ONE VOTE COULD MAKE THE DIFFERENCE

WILL IT BE YOURS?

Published by Secretary of State Mike Cooney
State Capitol - Helena, Montana 59620
Dear Montana Voter:

This June you will have the opportunity to vote on two ballot proposals during the primary election. I hope this informational guide will prove useful as you consider these measures.

The proposals have been placed on the ballot by the legislature for the people of Montana to decide. If these measures are approved by voters on June 2, they will become state law.

This pamphlet contains information on what the ballot issues are, how voting works, and how to request an absentee ballot. It also explains how to register to vote if you are not already registered.

Remember that the deadline for registering to vote for the June 2 primary is May 4; for the November 3 general election, the registration deadline is October 5.

Montana’s voter slogan this year, written by Kristy Sterett of Daniels County, is "One vote could make the difference - Will it be yours?" It’s a principle that Montanans have long followed.

The Big Sky State has an outstanding history of citizen participation in government, consistently ranking as one of the top states in the nation in terms of voter turnout. Be a part of this great tradition and vote on June 2!

Sincerely,

Mike Cooney
Secretary of State
Offices on the ballot in 1992

The primary allows the political parties of the states to choose their nominees to run in the November general election. In the primary you may not "split your ticket" and vote for candidates from different parties; you must vote only one party's ballot. However, in the general election, you are free to vote for any candidate.

Partisan offices up for election this year include:

- President of the United States (four-year term)
- Governor and Lieutenant Governor (four-year term)
- U.S. Representative (two-year term)
- Secretary of State (four-year term)
- Attorney General (four-year term)
- State Auditor (four-year term)
- three Public Service Commissioners (Second, Fourth, and Fifth Districts, four-year terms)
- State Superintendent of Public Instruction (four-year term)

All one-hundred state House seats are up for election as well twenty-six state Senate seats. Terms for legislators in the House are two-years and four-years for Senators.

Candidates for the Supreme Court or District Court do not have any party affiliation. Nonpartisan offices up for election this year include:

- Chief Justice of the Supreme Court (eight-year term)
- two Supreme Court Justices (seat One, six-year term and seat Three, eight-year term)

In addition, District Court judges in many counties are up for election. District Court judges have six-year terms, except for those elected to fill an unexpired term caused by a vacancy.

Many county elected officials also will be appearing on the ballot this year.

Explanation of ballot issues

At this election, you will vote on two measures that have been placed on the ballot by the Fifty-second Legislature. Issues referred by the Legislature appear on the ballot without the need of a petition.

Initiative Petitions

Montana voters may seek changes in the Montana Constitution or state law through the initiative process. Petitions are drawn up, submitted to Legislative Council and then to the Secretary of State for approval of form, and circulated throughout the state. If the petition receives enough signatures, as determined by law, the proposed measure is placed on the ballot for a vote by the people.

For an issue to be placed on the November 3 General Election ballot, petitions must be submitted to the appropriate county election administrator no later than June 19. If you would like to sign or examine a petition that is being circulated, contact your local county election administrator who has all such petitions on file.
HOW THE ISSUE APPEARS ON THE BALLOT

Legislative Referendum No. 109
An act referred by the Legislature

AN ACT IMPOSING A 2-MILL LEVY UPON THE TAXABLE VALUE OF ALL REAL AND PERSONAL PROPERTY SUBJECT TO TAXATION IN MONTANA FOR THE SUPPORT AND MAINTENANCE OF VOCATIONAL AND TECHNICAL EDUCATION; REPLACING REVENUE FROM THE SCHOOL DISTRICT LEVY FOR VOCATIONAL-TECHNICAL CENTERS; SUBMITTING THE LEVY TO THE QUALIFIED ELECTORS OF MONTANA; PROVIDING FOR THE RESTRICTED USE OF THE STATEWIDE MILL LEVY AT COMMUNITY COLLEGES; AMENDING SECTIONS 15-10-402, 15-10-412, 20-15-311, AND 20-16-205, MCA; REPEALING SECTION 20-16-207, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE.

The Legislature submitted this proposal for a vote. It would impose an annual levy of two mills upon the taxable value of all real and personal property subject to taxation in the state of Montana. The revenue generated from the 2-mill levy would be allocated to the board of regents and could be used only for the support and maintenance of vocational and technical education in Montana. If passed, the levy would apply to tax years beginning after December 31, 1992.

FISCAL NOTE: Assuming no change in market or taxable values for the State of Montana, the 2-mill levy would raise $6,460,000 for the 1994-95 fiscal biennium.

FOR imposing a levy of 2 mills for the support and maintenance of vocational and technical education.

AGAINST imposing a levy of 2 mills for the support and maintenance of vocational and technical education.

The Attorney General wrote the ballot title and explanatory statement above, as required by law. The fiscal note was prepared for the Attorney General by the Office of Budget and Program Planning.

The arguments and the rebuttals for and against the ballot proposal are printed here exactly as written by the committees preparing the arguments and rebuttals.

Argument FOR Legislative Referendum 109

In 1987, the Montana legislature transferred responsibility for governance of the five vocational technical centers from the local school districts of Billings, Butte, Great Falls, Helena and Missoula to the Board of Regents of Higher Education. At that point in time, the VT Centers functioned as separate and unconnected institutions with no mechanism for overall coordination of activities or resources. Since 1987 when they became components of higher education, significant progress has been made toward achievement of the Regents' goal to create a modern postsecondary system of vocational technical education for the citizens of Montana. Together with the senior-level institutions and the community colleges, the vocational technical centers offer Montanans a broad array of educational and career choices.

The five vocational technical centers now comprise a statewide system of education for those adults who have workplace readiness and employment as their immediate objective. As the only public postsecondary institutions which are exclusively dedicated to the preparation of graduates for employment, the Vo Tech System provides affordable instructional programs in such areas as health sciences, business management, information processing and accounting technology, as well as various industry-related occupations such as
Argument FOR Legislative Referendum 109 (continued)

drafting, interior design, culinary arts, aircraft maintenance, and automotive technology. In addition to one and two year programs, the Centers offer opportunities for working adults to return to school for upgrading or "re-tooling" their skills through short-term, intensive courses designed to meet the continually changing needs of a technology-driven work environment. They are fully accredited by the Northwest Association of Colleges and Schools, and have been authorized by the Board of Regents to grant certificates and associate degrees to individuals who successfully complete educational programs.

The three public community colleges located in Kalispell, Glendive and Miles City provide both vocational technical educational programs of one and two years in length as well as courses which are designed for transfer to senior-level institutions. Under the guidance of the Board of Regents, the three community colleges and five vocational technical centers have established a collaborative relationship in matters related to program development and information sharing.

The Center for Vocational Education Research, Curriculmm and Personnel Development at Northern Montana College serves as a data collection and dissemination center which provides information to both secondary and postsecondary educators of Montana.

All revenue generated by this measure will be allocated to the Board of Regents to be used solely for the support and maintenance of postsecondary vocational technical education. Underfunded for at least a decade, this vital component of higher education has as its greatest significance the fact that Montanans who complete vocational technical programs gain the competencies they need in order to escape from the ranks of the unemployed and social welfare to a life of increased security and well being. Modern technological education requires up-to-date equipment and faculty with mastery of state of the art information. If passed, Referendum 109 will provide a measure of stable funding on behalf of these vitally important instructional programs and the Montanans who take advantage of them.

This PROONENTS' argument and rebuttal were prepared by Senator J.D. Lynch, Representative Edward Grady, and Brady J. Vardemann

Argument AGAINST Legislative Referendum 109

Legislative Referendum 109 asks the voters of Montana to approve an amendment to Initiative 105, the property tax freeze, approved by the voters in 1986. This amendment would provide for a tax increase of two mills levied on all taxable property in the state for the support and maintenance of vocational and technical education.

We urge you to vote no on this referendum for the following reasons:

1. Property taxes are already too high in Montana. In 1989 our property taxes were 5th highest in the nation as a percentage of personal income and were more than $100 per capita above the national average.

2. The vocational-technical centers (there are five) are an integral part of the higher education system in Montana. The funding of these centers, as well as funding of units of the University System, is a responsibility of the Montana Legislature and should be paid from state, not local sources of revenue. Property owners in counties where Vo-Tech centers are located are currently paying 1.5 mills for support of the centers. If this referendum passes, property owners in the five counties containing Vo-Tech centers will continue to pay the 1.5 mill levy as well as the new two mill levy.

3. The property tax has traditionally been reserved as a revenue source for our local schools and county and city governments. At present state revenue is short and the state legislature is looking at the property tax as a source for paying for state programs. If this trend is allowed to continue, it will harm not only the property taxpayers of Montana but ultimately local schools and local governments as state government usurps their primary revenue source.

4. Our final argument against this two mill property tax increase is that it is unlikely that it will result in increased funding for vocational-technical education in Montana. The higher education system in Montana is a part of the state general fund. The general fund, which has many
Argument AGAINST Legislative Referendum 109 (continued)

sources of tax revenue, pays for general state government operations. The Governor’s office, the Departments of Commerce, Revenue, Administration, Justice, Family Services, Health and Rehabilitative Services, and Institutions, are all part of the general fund as are all legislative agencies. The likely result, if the two mill levy is approved, is that state taxes which are currently allocated to Vo-Tech education will be withdrawn and used for other pressing purposes. The property owners of Montana will pay several million dollars per year in additional taxes which will supplement the state general fund, not vocational-technical education. We do not believe that taxes collected from this levy will be used to increase the funding of Vo-Tech in Montana. We believe it will be used to replace state dollars which would be withdrawn and spent on other agencies.

For these reasons we encourage you to vote no on legislative referendum 109.

The OPPONENTS’ argument and rebuttal were prepared by Senator Thomas F. Keating, Representative William E. Boharski, and Dennis M. Burr.

PROPONENTS’ rebuttal of the argument opposing Legislative Referendum 109

The vocational technical centers are indeed an integral part of the higher education system in Montana. Yet, unlike the four year institutions, there is no statewide levy (such as the 6 mill levy voted on behalf of the six colleges and universities) to provide these institutions with a stable revenue stream. Instead, their budgets are subject to renegotiation through the legislative process every two years -- a situation which impairs their ability to plan instructional programming on a long range basis to meet the projected needs of business and industry in their communities and on a statewide basis.

OPPONENTS’ rebuttal of the argument supporting Legislative Referendum 109

Those who oppose the two mill property tax levy do not question the value of vocational-technical education in Montana.

Now that the vo-tech centers are part of higher education, they should be financed by the state legislature. Their funding should not come from property taxes as it did when the centers were funded and controlled by local high school districts across the state.

If Referendum 109 passes, property taxes will increase. However, there is no guarantee that the vo-tech centers will receive any increase in funds. State support will be withdrawn from these units and replaced with this new property tax.

The legislature already uses this questionable process with the 1.5 mill levy which is paid by residents in the counties where vo-tech centers are located. The appropriation bill passed by the 1991 legislature contains the following language: “The Commissioner of Higher Education may transfer millage collections among the centers. Total revenue received from the 1.5 mill levy that exceeds $965,005 in fiscal 1992, and $981,480 in fiscal 1993, is appropriated to the Office of the Commissioner of Higher Education for distribution to the vocational-technical centers and must result in a general fund reversion of a like amount.” (Emphasis added)

Property tax revenue is already being used to replace general fund appropriations to the vo-tech centers. The same procedure will likely be used if Referendum 109 passes. We urge Montanans to show their disapproval of higher property taxes and this cynical budget maneuver by voting no on Referendum 109.

The complete text of LR-109 is on Page 11
HOW THE ISSUE APPEARS ON THE BALLOT

Legislative Referendum No. 110
An act referred by the Legislature

AN ACT CREATING A TREASURE STATE ENDOWMENT PROGRAM; CREATING THE TREASURE STATE ENDOWMENT FUND WITHIN THE COAL SEVERANCE TAX TRUST FUND; PROVIDING THAT ONE-HALF OF THE ANNUAL REVENUE THAT WOULD OTHERWISE BE DEPOSITED IN THE COAL SEVERANCE TAX PERMANENT FUND BE DEPOSITED IN THE ENDOWMENT FUND; AUTHORIZING THE USE OF INTEREST FROM THE ENDOWMENT FUND FOR GRANTS, DEBT RETIREMENT, AND LOANS TO LOCAL GOVERNMENTS; TRANSFERRING $10 MILLION FROM THE PERMANENT FUND TO THE ENDOWMENT FUND; EXPANDING THE COAL SEVERANCE TAX BOND PROGRAM; SUBMITTING THE CREATION OF THE PROGRAM TO THE QUALIFIED ELECTORS OF MONTANA; AND AMENDING SECTIONS 17-5-701 AND 17-5-703, MCA.

This proposal was submitted by the Legislature for a vote. The Montana Constitution requires that 50% of coal severance taxes be dedicated to a trust fund. This measure would create an endowment fund within the permanent trust which, for twenty years, would capture 1/2 of all money flowing into the trust that is not otherwise allocated by the Legislature. The endowment fund’s principal could not be spent, but its earnings would be used to provide financial assistance for targeted local government infrastructure projects. Project proposals would be submitted by local governments, reviewed by the Governor, and recommended for legislative approval.

FISCAL NOTE: This measure redirects coal severance tax from the permanent trust to a treasure state endowment trust. Trust interest will partially finance local governments’ capital facilities and improvements. The interest earned in 1994 will be approximately $1.5 million and will increase to $18.5 million by the year 2013.

FOR creating the treasure state endowment fund to provide local governments coal severance tax trust fund interest for water, sewer, solid waste, and bridge projects.

AGAINST creating the treasure state endowment fund to provide local governments coal severance tax trust fund interest for water, sewer, solid waste, and bridge projects.

The Attorney General wrote the ballot title and explanatory statement above, as required by law. The fiscal note was prepared for the Attorney General by the Office of Budget and Program Planning.

The arguments and the rebuttals for and against the ballot proposal are printed here exactly as written by the committees preparing the arguments and rebuttals.
GENERAL INFORMATION
Montanans need our cities, towns and counties to improve their essential infrastructure -- sewer, water, and solid waste disposal systems and bridges -- by either repairing them or building them anew.

Montanans need jobs.

And business needs solid infrastructure on which to build.

The Treasure State Endowment addresses all of these important needs.

This Endowment will give our local governments state matching funds for infrastructure improvements, create construction jobs, and build a better business base.

The Treasure State Endowment does all that without busting the state's Coal Tax Trust Fund.

Today governments at all levels are finding themselves and taxpayers broke. Together, we in Montana must find a way to meet our critical infrastructure needs without increasing our state taxes or stealing money from the state's one hope for fiscal stability -- our Coal Tax Trust.

Instead of breaking the integrity of the Coal Tax Trust, as Governor Stephens' Big Sky Dividend proposes, the Treasure State Endowment spends only a portion of the interest income from the Coal Tax Trust.

It does so by setting aside an initial $10 million plus 1/2 of the coal taxes going into the Trust over the next 20 years and forever dedicating the interest income from that set-aside to infrastructure.

COMPARING THE TREASURE STATE ENDOWMENT TO GOVERNOR STEPHENS' BIG SKY DIVIDEND BILL

A government farsighted enough to have a Trust Fund must resist the temptation to just go out and blow the dough.

The governor's program spends our Trust Fund, forgetting the future.

Infrastructure problems will be with us forever -- we need a permanent, not a temporary, solution.

The governor's program ends after just 10 years. The Endowment helps your local government permanently.

Every dollar of Coal Tax Trust interest spent on local infrastructure is a dollar that would otherwise go to the state's general fund, so the state is pressed to look for replacement revenue.

Over the next 10 years the governor's program would cost the general fund approximately $88.5 million.

The Endowment would cost only $54.8 million, saving the taxpayers over $33 million.

Infrastructure costs big money -- Montana already has a $400 million backlog of local projects.

The governor's program will provide only $190 million before it ends. The Endowment will fund many more projects, providing at least $337 million over 30 years, $517 million over 40 years, $697 million over 50 years, etc.

Government binge spending, like Governor Stephens' scheme, invites "pork barrel" politics.

The governor's program would allow the Governor alone to decide who should get the money. The Endowment makes the governor and the legislature agree on the projects to be funded -- out in the open, above the table.

CONCLUSION

Governor Stephens' Big Sky Dividend is bad public policy.

The Treasure State Endowment, however, is a farsighted and flexible, but fiscally prudent, way to meet our local governments' infrastructure needs.
Argument FOR Legislative Referendum 110 (continued)

For jobs, a better base for business growth, repair of our infrastructure, and for a long term, workable solution, you should vote FOR Legislative Referendum 110.

This PROPOSENTS’ argument and rebuttal were prepared by President of the Senate Joseph P. Mazurek, Speaker of the House Hal Harper, and Representative Jessica Stickney.

Argument AGAINST Legislative Referendum 110

The Treasure State Endowment Fund (TSEF) will prove totally inadequate in addressing the $400 million of improvements needed by Montana communities to repair their water, sewer, solid waste, and bridge problems. In spite of taking $10 million from the permanent Coal Trust Fund, 1/2 of available Coal Severance Tax revenue each year, and the issuing of Coal Severance Tax bonds for additional money to loan to local governments, this program will have little, if any, impact on our $400 million problem.

Raiding Coal Tax Trust - Presently, interest income from the Trust is allocated to the School Foundation Program and General Fund. This income, at its current level, is sorely needed. By transferring $10 million from the Trust to TSEF, other taxes will have to be raised to compensate for the loss to our current level of revenue.

Selecting Projects - This program calls for the Departments of Commerce and Natural Resources and Conservation to submit proposed projects to the Governor, who will review and submit a list for legislative approval. Then, the list will be modified to reflect the political realities of past elections and a consensus among 51% of the legislators. The small communities, who need the most help, will suffer because of their lack of representation in the legislature.

Funding - In 1991, the Coal Severance Tax (CST) generated $19.5 million for the trust fund, $5 million of which is allocated to the Clean Coal Technology Fund, and up to $3.5 million could be required for water and school bonds. This would leave $11 million, one-half of which would go to the TSEF. That, in turn, would only yield $0.5 million in interest for funding actual construction during the first year.

The referendum also authorizes the legislature to issue more CST bonds to increase the amount of initial funds. As the bonding capacity of the Fund is limited, this means the existing Water Development Program will have to compete with TSEF for those limited dollars. As this program fails to specify the repayment source for the CST bonds, it would be reasonable to assume that the local communities would have to pay.

There is no guarantee that TSEF will be a source of revenue forever. By a simple majority, the next legislature could divert this money to other programs. In view of how the legislature has worked to eliminate the tax limitations imposed by I-105, this is a very real threat.

Summary - The TSEF will simply not provide the money necessary to address the infrastructure needs of our local communities. Also, the referendum fails to point out the negative effect that TSEF will have on other existing funds; the taxes required to replace dislocated funds; and the additional local taxes needed to participate in the program.

There are better and more effective ways of addressing Montana’s infrastructure problems. We must invest our coal tax revenue wisely and effectively to solve today’s problems for the benefit of future generations. This referendum is not the right answer for Montana.

Vote NO.

This OPPONENTS’ argument and the rebuttal were prepared by Senator Larry Tveit, Representative H.S. “Sonny” Hanson, and Robert L. Sanderson.
The opponents’ contentions against the Treasure State Endowment don’t hold water.

**OPPONENTS’ CONTENTIONS**

The Endowment won’t do enough to impact our $400 Million problem.

The Endowment will raid the Coal Tax Trust, costing the state’s general fund.

The project selection process will be unfair to small communities.

There will be costs to local governments under the bonding program.

There are better ways to deal with our infrastructure problem.

The legislature may eliminate the program in the future.

**THE FACTS**

The amount of state matching funds from the Endowment over the next 10 years can fund up to $150 Million in infrastructure projects and, being permanent, it will provide funds for years to come.

The Endowment, without breaking the Coal Tax Trust, will cost the general fund $33 Million less than the Governor’s proposal.

The same process is used in the state’s water bond program and virtually all of the funded projects are from small towns and rural areas.

As with the Governor’s program, local governments will participate financially in all projects. This is not a state giveaway, it is a partnership between the state and local governments.

Opponents have proposed no other specific solutions. The Endowment provides the best solutions in the most cost effective manner.

History shows that when the people vote in a law by referendum the legislature won’t tamper with it.

Your strong passage of this referendum is your insurance policy that the Treasure State Endowment program will provide you the promised benefits for years to come.

**OPPONENTS’ rebuttal of the argument supporting Legislative Referendum 110**

The proponents of LR-110 (TSEF) continue to rely on scare tactics by employing comparisons to a program that does not exist; overly inflating financial projections as to how their proposal will perform; and blatant misrepresenting how the Coal Tax Fund will be impacted.

Contrary to what the proponents of TSEF would like the voters to believe, the Big Sky Dividend Constitutional Amendment (BSD) will not allow the Governor to determine the projects; that is left to the legislature to decide.

The BSD also does not “bust the Trust.” The only money that the legislature can spend under BSD is the new coal tax revenue collected each year. None of the $508 million already in the fund can be touched as part of the BSD, but it will be under TSEF.

Yes, the BSD does end after ten years. But it gets more done in ten than TSEF can do in twenty. And with $400 million of existing problems, we cannot wait twenty years to get started, as the problems will only increase.

The proponents of LR-110 also claim “TSEF is forever.” In fact, forever is only as long as the legislature wants it be. In view of how quick they were to ignore the intent of I-105, don’t expect “forever” to be too long.

TSEF proposes to create another government loan program. The Big Sky Dividend, on the other hand, provides the kind of support that will save taxpayers money, not cost them more. It provides the needed assistance now.

The complete text of LR-110 is on page 13.
AN ACT IMPOSING A 2-MILL LEVY UPON THE TAXABLE VALUE OF ALL REAL AND PERSONAL PROPERTY SUBJECT TO TAXATION IN MONTANA FOR THE SUPPORT AND MAINTENANCE OF VOCATIONAL AND TECHNICAL EDUCATION; REPLACING REVENUE FROM THE SCHOOL DISTRICT LEVY FOR VOCATIONAL-TECHNICAL CENTERS; SUBMITTING THE LEVY TO THE QUALIFIED ELECTORS OF MONTANA; PROVIDING FOR THE RESTRICTED USE OF THE STATEWIDE MILL LEVY AT COMMUNITY COLLEGES; AMENDING SECTIONS 15-10-402, 15-10-412, 20-15-311, AND 20-16-205, MCA; REPEALING SECTION 20-16-207, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE.

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

Section 1. Tax levy for vocational and technical education. (1) There is levied annually upon the taxable value of all real and personal property subject to taxation in the state of Montana 2 mills for the support and maintenance of vocational and technical education. The revenue from the 2-mill levy must be distributed as follows:
(a) not more than 4% of the total revenue collected from the mill levy to the center for vocational education research, curriculum, and personnel development at northern Montana college in Havre; and
(b) the remainder to the vocational-technical center system and community college districts of Montana. (2) The funds raised from the 2-mill levy are allocated to the board of regents for the purposes set forth in subsection (1).

Section 2. Section 15-10-402, MCA, is amended to read: "15-10-402. Property tax limited to 1986 levels. (1) Except as provided in subsections (2) and (3) through (4), the amount of taxes levied on property described in 15-6-133, 15-6-134, 15-6-136, 15-6-142, and 15-6-144 may not, for any taxing jurisdiction, exceed the amount levied for taxable year 1986. (2) The limitation contained in subsection (1) does not apply to levies for rural improvement districts, Title 7, chapter 12, part 21; special improvement districts, Title 7, chapter 12, part 41; elementary and high school districts, Title 20; or bonded indebtedness. (3) The limitation contained in 15-10-411, 15-10-412, or subsection (1) of this section does not apply to the 2-mill levy imposed in [section 1] for the support and maintenance of vocational and technical education. (4)(4) New construction or improvements to or deletions from property described in subsection (1) are subject to taxation at 1986 levels.

Section 3. Section 15-10-412, MCA, is amended to read: "15-10-412. Property tax limited to 1986 levels -- clarification -- extension to all property classes. Section 15-10-402 is interpreted and clarified as follows:
(1) The limitation to 1986 levels is extended to apply to all classes of property described in Title 15, chapter 6, part 1. (2) The limitation on the amount of taxes levied is interpreted to mean that, except as otherwise provided in this section, the actual tax liability for an individual property is capped at the dollar amount due in each taxing unit for the 1986 tax year. In tax years thereafter, the property must be taxed in each taxing unit at the 1986 cap or the product of the taxable value and mills levied, whichever is less for each taxing unit, except in a taxing unit that levied a tax in tax years 1983 through 1985 but did not levy a tax in 1986, in which case the actual tax liability for an individual property is capped at the dollar amount due in that taxing unit for the 1985 tax year. (3) The limitation on the amount of taxes levied does not mean that no further increase may be made in the total taxable valuation of a taxing unit as a result of:
(a) annexation of real property and improvements into a taxing unit; (b) construction, expansion, or remodeling of improvements; (c) transfer of property into a taxing unit; (d) subdivision of real property; (e) reclassification of property; (f) increases in the amount of production or the value of production for property described in 15-6-131 or 15-6-132; (g) transfer of property from tax-exempt to taxable status; (h) revaluations caused by:
(i) cyclical reappraisal; or
(ii) expansion, addition, replacement, or remodeling of improvements; or
(i) increases in property valuation pursuant to 15-7-111(4) through (8) in order to equalize property values annually. (4) The limitation on the amount of taxes levied does not mean that no further increase may be made in the taxable valuation or in the actual tax liability on individual property in each class as a result of:
(a) a revaluation caused by:
(i) construction, expansion, replacement, or remodeling of improvements that adds value to the property; or
(ii) cyclical reappraisal; (b) transfer of property into a taxing unit; (c) reclassification of property; (d) increases in the amount of production or the value of production for property described in 15-6-131 or 15-6-132; (e) annexation of the individual property into a new taxing unit; (f) conversion of the individual property from tax-exempt to taxable status; or
(g) increases in property valuation pursuant to 15-7-111(4) through (8) in order to equalize property values annually. (5) Property in classes four, twelve, and fourteen is valued according to the procedures used in 1986, including the designation of 1982 as the base year, until the reappraisal cycle beginning January 1, 1986, is completed and new valuations are placed on the tax rolls and a new base year designated, if the property is:
(a) new construction;
(b) expanded, deleted, replaced, or remodeled improvements;
(c) annexed property; or
(d) property converted from tax-exempt to taxable status.

(6) Property described in subsections (5)(a) through (5)(d) that is not class four, class twelve, or class fourteen property is valued according to the procedures used in 1986 but is also subject to the dollar cap in each taxing unit based on 1986 mills levied.

(7) The limitation on the amount of taxes, as clarified in this section, is intended to leave the property appraisal and valuation methodology of the department of revenue intact. Determinations of county classifications, salaries of local government officers, and all other matters in which total taxable valuation is an integral component are not affected by 15-10-401 and 15-10-402 except for the use of taxable valuation in fixing tax levies. In fixing tax levies, the taxing units of local government may anticipate the deficiency in revenues resulting from the tax limitations in 15-10-401 and 15-10-402, while understanding that regardless of the amount of mills levied, a taxpayer's liability may not exceed the dollar amount due in each taxing unit for the 1986 tax year unless:

(a) the taxing unit's taxable valuation decreases by 5% or more from the 1986 tax year. If a taxing unit's taxable valuation decreases by 5% or more from the 1986 tax year, it may levy additional mills to compensate for the decreased taxable valuation, but in no case may the mills levied exceed a number calculated to equal the revenue from property taxes for the 1986 tax year in that taxing unit.

(b) a levy authorized under Title 20 raised less revenue in 1986 than was raised in either 1984 or 1985, in which case the taxing unit may, after approval by the voters in the taxing unit, raise each year thereafter an additional number of mills but may not levy more revenue than the 3-year average of revenue raised for that purpose during 1984, 1985, and 1986;

(c) a levy authorized in 50-2-111 that was made in 1986 was for less than the number of mills levied in either 1984 or 1985, in which case the taxing unit may, after approval by the voters in the taxing unit, levy each year thereafter an additional number of mills but may not levy more than the 3-year average number of mills levied for that purpose during 1984, 1985, and 1986.

(8) The limitation on the amount of taxes levied does not apply to the following levy or special assessment categories, whether or not they are based on commitments made before or after approval of 15-10-401 and 15-10-402:

(a) rural improvement districts;

(b) special improvement districts;

(c) levies pledged for the repayment of bonded indebtedness, including tax increment bonds;

(d) city street maintenance districts;

(e) tax increment financing districts;

(f) the satisfaction of judgments against a taxing unit;

(g) street lighting assessments;

(h) revolving funds to support any categories specified in this subsection (8);

(i) levies for economic development authorized pursuant to 90-5-112(4); and

(j) the statewide levy for vocational and technical education authorized in [section 1]; and

(k) elementary and high school districts.

(9) The limitation on the amount of taxes levied does not apply in a taxing unit if the voters in the taxing unit approve an increase in tax liability following a resolution of the governing body of the taxing unit containing:

(a) a finding that there are insufficient funds to adequately operate the taxing unit as a result of 15-10-401 and 15-10-402;

(b) an explanation of the nature of the financial emergency;

(c) an estimate of the amount of funding shortfall expected by the taxing unit;

(d) a statement that applicable fund balances are or by the end of the fiscal year will be depleted;

(e) a finding that there are no alternative sources of revenue;

(f) a summary of the alternatives that the governing body of the taxing unit has considered; and

(g) a statement of the need for the increased revenue and how it will be used.

(10) (a) The limitation on the amount of taxes levied does not apply to levies required to address the funding of relief of suffering of inhabitants caused by famine, conflagration, or other public calamity.

(b) The limitation set forth in this chapter on the amount of taxes levied does not apply to levies to support a city-county board of health as provided in Title 50, chapter 2, if the governing bodies of the taxing units served by the board of health determine, after a public hearing, that public health programs require funds to ensure the public health. A levy for the support of a local board of health may not exceed the 5-mill limit established in 50-2-111.

(11) The limitation on the amount of taxes levied by a taxing jurisdiction subject to a statutory maximum mill levy does not prevent a taxing jurisdiction from increasing its number of mills beyond the statutory maximum mill levy to produce revenue equal to its 1986 revenue.

(12) The limitation on the amount of taxes levied does not apply to a levy increase to repay taxes paid under protest in accordance with 15-1-402.

Section 4. Section 20-15-311, MCA, is amended to read:

"20-15-311. Funding sources. The annual operating budget of a community college district shall must be financed from the following sources:

(1) the estimated revenues to be realized from student tuition and fees, except those related to community service courses as defined by the board of regents;

(2) a mandatory mill levy on the community college district;

(3) the 1-mill adult education levy authorized under provisions of 20-15-305;

(4) the state general fund appropriation;

(5) an optional voted levy on the community college district that shall must be submitted to the electorate in accordance with general school election laws;

(6) all other income, revenue, balances, or reserves not restricted by a source outside the community college district to a specific purpose;

(7) income, revenue, balances, or reserves restricted by a source outside the community college district to a specific purpose. Student fees paid for community service courses as defined by the board of regents shall and revenue from the 2-mill levy imposed in [section 1] must be considered restricted to a specific purpose;

(8) income from a political subdivision that is designated a"
community college service region under 20-15-241."

Section 5. Section 20-16-205, MCA, is amended to read: "20-16-205. Tuition rates. (1) Tuition may be charged to any resident or nonresident of the state of Montana by the director of any vocational-technical center at rates to be determined by the board of regents and the provisions of subsection (2). The board of regents shall prescribe permissible uses for any tuition authorized.
(2) For the purposes of this section, the eligibility of a student for resident status shall be determined in the same manner as that prescribed for use by the Montana university system, except that those provisions referring to "high school graduates" or "graduation from high school" shall be considered to refer to a person who has attended school or who was in attendance at a school.
(3) If an additional levy for a center is approved under 20-16-207, the board of regents may charge an additional tuition amount not to exceed $40 a quarter to a student at the center who is a resident of Montana but who is not a property taxpayer of the county or an owner of a vehicle registered within the county where the center is located."

Section 6. Repealer. Section 20-16-207, MCA, is repealed.

Section 7. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 15, chapter 10, part 1, and the provisions of Title 15, chapter 10, part 1, apply to [section 1].

Section 8. Submission to electorate. The question of whether this act will become effective shall be submitted to the qualified electors of Montana at the primary election to be held in June 1992 by printing on the ballot the full title of this act and the following:

□ FOR imposing a levy of 2 mills for the support and maintenance of vocational and technical education.

□ AGAINST imposing a levy of 2 mills for the support and maintenance of vocational and technical education.

Section 9. Effective date — applicability. If approved by the electorate, [this act] is effective December 31, 1992, and applies to tax years beginning after December 31, 1992.

The Complete Text of LEGISLATIVE REFERENDUM 110

AN ACT CREATING A TREASURE STATE ENDOWMENT PROGRAM; CREATING THE TREASURE STATE ENDOWMENT FUND WITHIN THE COAL SEVERANCE TAX TRUST FUND; PROVIDING THAT ONE-HALF OF THE ANNUAL REVENUE THAT WOULD OTHERWISE BE DEPOSITED IN THE COAL SEVERANCE TAX PERMANENT FUND BE DEPOSITED IN THE ENDOWMENT FUND; AUTHORIZING THE USE OF INTEREST FROM THE ENDOWMENT FUND FOR GRANTS, DEBT RETIREMENT, AND LOANS TO LOCAL GOVERNMENTS; TRANSFERRING $10 MILLION FROM THE PERMANENT FUND TO THE ENDOWMENT FUND; EXPANDING THE COAL SEVERANCE TAX BOND PROGRAM; SUBMITTING THE CREATION OF THE PROGRAM TO THE QUALIFIED ELECTORS OF MONTANA; AND AMENDING SECTIONS 17-5-701 AND 17-5-703, MCA.

STATEMENT OF INTENT

A statement of intent is necessary for [this act] because [section 6] delegates rulemaking authority to the department of natural resources and conservation and to the department of commerce. It is the intent of the legislature that in adopting rules to implement the prioritization of projects, the agencies shall use the rules established for determining priorities for water development projects as guidelines. The department of commerce should use its existing procedures for determining the local governments that are eligible for financing as a guide in adopting rules to implement the treasure state endowment program. In adopting rules to implement [this act], the departments shall take into consideration any coordination between [this act] and the coal severance tax school bond contingency loan fund.

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

Section 1. Treasure state endowment program created — definitions. (1) There is a treasure state endowment program that consists of:
(a) the treasure state endowment fund established in 17-5-703; and
(b) the infrastructure portion of the coal severance tax bond program provided for in 17-5-701(2).
(2) Interest from the treasure state endowment fund and from proceeds of the sale of bonds under 17-5-701(2) may be used to provide financial assistance for local government infrastructure projects under [sections 1, 2, and 5 through 8].
As used in [sections 1, 2, and 5 through 8], the following definitions apply:

(a) "Infrastructure projects" means:
   (i) drinking water systems;
   (ii) wastewater treatment;
   (iii) sanitary sewer or storm sewer systems;
   (iv) solid waste disposal and separation systems, including site acquisition, preparation, or monitoring; or
   (v) bridges.

(b) "Local government" means an incorporated city or town, a county, or a consolidated local government.

(c) "Treasure state endowment fund" means the coal severance tax infrastructure endowment fund established in 17-5-703(1)(b).

(d) "Treasure state endowment program" means the local government infrastructure investment program established in subsection (1).

Section 2. Purpose. The purpose of the treasure state endowment program is to assist local governments in funding infrastructure projects that will:

1. create jobs for Montana residents;
2. promote economic growth in Montana by helping to finance the necessary infrastructure;
3. encourage local public facility improvements;
4. create a partnership between the state and local governments to make necessary public projects affordable;
5. support long-term, stable economic growth in Montana;
6. protect future generations from undue fiscal burdens caused by financing necessary public works;
7. coordinate and improve infrastructure financing by federal, state, local government, and private sources; and
8. enhance the quality of life and protect the health, safety, and welfare of Montana citizens.

Section 3. Section 17-5-701, MCA, is amended to read:
"17-5-701. State of Montana coal severance tax bonds. This part provides for the issuance of state of Montana coal severance tax bonds (also referred to as coal severance tax bonds in this part) to:

1. finance water resource development projects and activities in the state designed to provide, during and after extensive coal mining, a healthy economy, the alleviation of social and economic impacts created by coal development, and a clean and healthful environment for present and future generations; and
2. finance loans to local governments for infrastructure projects under [sections 1, 2, and 5 through 8]."

Section 4. Section 17-5-703, MCA, is amended to read:
"17-5-703. Coal severance tax trust funds. (1) The trust established under Article IX, section 5, of the Montana constitution shall be composed of the following funds:

(a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal severance tax shall be deposited;
(b) a treasure state endowment fund;
(c) a clean coal technology demonstration fund;
(d) a coal severance tax permanent fund; and
(e) a coal severance tax income fund.

(2) The state treasurer shall determine the amount necessary to meet all principal and interest payments on bonds payable from the coal severance tax bond fund on the next two ensuing semiannual payment dates and retain that amount in the coal severance tax bond fund.

(3) Beginning on July 1, 1991, and ending on June 30, 1997, the state treasurer shall from time to time transfer the excess amount in the coal severance tax bond fund $5 million a year to the clean coal technology demonstration fund and, except as provided in subsection (4), shall transfer any remaining amount to the coal severance tax permanent fund.

(4) (a) Beginning on July 1, 1993, and ending on June 30, 2013, the state treasurer shall:

(i) from time to time transfer to the treasure state endowment fund all money in the coal severance tax bond fund except the amount necessary to meet all principal and interest payments on bonds payable from the coal severance tax bond fund on the next two ensuing semiannual payment dates; and

(ii) from time to time transfer to the coal severance tax permanent fund 50% of the principal transferred from the coal severance tax bond fund to the treasure state endowment fund in the preceding year.

(b) The state treasurer shall annually transfer to a treasure state endowment special revenue account the amount of interest earnings required to meet the obligations of the state that are payable from the account in accordance with [section 6]." Interest earnings not transferred to the treasure state endowment special revenue account must be retained in the treasure state endowment fund.

Section 5. Types of financial assistance available. The legislature shall provide for and make available to local governments the following types of financial assistance under [sections 1, 2, and 5 through 8];

1. matching grants for local infrastructure projects;
2. annual debt service subsidies on local infrastructure projects; and
3. loans from the proceeds of coal severance tax bonds at a subsidized interest rate.

Section 6. Priorities for projects -- procedure -- rulemaking.

1. The department of commerce must receive proposals for projects from local governments as defined in [section 1(3)(b)]. The department shall work with a local government in preparing cost estimates for a project. In reviewing project proposals, the department may consult with other state agencies with expertise pertinent to the proposal. The department shall prepare and submit a list containing the recommended projects and the recommended form of financial assistance for each project to the governor, prioritized pursuant to subsection (2). The governor shall review the projects recommended by the department of natural resources and conservation under Title 85, chapter 1, part 6, and shall submit a list of recommended projects and the recommended financial assistance to the legislature.

2. In preparing recommendations under subsection (1), preference must be given to projects based on the following order of priority:

(a) projects that solve urgent and serious public health or safety problems;
(b) projects that enable local governments to meet state or
Section 8. Coal severance tax trust fund to remain inviolate. [Sections 1, 2, and 5 through 10] do not authorize or permit the expenditure of any part of the coal severance tax trust fund created by Article IX, section 5, of the Montana constitution.

Section 9. Legislative implementation required. (1) The legislature shall implement [this act] by amending or enacting all legislation necessary to carry out the intent of [this act].
(2) If the process required under [section 6] has occurred, the 53rd legislature may approve projects.
(3) The 53rd legislature may authorize the issuance of bonds in order to provide the maximum amount of initial funding for the treasure state endowment program and shall take any action necessary to prevent a negative arbitrage consequence.

Section 10. Transfer of coal severance tax money to treasure state endowment fund. On July 1, 1993, $10 million is transferred from the coal severance tax permanent fund to the treasure state endowment fund and is dedicated for the purposes provided in [this act].

Section 11. Submission to electorate. The question of whether this act will become effective shall be submitted to the qualified electors of Montana at the primary election to be held in June 1992 by printing on the ballot the full title of this act and the following:

☐ FOR creating the treasure state endowment fund to provide local governments coal severance tax trust fund interest for water, sewer, solid waste, and bridge projects.

☐ AGAINST creating the treasure state endowment fund to provide local governments coal severance tax trust fund interest for water, sewer, solid waste, and bridge projects.

federal health or safety standards;
(c) projects that enable local governments to obtain funds from sources other than the funds provided under [sections 1, 2, and 5 through 8];
(d) projects that provide long-term, full-time job opportunities for Montanans;
(e) projects that provide public facilities necessary for the expansion of a business that has a high potential for financial success;
(f) projects that result in a benefit to the public commensurate with the amount of financial assistance;
(g) projects that reflect greater need for financial assistance than other projects;
(h) projects that maintain the tax base or that do not discourage expansion of the tax base; and
(i) projects that are high local priorities and have strong community support.
(3) After the review required by subsection (1), the projects must be approved by the legislature.
(4) The department of natural resources and conservation shall adopt rules to implement the prioritization and recommendation of projects to be financed pursuant to 17-5-701.
(5) Except as provided in subsection (4), the department of commerce shall adopt rules necessary to implement the treasure state endowment program.

Section 7. Infrastructure endowment fund to continue. The treasure state endowment fund created in 17-5-703 must be maintained even though transfers to the fund from the coal severance tax bond fund cease on June 30 of the 20th year following the initial transfer to the fund, as provided in [section 10]. Interest earnings from the treasure state endowment fund must continue to be paid annually to the treasure state endowment special revenue account as provided in 17-5-703(4)(b).
**What do I do when I get to the polls?**

Voting is a simple procedure. There will be several people, called election judges, at the polls to assist you.

Give your name to the first election judge, who will check for your name on the registration list and ask you to sign your name as it is listed in the book. You will then be directed to a voting booth.

You will be able to vote on either the Democratic or Republican ballot at this election. You may only vote one of these ballots.

Return both ballots to the election judge at the ballot box, indicating which ballot you marked and which you did not. The judge will place the voted ballot in the marked ballot box and the other ballot in the unmarked ballot box. That is all there is to it!

**What if I can’t vote on election day?**

You can vote an absentee ballot if you cannot get to the polls because you: 1) expect to be absent from your precinct or county on election day, 2) are physically incapacitated, 3) suffer from chronic illness or general ill health, or 4) have a health emergency between 5 p.m. on May 29 and noon on election day.

Additional copies of this Voter Information Pamphlet are available upon request from your county election administrator or the Secretary of State.

If you qualify for an absentee ballot, contact your county election administrator (usually the clerk and recorder) to request an absentee ballot application. Absentee ballots may be requested starting March 19 for the primary and August 20 for the general election. Absentee ballots will be accepted up to noon the day before the election.

**How can I find out if I am registered?**

If you have voted since that last presidential election, you are still registered to vote. If you are not sure if or where you are registered, you should contact your county election administrator.

The registration deadline for the primary is May 4 and for the general election, the deadline is October 5.

**Who is eligible to register**

Anyone who, on election day, is a U.S. citizen, at least eighteen years of age, and a resident of Montana and the county for thirty days may register to vote.

The voter registration card must be completed and signed before a witness before being turned in to the election administrator. The witness can be another registered voter from your county, a deputy registrar, or the election administrator.

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