

1 HOUSE BILL NO. 834

2 INTRODUCED BY J. GILLETTE

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING AGRICULTURAL PROPERTY FROM OPEN SPACE  
5 ~~BONDS PROPERTY TAX LEVIES~~; AMENDING ~~SECTIONS 7-7-2201, 7-7-2206, AND 7-7-2221~~SECTION 7-6-  
6 ~~2527~~, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY  
7 DATE."

8

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

10

11 **Section 1.** Section 7-6-2527, MCA, is amended to read:

12 **"7-6-2527. Taxation -- public and governmental purposes.** (1) A county may impose a property tax  
13 levy for any public or governmental purpose not specifically prohibited by law. Public and governmental  
14 purposes include but are not limited to:

15 (1)(a) district court purposes as provided in 7-6-2511;

16 (2)(b) county-owned or county-operated health care facility purposes as provided in 7-6-2512;

17 (3)(c) county law enforcement services and maintenance of county detention center purposes as  
18 provided in 7-6-2513 and search and rescue units as provided in 7-32-235;

19 (4)(d) multijurisdictional service purposes as provided in 7-11-1022;

20 (5)(e) transportation services for senior citizens and persons with disabilities as provided in 7-14-111;

21 (6)(f) support for a port authority as provided in 7-14-1132;

22 (7)(g) county road, bridge, and ferry purposes as provided in 7-14-2101, 7-14-2501, 7-14-2502, 7-14-  
23 2503, 7-14-2801, and 7-14-2807;

24 (8)(h) recreational, educational, and other activities of the elderly as provided in 7-16-101;

25 (9)(i) purposes of county fair activities, parks, cultural facilities, and any county-owned civic center,  
26 youth center, recreation center, or recreational complex as provided in 7-16-2102 and 7-16-2109;

27 (10)(j) programs for the operation of licensed day-care centers and homes as provided in 7-16-2108  
28 and 7-16-4114;

1 ~~(11)(k)~~ support for a museum, facility for the arts and the humanities, collection of exhibits, or a  
 2 museum district created under provisions of Title 7, chapter 11, part 10, or former Title 7, chapter 16, part 22;  
 3 ~~(12)(l)~~ extension work in agriculture and home economics as provided in 7-21-3203;  
 4 ~~(13)(m)~~ weed control and management purposes as provided in 7-22-2142;  
 5 ~~(14)(n)~~ insect control programs as provided in 7-22-2306;  
 6 ~~(15)(o)~~ fire control as provided in 7-33-2209;  
 7 ~~(16)(p)~~ ambulance service as provided in 7-34-102;  
 8 ~~(17)(q)~~ public health purposes as provided in 50-2-111;  
 9 ~~(18)(r)~~ public assistance purposes as provided in 53-3-115;  
 10 ~~(19)(s)~~ indigent assistance purposes as provided in 53-3-116;  
 11 ~~(20)(t)~~ developmental disabilities facilities as provided in 53-20-208;  
 12 ~~(21)(u)~~ mental health services as provided in 53-21-1010;  
 13 ~~(22)(v)~~ airport purposes as provided in 67-10-402 and 67-11-302;  
 14 ~~(23)(w)~~ purebred livestock shows and sales as provided in 81-8-504;  
 15 ~~(24)(x)~~ economic development purposes as provided in 90-5-112;  
 16 ~~(25)(y)~~ prevention programs, including programs that reduce substance abuse; and  
 17 ~~(26)(z)~~ forest or grassland hazardous fuels reduction projects in areas near homes and communities  
 18 where wildland fire is a threat.

19 ~~(2) Property classified as agricultural property under 15-6-133 is exempt from open space property~~  
 20 ~~tax levies. If agriculture property exempt from open space property tax levies under this subsection receives a~~  
 21 ~~payment from open space levy revenue, the county may reduce the open space payment for the exempt~~  
 22 ~~agricultural property."~~

24 **Section 1.** Section 7-7-2201, MCA, is amended to read:

25 **"7-7-2201.—Purposes for which general obligation bonds of county may be issued.** ~~(1) The board~~  
 26 ~~of county commissioners of a county may issue, negotiate, and sell coupon bonds on the credit of the county,~~  
 27 ~~as more specifically provided in this part, for any of the following purposes:~~

28 ~~(1)(a) acquiring land for sites and grounds for a public building or buildings of any kind within the~~

1 ~~county and under its control, which the county has lawful authority to acquire or erect, control, and maintain~~  
2 ~~except that if the bonds are sold to fund a multicounty jail facility, funds may be used in the county in which the~~  
3 ~~multicounty jail facility is located;~~

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

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

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

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

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

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

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

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

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

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

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

24 **"7-7-2206. — Term of general obligation bonds.** (1) Bonds issued for any of the purposes designated  
25 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.

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

28 (3) — Bonds issued for any of the purposes designated in 7-7-2202 may not be for a longer term than

1 ~~20 years.~~

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

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

11  
12 **Section 3.** Section 7-7-2221, MCA, is amended to read:

13 ~~"7-7-2221. — Issuance of certain general obligation bonds without election. Bonds may be issued~~  
14 ~~without submitting the same to an election if the bonds are issued for the purpose of:~~

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

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

19  
20 NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

21  
22 NEW SECTION. **Section 3. Retroactive applicability.** [This act] applies retroactively, within the  
23 meaning of 1-2-109, to open space levies assessed in property tax years beginning on or after January 1, 2023.

24 - END -