget year, and proposed budget year. The budgeted amounts for personnel services must be supported by a listing of positions, salaries, and benefits for all positions of the local government. The listing of positions, salaries, and benefits is not required to be part of the budget document.
 - (g) all other estimates that fall under the purview of the budget.
- (5) The preliminary annual operating budget for each fund for which the local government will levy an ad valorem property tax must include the estimated amount to be raised by the tax.

(6) If a government entity intends to increase property taxes, including an increase authorized under 15-10-420(1), the preliminary budget must include the amount by which property taxes will increase on homes valued at \$100,000, \$300,000, and \$600,000."

Section 2. Section 7-6-4030, MCA, is amended to read:

"7-6-4030. Final budget -- resolution -- appropriations. (1) The governing body may amend the preliminary budget after the public hearing and after considering any public comment.

(2) The amended budget constitutes the final budget. The final budget must be balanced so that appropriations do not exceed the projected beginning balance plus the estimated revenue of each fund for the fiscal year.

(3) The governing body shall adopt the final budget by resolution. The resolution must:

(a) authorize appropriations to defray the expenses or liabilities for the fiscal year; ~~and~~

(b) establish legal spending limits at the level of detail in the resolution; and

(c) include any increase in property taxes, including an increase authorized under 15-10-420(1), and the amount by which property taxes will increase on homes valued at \$100,000, \$300,000, and \$600,000.

(4) The effective date of the resolution is July 1 of the fiscal year, even if the resolution is adopted after that date."

Section 3. Effective date. [This act] is effective on passage and approval.

Section 4. Applicability. [This act] applies to budgets adopted on or after [the effective date of this act].

- END -

I hereby certify that the within bill,
SB 332, originated in the Senate.

Secretary of the Senate

President of the Senate

Signed this _____ day
of _____, 2023.

Speaker of the House

Signed this _____ day
of _____, 2023.

SENATE BILL NO. 332

INTRODUCED BY G. HERTZ

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