

HOUSE BILL NO. 580

INTRODUCED BY SCHYE
BY REQUEST OF THE REVENUE
OVERSIGHT COMMITTEE

IN THE HOUSE

FEBRUARY 4, 1991 INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

FIRST READING.

FEBRUARY 14, 1991 COMMITTEE RECOMMEND BILL
DO PASS AS AMENDED. REPORT ADOPTED.

FEBRUARY 15, 1991 PRINTING REPORT.

FEBRUARY 16, 1991 SECOND READING, DO PASS.

FEBRUARY 18, 1991 ENGROSSING REPORT.

FEBRUARY 19, 1991 THIRD READING, PASSED.
AYES, 99; NOES, 0.

TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 20, 1991 INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

FIRST READING.

MARCH 7, 1991 COMMITTEE RECOMMEND BILL BE
CONCURRED IN AS AMENDED. REPORT
ADOPTED.

MARCH 11, 1991 ON MOTION, CONSIDERATION PASSED
UNTIL THE 53RD LEGISLATIVE DAY.

MARCH 12, 1991 ON MOTION, CONSIDERATION PASSED
UNTIL THE 55TH LEGISLATIVE DAY.

MARCH 14, 1991 ON MOTION, CONSIDERATION PASSED
UNTIL THE 58TH LEGISLATIVE DAY.

MARCH 18, 1991 SECOND READING, CONCURRED IN AS
AMENDED.

MARCH 19, 1991 ON MOTION, TAKEN FROM THIRD READING

AND PLACED ON SECOND READING FOR THE
PURPOSE OF AMENDMENT.

MARCH 20, 1991

SECOND READING, CONCURRED IN AS
AMENDED.

MARCH 21, 1991

THIRD READING, CONCURRED IN.
AYES, 49; NOES, 0.

RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 9, 1991

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 10, 1991

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

APRIL 15, 1991

REPORTED CORRECTLY ENROLLED.

SIGNED BY SPEAKER.

APRIL 16, 1991

SIGNED BY PRESIDENT.

DELIVERED TO GOVERNOR.

APRIL 20, 1991

RETURNED FROM GOVERNOR WITH
RECOMMENDED AMENDMENTS.

APRIL 22, 1991

SECOND READING, GOVERNOR'S
AMENDMENTS NOT CONCURRED IN.

IN THE SENATE

APRIL 23, 1991

SECOND READING, GOVERNOR'S
AMENDMENTS CONCURRED IN.

APRIL 24, 1991

THIRD READING, GOVERNOR'S
AMENDMENTS CONCURRED IN.

IN THE HOUSE

APRIL 23, 1991

ON MOTION, CONFERENCE COMMITTEE
REQUESTED.

APRIL 24, 1991

CONFERENCE COMMITTEE DISSOLVED.

IN THE SENATE

APRIL 24, 1991

ON MOTION, CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

CONFERENCE COMMITTEE DISSOLVED.

IN THE HOUSE

APRIL 24, 1991

ON MOTION, FREE CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

FREE CONFERENCE COMMITTEE REPORTED.

IN THE SENATE

APRIL 24, 1991

ON MOTION, FREE CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

APRIL 25, 1991

CONFERENCE COMMITTEE REPORT ADOPTED.

IN THE HOUSE

APRIL 25, 1991

SECOND READING, CONFERENCE COMMITTEE
REPORT ADOPTED.

THIRD READING, CONFERENCE COMMITTEE
REPORT ADOPTED.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 HOUSE BILL NO. 580
 2 INTRODUCED BY Schuy
 3 BY REQUEST OF THE REVENUE
 4 OVERSIGHT COMMITTEE

5
 6 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE
 7 SUPERINTENDENT OF PUBLIC INSTRUCTION TO USE THE PREVIOUS
 8 YEAR'S STATE, COUNTY, AND SCHOOL DISTRICT TAXABLE VALUE FOR
 9 DETERMINING MILL VALUES PER AVERAGE NUMBER BELONGING FOR THE
 10 PURPOSE OF CALCULATING GUARANTEED TAX BASE AID; REQUIRING
 11 THE DEPARTMENT OF REVENUE TO REPORT COUNTY AND SCHOOL
 12 DISTRICT TAXABLE VALUE BY DECEMBER 1 OF EACH YEAR; PROVIDING
 13 FOR A TRANSITION PERIOD TO REQUIRE THE SUPERINTENDENT OF
 14 PUBLIC INSTRUCTION TO USE 1990 TAXABLE VALUES FOR GUARANTEED
 15 TAX BASE PURPOSES FOR THE SCHOOL YEAR BEGINNING JULY 1,
 16 1991; AMENDING SECTIONS 20-9-366 AND 20-9-369, MCA; AND
 17 PROVIDING EFFECTIVE DATES, A RETROACTIVE APPLICABILITY DATE,
 18 AND A TERMINATION DATE."
 19

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

21 **Section 1.** Section 20-9-366, MCA, is amended to read:
 22 "20-9-366. Definitions. As used in 20-9-366 through
 23 20-9-369, the following definitions apply:
 24 (1) "County mill value per elementary ANB" or "county
 25 mill value per high school ANB" means the sum of the **current**

1 taxable valuation in the previous year of all property in
 2 the county plus the taxable value of oil and gas net
 3 proceeds determined under 15-23-607(4) for production
 4 occurring after March 31, 1990, plus the taxable value of
 5 coal gross proceeds determined under 15-23-703(3) plus all
 6 the taxable value of nonlevy revenue for the support of
 7 schools, other than Public Law 81-874 funds, divided by
 8 1,000, with the quotient divided by the total county
 9 elementary ANB count or the total county high school ANB
 10 count used to calculate the elementary school districts' and
 11 high school districts' current year foundation program
 12 amounts. The taxable value of nonlevy revenue for the
 13 purpose of computing guaranteed tax base aid for schools is
 14 the amount of nonlevy revenue received by a district in the
 15 previous year, including for fiscal year 1991 the revenue
 16 received in fiscal year 1990 from the net proceeds taxation
 17 of oil and natural gas and including for fiscal year 1992
 18 and thereafter the local government severance tax, divided
 19 by the number of mills levied by the district in the
 20 previous year, multiplied by 1,000.

21 (2) "District mill value per ANB" means the **current**
 22 taxable valuation in the previous year of all property in
 23 the district plus the taxable value of oil and gas net
 24 proceeds determined under 15-23-607(4) for production
 25 occurring after March 31, 1990, plus the taxable value of



1 coal gross proceeds determined under 15-23-703(3) plus all
 2 the taxable value of nonlevy revenue for the support of
 3 schools, other than Public Law 81-874 funds, divided by
 4 1,000, with the quotient divided by the ANB count of the
 5 district used to calculate the district's current year
 6 foundation program schedule amount. The taxable value of
 7 nonlevy revenue for the purpose of computing guaranteed tax
 8 base aid for schools is the amount of nonlevy revenue
 9 received by a district in the previous year, including for
 10 fiscal year 1991 the revenue received in fiscal year 1990
 11 from the net proceeds taxation of oil and natural gas and
 12 including for fiscal year 1992 and thereafter the local
 13 government severance tax, divided by the number of mills
 14 levied by the district in the previous year, multiplied by
 15 1,000.

16 (3) "Guaranteed overschedule general fund budget" means
 17 that portion of a district's general fund budget in excess
 18 of the foundation program amount for the district, as
 19 provided in 20-9-316 through 20-9-321, but not exceeding
 20 135% of the district's foundation program amount, and which
 21 excess is authorized under the provisions of 20-9-145 and
 22 20-9-353.

23 (4) "Statewide mill value per elementary ANB" or
 24 "statewide mill value per high school ANB" means the sum of
 25 the current taxable valuation in the previous year of all

1 property in the state plus the taxable value of oil and gas
 2 net proceeds determined under 15-23-607(4) for production
 3 occurring after March 31, 1990, plus the taxable value of
 4 coal gross proceeds determined under 15-23-703(3) plus all
 5 the taxable value of nonlevy revenue for the support of
 6 schools, other than Public Law 81-874 funds, divided by
 7 1,000, with the quotient divided by the total state
 8 elementary ANB count or the total state high school ANB
 9 count used to calculate the elementary school districts' and
 10 high school districts' current year foundation program
 11 amounts. The taxable value of nonlevy revenue for the
 12 purpose of computing guaranteed tax base aid for schools is
 13 the amount of nonlevy revenue received by a district in the
 14 previous year, including for fiscal year 1991 the revenue
 15 received in fiscal year 1990 from the net proceeds taxation
 16 of oil and natural gas and including for fiscal year 1992
 17 and thereafter the local government severance tax, divided
 18 by the number of mills levied by the district in the
 19 previous year, multiplied by 1,000."

20 **Section 2.** Section 20-9-369, MCA, is amended to read:

21 "20-9-369. Duties of superintendent of public
 22 instruction and department of revenue. (1) The
 23 superintendent of public instruction shall administer the
 24 distribution of guaranteed tax base aid by:

25 (a) providing each school district and county

1 superintendent, by June 15 of each year, with the
 2 preliminary statewide and county mill values per ANB and, by
 3 July 15 of each year, with the final statewide, district,
 4 and county mill values per ANB, for use in calculating the
 5 guaranteed tax base aid available for the ensuing school
 6 fiscal year;

7 (b) requiring each county and district that qualifies
 8 and applies for guaranteed tax base aid to report to the
 9 county superintendent all budget and accounting information
 10 required to administer the guaranteed tax base aid;

11 (c) keeping a record of the complete data concerning
 12 appropriations available for guaranteed tax base aid and the
 13 entitlements for such aid of the counties and districts that
 14 qualify;

15 (d) distributing the guaranteed tax base aid
 16 entitlement to each qualified county or district from the
 17 appropriations for that purpose.

18 (2) The superintendent shall adopt rules necessary to
 19 implement 20-9-366 through 20-9-369.

20 (3) The department of revenue shall provide the
 21 superintendent of public instruction by ~~June~~ December 1 of
 22 each year ~~a preliminary determination of the taxable value~~
 23 ~~of property within each school district and county of the~~
 24 ~~state and shall provide by July 1 of each year a final~~
 25 ~~determination of the taxable values~~ value of property within

1 each school district and county of the state reported to the
 2 department of revenue based on information delivered to the
 3 county clerk and recorder as required in 15-10-305."

4 NEW SECTION. Section 3. Transition period for school
 5 year beginning July 1, 1991. The superintendent of public
 6 instruction shall, for the purposes of the definitions
 7 contained in 20-9-366 and for performing the duties required
 8 in 20-9-369, use for the school fiscal year beginning July
 9 1, 1991, the taxable value of all property for calendar year
 10 1990 reported to the department of revenue based on
 11 information delivered to the county clerk and recorder as
 12 required in 15-10-305, which taxable value the department of
 13 revenue has provided to the superintendent of public
 14 instruction.

15 NEW SECTION. Section 4. Codification instruction.
 16 [Section 3] is intended to be codified as an integral part
 17 of Title 20, chapter 9, part 3, and the provisions of Title
 18 20, chapter 9, part 3, apply to [section 3].

19 NEW SECTION. Section 5. Retroactive applicability.
 20 [Section 3] applies retroactively, within the meaning of
 21 1-2-109, to the taxable year beginning after December 31,
 22 1990.

23 NEW SECTION. Section 6. Termination. [Section 3]
 24 terminates December 1, 1991.

25 NEW SECTION. Section 7. Effective dates. (1) Except as

LC 1359/01

1 provided in subsection (2), [this act] is effective July 1,
2 1991.

3 (2) [Section 3 and this section] are effective on
4 passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0580, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act requiring the Superintendent of Public Instruction to use the previous year's state, county, and school district taxable value for determining mill values per average number belonging for the purpose of calculating guaranteed tax base aid; requiring the Department of Revenue to report county and school district taxable value by December 1 of each year; and providing for a transition period to require the Superintendent of Public Instruction to use 1990 taxable values for guaranteed tax base purposes for the school year beginning July 1, 1991.

ASSUMPTIONS:


1. Under the proposed legislation, calendar year (CY) 1990 taxable values would be used by the Office of Public Instruction for FY92 guaranteed tax base calculations instead of CY 1991, and CY 1991 would be used for FY93 instead of CY 1992. For purposes of the GTB estimates contained in the executive budget, it is assumed that no change in statewide property taxable value will occur from CY 1990 to 1991 and from CY 1991 to 1992.

FISCAL IMPACT:


No impact.

TECHNICAL NOTE:

Line 1 of page 7 refers back to subsection 2. It appears that the reference is to section 2.

 2-8-91

ROD SUNDSTED, BUDGET DIRECTOR DATE
Office of Budget and Program Planning



TED SCHYE, PRIMARY SPONSOR DATE
Fiscal Note for HB0580, Introduced

HB 580

APPROVED BY COMMITTEE
ON TAXATION

1 HOUSE BILL NO. 580
2 INTRODUCED BY SCHYE
3 BY REQUEST OF THE REVENUE
4 OVERSIGHT COMMITTEE
5

6 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE
7 SUPERINTENDENT OF PUBLIC INSTRUCTION TO USE THE PREVIOUS
8 YEAR'S STATE, COUNTY, AND SCHOOL DISTRICT TAXABLE VALUE FOR
9 DETERMINING MILL VALUES PER AVERAGE NUMBER BELONGING FOR THE
10 PURPOSE OF CALCULATING GUARANTEED TAX BASE AID; REQUIRING
11 THE DEPARTMENT OF REVENUE TO REPORT COUNTY AND SCHOOL
12 DISTRICT TAXABLE VALUE BY DECEMBER 1 OF EACH YEAR; PROVIDING
13 FOR A TRANSITION PERIOD TO REQUIRE THE SUPERINTENDENT OF
14 PUBLIC INSTRUCTION TO USE 1990 TAXABLE VALUES FOR GUARANTEED
15 TAX BASE PURPOSES FOR THE SCHOOL YEAR BEGINNING JULY 1,
16 1991; AMENDING SECTIONS 20-9-366 AND 20-9-369, MCA; AND
17 PROVIDING EFFECTIVE DATES, A-RETROACTIVE APPLICABILITY DATE
18 DATES, AND A TERMINATION DATE."
19

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

21 **Section 1.** Section 20-9-366, MCA, is amended to read:

22 "20-9-366. Definitions. As used in 20-9-366 through
23 20-9-369, the following definitions apply:

24 (1) "County mill value per elementary ANB" or "county
25 mill value per high school ANB" means the sum of the current

1 taxable valuation in the previous year of all property in
2 the county plus the taxable value of oil and gas net
3 proceeds determined under 15-23-607(4) for production
4 occurring after March 31, 1990, plus the taxable value of
5 coal gross proceeds determined under 15-23-703(3) plus all
6 the taxable value of nonlevy revenue for the support of
7 schools THE ELEMENTARY SCHOOL AND HIGH SCHOOL DISTRICT
8 RETIREMENT FUND BUDGET, other than Public Law 81-874 funds,
9 divided by 1,000, with the quotient divided by the total
10 county elementary ANB count or the total county high school
11 ANB count used to calculate the elementary school districts'
12 and high school districts' current year foundation program
13 amounts. The taxable value of nonlevy revenue for the
14 purpose of computing guaranteed tax base aid for schools THE
15 COUNTY RETIREMENT FUND is the amount of nonlevy revenue
16 received-by-a-district DEPOSITED IN THE ELEMENTARY SCHOOL OR
17 HIGH SCHOOL DISTRICT RETIREMENT FUND in the previous
18 CALENDAR year, including for SCHOOL fiscal year 1991 the
19 revenue received in ~~fiscal~~ CALENDAR year 1990 from the net
20 proceeds taxation of oil and natural gas and including for
21 SCHOOL fiscal year 1992 and thereafter the local government
22 severance tax, divided by the number of mills levied by the
23 district COUNTY in the previous-year CURRENT SCHOOL FISCAL
24 YEAR IN SUPPORT OF THE ELEMENTARY AND HIGH SCHOOL DISTRICT
25 RETIREMENT FUND BUDGET, multiplied by 1,000.

SECOND READING



1 (2) "District mill value per ANB" means the current
 2 taxable valuation in the previous year of all property in
 3 the district plus the taxable value of oil and gas net
 4 proceeds determined under 15-23-607(4) for production
 5 occurring after March 31, 1990, plus the taxable value of
 6 coal gross proceeds determined under 15-23-703(3) plus all
 7 the taxable value of nonlevy revenue for the support of
 8 schools THE SCHOOL DISTRICT'S GENERAL FUND, other than
 9 Public Law 81-874 funds, divided by 1,000, with the quotient
 10 divided by the ANB count of the district used to calculate
 11 the district's current year foundation program ~~schedule~~
 12 amount. The taxable value of nonlevy revenue for the purpose
 13 of computing guaranteed tax base aid for schools is the
 14 amount of nonlevy revenue ~~received--by~~ DEPOSITED IN a
 15 district DISTRICT'S GENERAL FUND BUDGET in the previous
 16 CALENDAR year, including for SCHOOL fiscal year 1991 the
 17 revenue received in fiscal CALENDAR year 1990 from the net
 18 proceeds taxation of oil and natural gas and including for
 19 SCHOOL fiscal year 1992 and thereafter the local government
 20 severance tax, divided by the number of mills levied by the
 21 district in the previous-year CURRENT SCHOOL FISCAL YEAR IN
 22 SUPPORT OF THE DISTRICT'S GENERAL FUND BUDGET, multiplied by
 23 1,000.

24 (3) "Guaranteed overschedule general fund budget" means
 25 that portion of a district's general fund budget in excess

1 of the foundation program amount for the district, as
 2 provided in 20-9-316 through 20-9-321, but not exceeding
 3 135% of the district's foundation program amount, and which
 4 excess is authorized under the provisions of 20-9-145 and
 5 20-9-353.

6 (4) "STATEWIDE COUNTY MILL VALUE PER ELEMENTARY ANB" OR
 7 "STATEWIDE COUNTY MILL VALUE PER HIGH SCHOOL ANB" MEANS THE
 8 SUM OF THE TAXABLE VALUATION IN THE PREVIOUS YEAR OF ALL
 9 PROPERTY IN THE STATE PLUS THE TAXABLE VALUE OF OIL AND GAS
 10 NET PROCEEDS DETERMINED UNDER 15-23-607(4) FOR PRODUCTION
 11 OCCURRING AFTER MARCH 31, 1990, PLUS THE TAXABLE VALUE OF
 12 COAL GROSS PROCEEDS DETERMINED UNDER 15-23-703(3) PLUS ALL
 13 THE TAXABLE VALUE OF NONLEVY REVENUE FOR SUPPORT OF THE
 14 ELEMENTARY SCHOOL OR HIGH SCHOOL DISTRICT RETIREMENT FUND
 15 BUDGET, OTHER THAN PUBLIC LAW 81-874 FUNDS, DIVIDED BY
 16 1,000, WITH THE QUOTIENT DIVIDED BY THE TOTAL STATE
 17 ELEMENTARY ANB COUNT OR THE TOTAL STATE HIGH SCHOOL ANB
 18 AMOUNT USED TO CALCULATE THE ELEMENTARY SCHOOL DISTRICTS'
 19 AND HIGH SCHOOL DISTRICTS' CURRENT YEAR FOUNDATION PROGRAM
 20 AMOUNTS. THE TAXABLE VALUE OF NONLEVY REVENUE FOR THE
 21 PURPOSES OF COMPUTING GUARANTEED TAX BASE AID TO THE COUNTY
 22 RETIREMENT FUND IS THE AMOUNT OF NONLEVY REVENUE DEPOSITED
 23 IN THE ELEMENTARY SCHOOL OR HIGH SCHOOL DISTRICT RETIREMENT
 24 FUND THE PREVIOUS CALENDAR YEAR, INCLUDING FOR SCHOOL FISCAL
 25 YEAR 1991 THE REVENUE RECEIVED IN CALENDAR YEAR 1990 FROM

1 THE NET PROCEEDS TAXATION OF OIL AND NATURAL GAS AND
 2 INCLUDING FOR SCHOOL FISCAL YEAR 1992 AND THEREAFTER THE
 3 LOCAL GOVERNMENT SEVERANCE TAX, DIVIDED BY THE NUMBER OF
 4 MILLS LEVIED BY THE COUNTY IN THE CURRENT SCHOOL FISCAL YEAR
 5 IN SUPPORT OF THE ELEMENTARY SCHOOL AND HIGH SCHOOL
 6 RETIREMENT FUNDS, MULTIPLIED BY 1,000.

7 ~~††~~(5) "Statewide DISTRICT mill value per elementary
 8 ANB" or "statewide DISTRICT mill value per high school ANB"
 9 means the sum of the current taxable valuation in the
 10 previous year of all property in the state plus the taxable
 11 value of oil and gas net proceeds determined under
 12 15-23-607(4) for production occurring after March 31, 1990,
 13 plus the taxable value of coal gross proceeds determined
 14 under 15-23-703(3) plus all the taxable value of nonlevy
 15 revenue for the support of ~~schools~~ THE GENERAL FUND BUDGET
 16 OF ALL SCHOOL DISTRICTS, other than Public Law 81-874 funds,
 17 divided by 1,000, with the quotient divided by the total
 18 state elementary ANB count or the total state high school
 19 ANB count used to calculate the elementary school districts'
 20 and high school districts' current year foundation program
 21 amounts. The taxable value of nonlevy revenue for the
 22 purpose of computing guaranteed tax base aid for schools is
 23 the amount of nonlevy revenue ~~received-by-a~~ DEPOSITED TO THE
 24 GENERAL FUND OF A SCHOOL district in the previous CALENDAR
 25 year, including for SCHOOL fiscal year 1991 the revenue

1 received in ~~fiscal~~ CALENDAR year 1990 from the net proceeds
 2 taxation of oil and natural gas and including for SCHOOL
 3 fiscal year 1992 and thereafter the local government
 4 severance tax, divided by the number of mills levied by the
 5 district in the previous year, multiplied by 1,000."

6 **Section 2.** Section 20-9-369, MCA, is amended to read:

7 "20-9-369. Duties of superintendent of public
 8 instruction and department of revenue. (1) The
 9 superintendent of public instruction shall administer the
 10 distribution of guaranteed tax base aid by:

11 (a) providing each school district and county
 12 superintendent, by ~~June--15~~ MARCH 1 of each year, with the
 13 preliminary statewide and county mill values per ANB and, by
 14 ~~July--15~~ MAY 1 of each year, with the final statewide,
 15 district, and county mill values per ANB, for use in
 16 calculating the guaranteed tax base aid available for the
 17 ensuing school fiscal year;

18 (b) requiring each county and district that qualifies
 19 and applies for guaranteed tax base aid to report to the
 20 county superintendent all budget and accounting information
 21 required to administer the guaranteed tax base aid;

22 (c) keeping a record of the complete data concerning
 23 appropriations available for guaranteed tax base aid and the
 24 entitlements for such aid of the counties and districts that
 25 qualify;

1 (d) distributing the guaranteed tax base aid
2 entitlement to each qualified county or district from the
3 appropriations for that purpose.

4 (2) The superintendent shall adopt rules necessary to
5 implement 20-9-366 through 20-9-369.

6 (3) The department of revenue shall provide the
7 superintendent of public instruction by June December 1 of
8 each year ~~a preliminary determination of the taxable value~~
9 ~~of property within each school district and county of the~~
10 ~~state and shall provide by July 1 of each year a final~~
11 ~~determination of the taxable values value of property within~~
12 ~~each school district and county of the state reported to the~~
13 ~~department of revenue based on information delivered to the~~
14 ~~county clerk and recorder as required in 15-10-305."~~

15 NEW SECTION. Section 3. Transition period for school
16 year beginning July 1, 1991. The superintendent of public
17 instruction shall, for the purposes of the definitions
18 contained in 20-9-366 and for performing the duties required
19 in 20-9-369, use for the school fiscal year beginning July
20 1, 1991, the taxable value of all property for calendar year
21 1990 reported to the department of revenue based on
22 information delivered to the county clerk and recorder as
23 required in 15-10-305, which taxable value the department of
24 revenue has provided to the superintendent of public
25 instruction.

1 NEW SECTION. Section 4. Codification instruction.
2 [Section 3] is intended to be codified as an integral part
3 of Title 20, chapter 9, part 3, and the provisions of Title
4 20, chapter 9, part 3, apply to [section 3].

5 NEW SECTION. Section 5. ~~retroactive~~ ~~applicability~~
6 APPLICABILITY. (1) [Section 3] applies retroactively, within
7 the meaning of 1-2-109, to the taxable year beginning after
8 December 31, 1990.

9 (2) EXCEPT AS PROVIDED IN SUBSECTION (1), [THIS ACT]
10 APPLIES TO SCHOOL FISCAL YEARS BEGINNING AFTER JUNE 30,
11 1991.

12 NEW SECTION. Section 6. Termination. [Section 3]
13 terminates December 1, 1991.

14 NEW SECTION. Section 7. Effective dates. (1) Except as
15 provided in subsection (2), [this act] is effective July 1,
16 1991.

17 (2) [Section 3 and this section] are effective on
18 passage and approval.

-End-

1 HOUSE BILL NO. 580
 2 INTRODUCED BY SCHYE
 3 BY REQUEST OF THE REVENUE
 4 OVERSIGHT COMMITTEE
 5

6 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE
 7 SUPERINTENDENT OF PUBLIC INSTRUCTION TO USE THE PREVIOUS
 8 YEAR'S STATE, COUNTY, AND SCHOOL DISTRICT TAXABLE VALUE FOR
 9 DETERMINING MILL VALUES PER AVERAGE NUMBER BELONGING FOR THE
 10 PURPOSE OF CALCULATING GUARANTEED TAX BASE AID; REQUIRING
 11 THE DEPARTMENT OF REVENUE TO REPORT COUNTY AND SCHOOL
 12 DISTRICT TAXABLE VALUE BY DECEMBER 1 OF EACH YEAR; PROVIDING
 13 FOR A TRANSITION PERIOD TO REQUIRE THE SUPERINTENDENT OF
 14 PUBLIC INSTRUCTION TO USE 1990 TAXABLE VALUES FOR GUARANTEED
 15 TAX BASE PURPOSES FOR THE SCHOOL YEAR BEGINNING JULY 1,
 16 1991; AMENDING SECTIONS 20-9-366 AND 20-9-369, MCA; AND
 17 PROVIDING EFFECTIVE DATES, A-RETROACTIVE APPLICABILITY DATE
 18 DATES, AND A TERMINATION DATE."
 19

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

21 **Section 1.** Section 20-9-366, MCA, is amended to read:
 22 "20-9-366. Definitions. As used in 20-9-366 through
 23 20-9-369, the following definitions apply:
 24 (1) "County mill value per elementary ANB" or "county
 25 mill value per high school ANB" means the sum of the current

1 taxable valuation in the previous year of all property in
 2 the county plus the taxable value of oil and gas net
 3 proceeds determined under 15-23-607(4) for production
 4 occurring after March 31, 1990, plus the taxable value of
 5 coal gross proceeds determined under 15-23-703(3) plus all
 6 the taxable value of nonlevy revenue for the support of
 7 schools THE ELEMENTARY SCHOOL AND HIGH SCHOOL DISTRICT
 8 RETIREMENT FUND BUDGET, other than Public Law 81-874 funds,
 9 divided by 1,000, with the quotient divided by the total
 10 county elementary ANB count or the total county high school
 11 ANB count used to calculate the elementary school districts'
 12 and high school districts' current year foundation program
 13 amounts. The taxable value of nonlevy revenue for the
 14 purpose of computing guaranteed tax base aid for schools THE
 15 COUNTY RETIREMENT FUND is the amount of nonlevy revenue
 16 received-by-a-district DEPOSITED IN THE ELEMENTARY SCHOOL OR
 17 HIGH SCHOOL DISTRICT RETIREMENT FUND in the previous
 18 CALENDAR year, including for SCHOOL fiscal year 1991 the
 19 revenue received in fiscal CALENDAR year 1990 from the net
 20 proceeds taxation of oil and natural gas and including for
 21 SCHOOL fiscal year 1992 and thereafter the local government
 22 severance tax, divided by the number of mills levied by the
 23 district COUNTY in the previous-year CURRENT SCHOOL FISCAL
 24 YEAR IN SUPPORT OF THE ELEMENTARY AND HIGH SCHOOL DISTRICT
 25 RETIREMENT FUND BUDGET, multiplied by 1,000.

THIRD READING



1 (2) "District mill value per ANB" means the current
 2 taxable valuation in the previous year of all property in
 3 the district plus the taxable value of oil and gas net
 4 proceeds determined under 15-23-607(4) for production
 5 occurring after March 31, 1990, plus the taxable value of
 6 coal gross proceeds determined under 15-23-703(3) plus all
 7 the taxable value of nonlevy revenue for the support of
 8 schools THE SCHOOL DISTRICT'S GENERAL FUND, other than
 9 Public Law 81-874 funds, divided by 1,000, with the quotient
 10 divided by the ANB count of the district used to calculate
 11 the district's current year foundation program schedule
 12 amount. The taxable value of nonlevy revenue for the purpose
 13 of computing guaranteed tax base aid for schools is the
 14 amount of nonlevy revenue received--by DEPOSITED IN a
 15 district DISTRICT'S GENERAL FUND BUDGET in the previous
 16 CALENDAR year, including for SCHOOL fiscal year 1991 the
 17 revenue received in fiscal CALENDAR year 1990 from the net
 18 proceeds taxation of oil and natural gas and including for
 19 SCHOOL fiscal year 1992 and thereafter the local government
 20 severance tax, divided by the number of mills levied by the
 21 district in the previous-year CURRENT SCHOOL FISCAL YEAR IN
 22 SUPPORT OF THE DISTRICT'S GENERAL FUND BUDGET, multiplied by
 23 1,000.

24 (3) "Guaranteed overschedule general fund budget" means
 25 that portion of a district's general fund budget in excess

1 of the foundation program amount for the district, as
 2 provided in 20-9-316 through 20-9-321, but not exceeding
 3 135% of the district's foundation program amount, and which
 4 excess is authorized under the provisions of 20-9-145 and
 5 20-9-353.

6 (4) "STATEWIDE COUNTY MILL VALUE PER ELEMENTARY ANB" OR
 7 "STATEWIDE COUNTY MILL VALUE PER HIGH SCHOOL ANB" MEANS THE
 8 SUM OF THE TAXABLE VALUATION IN THE PREVIOUS YEAR OF ALL
 9 PROPERTY IN THE STATE PLUS THE TAXABLE VALUE OF OIL AND GAS
 10 NET PROCEEDS DETERMINED UNDER 15-23-607(4) FOR PRODUCTION
 11 OCCURRING AFTER MARCH 31, 1990, PLUS THE TAXABLE VALUE OF
 12 COAL GROSS PROCEEDS DETERMINED UNDER 15-23-703(3) PLUS ALL
 13 THE TAXABLE VALUE OF NONLEVY REVENUE FOR SUPPORT OF THE
 14 ELEMENTARY SCHOOL OR HIGH SCHOOL DISTRICT RETIREMENT FUND
 15 BUDGET, OTHER THAN PUBLIC LAW 81-874 FUNDS, DIVIDED BY
 16 1,000, WITH THE QUOTIENT DIVIDED BY THE TOTAL STATE
 17 ELEMENTARY ANB COUNT OR THE TOTAL STATE HIGH SCHOOL ANB
 18 AMOUNT USED TO CALCULATE THE ELEMENTARY SCHOOL DISTRICTS'
 19 AND HIGH SCHOOL DISTRICTS' CURRENT YEAR FOUNDATION PROGRAM
 20 AMOUNTS. THE TAXABLE VALUE OF NONLEVY REVENUE FOR THE
 21 PURPOSES OF COMPUTING GUARANTEED TAX BASE AID TO THE COUNTY
 22 RETIREMENT FUND IS THE AMOUNT OF NONLEVY REVENUE DEPOSITED
 23 IN THE ELEMENTARY SCHOOL OR HIGH SCHOOL DISTRICT RETIREMENT
 24 FUND THE PREVIOUS CALENDAR YEAR, INCLUDING FOR SCHOOL FISCAL
 25 YEAR 1991 THE REVENUE RECEIVED IN CALENDAR YEAR 1990 FROM

1 THE NET PROCEEDS TAXATION OF OIL AND NATURAL GAS AND
 2 INCLUDING FOR SCHOOL FISCAL YEAR 1992 AND THEREAFTER THE
 3 LOCAL GOVERNMENT SEVERANCE TAX, DIVIDED BY THE NUMBER OF
 4 MILLS LEVIED BY THE COUNTY IN THE CURRENT SCHOOL FISCAL YEAR
 5 IN SUPPORT OF THE ELEMENTARY SCHOOL AND HIGH SCHOOL
 6 RETIREMENT FUNDS, MULTIPLIED BY 1,000.

7 ††{5} "Statewide DISTRICT mill value per elementary
 8 ANB" or "statewide DISTRICT mill value per high school ANB"
 9 means the sum of the current taxable valuation in the
 10 previous year of all property in the state plus the taxable
 11 value of oil and gas net proceeds determined under
 12 15-23-607(4) for production occurring after March 31, 1990,
 13 plus the taxable value of coal gross proceeds determined
 14 under 15-23-703(3) plus all the taxable value of nonlevy
 15 revenue for the support of schools THE GENERAL FUND BUDGET
 16 OF ALL SCHOOL DISTRICTS, other than Public Law 81-874 funds,
 17 divided by 1,000, with the quotient divided by the total
 18 state elementary ANB count or the total state high school
 19 ANB count used to calculate the elementary school districts'
 20 and high school districts' current year foundation program
 21 amounts. The taxable value of nonlevy revenue for the
 22 purpose of computing guaranteed tax base aid for schools is
 23 the amount of nonlevy revenue received-by-a DEPOSITED TO THE
 24 GENERAL FUND OF A SCHOOL district in the previous CALENDAR
 25 year, including for SCHOOL fiscal year 1991 the revenue

1 received in fiscal CALENDAR year 1990 from the net proceeds
 2 taxation of oil and natural gas and including for SCHOOL
 3 fiscal year 1992 and thereafter the local government
 4 severance tax, divided by the number of mills levied by the
 5 district in the previous year, multiplied by 1,000."

6 **Section 2.** Section 20-9-369, MCA, is amended to read:

7 "20-9-369. Duties of superintendent of public
 8 instruction and department of revenue. (1) The
 9 superintendent of public instruction shall administer the
 10 distribution of guaranteed tax base aid by:

11 (a) providing each school district and county
 12 superintendent, by ~~June--15~~ MARCH 1 of each year, with the
 13 preliminary statewide and county mill values per ANB and, by
 14 ~~July--15~~ MAY 1 of each year, with the final statewide,
 15 district, and county mill values per ANB, for use in
 16 calculating the guaranteed tax base aid available for the
 17 ensuing school fiscal year;

18 (b) requiring each county and district that qualifies
 19 and applies for guaranteed tax base aid to report to the
 20 county superintendent all budget and accounting information
 21 required to administer the guaranteed tax base aid;

22 (c) keeping a record of the complete data concerning
 23 appropriations available for guaranteed tax base aid and the
 24 entitlements for such aid of the counties and districts that
 25 qualify;

1 (d) distributing the guaranteed tax base aid
2 entitlement to each qualified county or district from the
3 appropriations for that purpose.

4 (2) The superintendent shall adopt rules necessary to
5 implement 20-9-366 through 20-9-369.

6 (3) The department of revenue shall provide the
7 superintendent of public instruction by June ~~June~~ December 1 of
8 each year ~~a preliminary determination of the taxable value~~
9 ~~of property within each school district and county of the~~
10 ~~state and shall provide by July 1 of each year a final~~
11 ~~determination of the taxable values~~ value of property within
12 each school district and county of the state reported to the
13 department of revenue based on information delivered to the
14 county clerk and recorder as required in 15-10-305."

15 NEW SECTION. Section 3. Transition period for school
16 year beginning July 1, 1991. The superintendent of public
17 instruction shall, for the purposes of the definitions
18 contained in 20-9-366 and for performing the duties required
19 in 20-9-369, use for the school fiscal year beginning July
20 1, 1991, the taxable value of all property for calendar year
21 1990 reported to the department of revenue based on
22 information delivered to the county clerk and recorder as
23 required in 15-10-305, which taxable value the department of
24 revenue has provided to the superintendent of public
25 instruction.

1 NEW SECTION. Section 4. Codification instruction.
2 [Section 3] is intended to be codified as an integral part
3 of Title 20, chapter 9, part 3, and the provisions of Title
4 20, chapter 9, part 3, apply to [section 3].

5 NEW SECTION. Section 5. ~~retroactive~~ applicability
6 APPLICABILITY. (1) [Section 3] applies retroactively, within
7 the meaning of 1-2-109, to the taxable year beginning after
8 December 31, 1990.

9 (2) EXCEPT AS PROVIDED IN SUBSECTION (1), [THIS ACT]
10 APPLIES TO SCHOOL FISCAL YEARS BEGINNING AFTER JUNE 30,
11 1991.

12 NEW SECTION. Section 6. Termination. [Section 3]
13 terminates December 1, 1991.

14 NEW SECTION. Section 7. Effective dates. (1) Except as
15 provided in subsection (2), [this act] is effective July 1,
16 1991.

17 (2) [Section 3 and this section] are effective on
18 passage and approval.

-End-

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 7, 1991

MR. PRESIDENT:

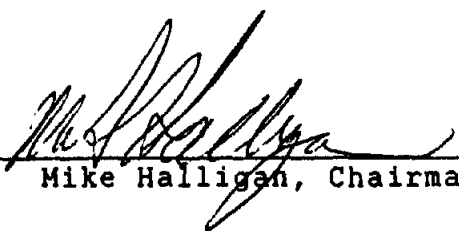
We, your committee on Taxation having had under consideration House Bill No. 580 (third reading copy -- blue), respectfully report that House Bill No. 580 be amended and as so amended be concurred in:

1. Page 3, line 24.

Strike: "Guaranteed overschedule general fund budget"

Insert: "Permissive amount"

Signed: _____


Mike Halligan, Chairman

191 3-7-91
Amd. Coord.

SB 3-7 @ 2:55
Sec. of Senate

HB 580

SENATE

SENATE COMMITTEE OF THE WHOLE AMENDMENT

March 18, 1991 12:33 pm

Mr. Chairman: I move to amend House Bill No. 580 (third reading copy -- blue) as follows:

1. Page 4, line 3.

Following: line 2

Strike: "135%"

Insert: "35%"

2. Page 8, line 15.

Following: "effective"

Insert: "for the school fiscal years beginning"

ADOPT

REJECT

Signed: _____



Senator Gage

LB 3/18/91
Amd. Coord.

SB 3/18 12:45
Sec. of Senate

SENATE

HB 580

581232CW.SLB

SENATE COMMITTEE OF THE WHOLE AMENDMENT

March 20, 1991 10:31 am

Mr. Chairman: I move to amend House Bill No. 580 (first reading copy -- white) as follows:

1. Title, line 17.

Following: "PROVIDING"

Insert: "AN IMMEDIATE"

Strike: "DATES"

Insert: "DATE"

2. Page 6, line 5.

Strike: "previous year"

Insert: "current school fiscal year in support of the district general fund budget"

3. Page 8, line 14.

Strike: "dates"

Insert: "date"

4. Page 8, lines 14 through 17.

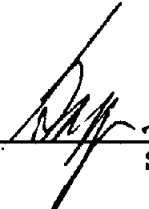
Strike: "(1)" on line 14 through "are" on line 17

Insert: "[This act] is"

ADOPT

REJECT

Signed: _____


Senator Gage

~~MA~~ 3-20-91
Amd. Coord.

SB 3-20
Sec. of Senate

SENATE
HB 580

1 HOUSE BILL NO. 580
 2 INTRODUCED BY SCHYE
 3 BY REQUEST OF THE REVENUE
 4 OVERSIGHT COMMITTEE

5
 6 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE
 7 SUPERINTENDENT OF PUBLIC INSTRUCTION TO USE THE PREVIOUS
 8 YEAR'S STATE, COUNTY, AND SCHOOL DISTRICT TAXABLE VALUE FOR
 9 DETERMINING MILL VALUES PER AVERAGE NUMBER BELONGING FOR THE
 10 PURPOSE OF CALCULATING GUARANTEED TAX BASE AID; REQUIRING
 11 THE DEPARTMENT OF REVENUE TO REPORT COUNTY AND SCHOOL
 12 DISTRICT TAXABLE VALUE BY DECEMBER 1 OF EACH YEAR; PROVIDING
 13 FOR A TRANSITION PERIOD TO REQUIRE THE SUPERINTENDENT OF
 14 PUBLIC INSTRUCTION TO USE 1990 TAXABLE VALUES FOR GUARANTEED
 15 TAX BASE PURPOSES FOR THE SCHOOL YEAR BEGINNING JULY 1,
 16 1991; AMENDING SECTIONS 20-9-366 AND 20-9-369, MCA; AND
 17 PROVIDING EFFECTIVE DATES, ~~A-RETROACTIVE~~ APPLICABILITY DATE
 18 DATES, AND A TERMINATION DATE."

19
 20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

21 **Section 1.** Section 20-9-366, MCA, is amended to read:

22 "20-9-366. Definitions. As used in 20-9-366 through
 23 20-9-369, the following definitions apply:

24 (1) "County mill value per elementary ANB" or "county
 25 mill value per high school ANB" means the sum of the ~~current~~

1 taxable valuation in the previous year of all property in
 2 the county plus the taxable value of oil and gas net
 3 proceeds determined under 15-23-607(4) for production
 4 occurring after March 31, 1990, plus the taxable value of
 5 coal gross proceeds determined under 15-23-703(3) plus all
 6 the taxable value of nonlevy revenue for the support of
 7 ~~schools~~ THE ELEMENTARY SCHOOL AND HIGH SCHOOL DISTRICT
 8 RETIREMENT FUND BUDGET, other than Public Law 81-874 funds,
 9 divided by 1,000, with the quotient divided by the total
 10 county elementary ANB count or the total county high school
 11 ANB count used to calculate the elementary school districts'
 12 and high school districts' current year foundation program
 13 amounts. The taxable value of nonlevy revenue for the
 14 purpose of computing guaranteed tax base aid for ~~schools~~ THE
 15 COUNTY RETIREMENT FUND is the amount of nonlevy revenue
 16 ~~received-by-a-district~~ DEPOSITED IN THE ELEMENTARY SCHOOL OR
 17 HIGH SCHOOL DISTRICT RETIREMENT FUND in the previous
 18 CALENDAR year, including for SCHOOL fiscal year 1991 the
 19 revenue received in ~~fiscal~~ CALENDAR year 1990 from the net
 20 proceeds taxation of oil and natural gas and including for
 21 SCHOOL fiscal year 1992 and thereafter the local government
 22 severance tax, divided by the number of mills levied by the
 23 ~~district~~ COUNTY in the ~~previous-year~~ CURRENT SCHOOL FISCAL
 24 YEAR IN SUPPORT OF THE ELEMENTARY AND HIGH SCHOOL DISTRICT
 25 RETIREMENT FUND BUDGET, multiplied by 1,000.

1 (2) "District mill value per ANB" means the current
 2 taxable valuation in the previous year of all property in
 3 the district plus the taxable value of oil and gas net
 4 proceeds determined under 15-23-607(4) for production
 5 occurring after March 31, 1990, plus the taxable value of
 6 coal gross proceeds determined under 15-23-703(3) plus all
 7 the taxable value of nonlevy revenue for the support of
 8 schools THE SCHOOL DISTRICT'S GENERAL FUND, other than
 9 Public Law 81-874 funds, divided by 1,000, with the quotient
 10 divided by the ANB count of the district used to calculate
 11 the district's current year foundation program ~~schedule~~
 12 amount. The taxable value of nonlevy revenue for the purpose
 13 of computing guaranteed tax base aid for schools is the
 14 amount of nonlevy revenue ~~received--by~~ DEPOSITED IN a
 15 district DISTRICT'S GENERAL FUND BUDGET in the previous
 16 CALENDAR year, including for SCHOOL fiscal year 1991 the
 17 revenue received in ~~fiscal~~ CALENDAR year 1990 from the net
 18 proceeds taxation of oil and natural gas and including for
 19 SCHOOL fiscal year 1992 and thereafter the local government
 20 severance tax, divided by the number of mills levied by the
 21 district in the ~~previous-year~~ CURRENT SCHOOL FISCAL YEAR IN
 22 SUPPORT OF THE DISTRICT'S GENERAL FUND BUDGET, multiplied by
 23 1,000.

24 (3) "~~Guaranteed--overschedule--general--fund--budget~~
 25 PERMISSIVE AMOUNT" means that portion of a district's

1 general fund budget in excess of the foundation program
 2 amount for the district, as provided in 20-9-316 through
 3 20-9-321, but not exceeding ~~±35%~~ 35% of the district's
 4 foundation program amount, and which excess is authorized
 5 under the provisions of 20-9-145 and 20-9-353.

6 (4) "STATEWIDE COUNTY MILL VALUE PER ELEMENTARY ANB" OR
 7 "STATEWIDE COUNTY MILL VALUE PER HIGH SCHOOL ANB" MEANS THE
 8 SUM OF THE TAXABLE VALUATION IN THE PREVIOUS YEAR OF ALL
 9 PROPERTY IN THE STATE PLUS THE TAXABLE VALUE OF OIL AND GAS
 10 NET PROCEEDS DETERMINED UNDER 15-23-607(4) FOR PRODUCTION
 11 OCCURRING AFTER MARCH 31, 1990, PLUS THE TAXABLE VALUE OF
 12 COAL GROSS PROCEEDS DETERMINED UNDER 15-23-703(3) PLUS ALL
 13 THE TAXABLE VALUE OF NONLEVY REVENUE FOR SUPPORT OF THE
 14 ELEMENTARY SCHOOL OR HIGH SCHOOL DISTRICT RETIREMENT FUND
 15 BUDGET, OTHER THAN PUBLIC LAW 81-874 FUNDS, DIVIDED BY
 16 1,000, WITH THE QUOTIENT DIVIDED BY THE TOTAL STATE
 17 ELEMENTARY ANB COUNT OR THE TOTAL STATE HIGH SCHOOL ANB
 18 AMOUNT USED TO CALCULATE THE ELEMENTARY SCHOOL DISTRICTS'
 19 AND HIGH SCHOOL DISTRICTS' CURRENT YEAR FOUNDATION PROGRAM
 20 AMOUNTS. THE TAXABLE VALUE OF NONLEVY REVENUE FOR THE
 21 PURPOSES OF COMPUTING GUARANTEED TAX BASE AID TO THE COUNTY
 22 RETIREMENT FUND IS THE AMOUNT OF NONLEVY REVENUE DEPOSITED
 23 IN THE ELEMENTARY SCHOOL OR HIGH SCHOOL DISTRICT RETIREMENT
 24 FUND THE PREVIOUS CALENDAR YEAR, INCLUDING FOR SCHOOL FISCAL
 25 YEAR 1991 THE REVENUE RECEIVED IN CALENDAR YEAR 1990 FROM

1 THE NET PROCEEDS TAXATION OF OIL AND NATURAL GAS AND
 2 INCLUDING FOR SCHOOL FISCAL YEAR 1992 AND THEREAFTER THE
 3 LOCAL GOVERNMENT SEVERANCE TAX, DIVIDED BY THE NUMBER OF
 4 MILLS LEVIED BY THE COUNTY IN THE CURRENT SCHOOL FISCAL YEAR
 5 IN SUPPORT OF THE ELEMENTARY SCHOOL AND HIGH SCHOOL
 6 RETIREMENT FUNDS, MULTIPLIED BY 1,000.

7 (4)(5) "Statewide DISTRICT mill value per elementary
 8 ANB" or "statewide DISTRICT mill value per high school ANB"
 9 means the sum of the current taxable valuation in the
 10 previous year of all property in the state plus the taxable
 11 value of oil and gas net proceeds determined under
 12 15-23-607(4) for production occurring after March 31, 1990,
 13 plus the taxable value of coal gross proceeds determined
 14 under 15-23-703(3) plus all the taxable value of nonlevy
 15 revenue for the support of ~~schools~~ THE GENERAL FUND BUDGET
 16 OF ALL SCHOOL DISTRICTS, other than Public Law 81-874 funds,
 17 divided by 1,000, with the quotient divided by the total
 18 state elementary ANB count or the total state high school
 19 ANB count used to calculate the elementary school districts'
 20 and high school districts' current year foundation program
 21 amounts. The taxable value of nonlevy revenue for the
 22 purpose of computing guaranteed tax base aid for schools is
 23 the amount of nonlevy revenue ~~received-by-a~~ DEPOSITED TO THE
 24 GENERAL FUND OF A SCHOOL district in the previous CALENDAR
 25 year, including for SCHOOL fiscal year 1991 the revenue

1 received in ~~fiscal~~ CALENDAR year 1990 from the net proceeds
 2 taxation of oil and natural gas and including for SCHOOL
 3 fiscal year 1992 and thereafter the local government
 4 severance tax, divided by the number of mills levied by the
 5 district in the previous year, multiplied by 1,000."

6 **Section 2.** Section 20-9-369, MCA, is amended to read:

7 "20-9-369. Duties of superintendent of public
 8 instruction and department of revenue. (1) The
 9 superintendent of public instruction shall administer the
 10 distribution of guaranteed tax base aid by:

11 (a) providing each school district and county
 12 superintendent, by ~~June-15~~ MARCH 1 of each year, with the
 13 preliminary statewide and county mill values per ANB and, by
 14 ~~July--15~~ MAY 1 of each year, with the final statewide,
 15 district, and county mill values per ANB, for use in
 16 calculating the guaranteed tax base aid available for the
 17 ensuing school fiscal year;

18 (b) requiring each county and district that qualifies
 19 and applies for guaranteed tax base aid to report to the
 20 county superintendent all budget and accounting information
 21 required to administer the guaranteed tax base aid;

22 (c) keeping a record of the complete data concerning
 23 appropriations available for guaranteed tax base aid and the
 24 entitlements for such aid of the counties and districts that
 25 qualify;

1 (d) distributing the guaranteed tax base aid
 2 entitlement to each qualified county or district from the
 3 appropriations for that purpose.

4 (2) The superintendent shall adopt rules necessary to
 5 implement 20-9-366 through 20-9-369.

6 (3) The department of revenue shall provide the
 7 superintendent of public instruction by June December 1 of
 8 each year ~~a preliminary determination of the taxable value~~
 9 ~~of property within each school district and county of the~~
 10 ~~state and shall provide by July 1 of each year~~ a final
 11 determination of the taxable value of property within
 12 each school district and county of the state reported to the
 13 department of revenue based on information delivered to the
 14 county clerk and recorder as required in 15-10-305."

15 NEW SECTION. Section 3. Transition period for school
 16 year beginning July 1, 1991. The superintendent of public
 17 instruction shall, for the purposes of the definitions
 18 contained in 20-9-366 and for performing the duties required
 19 in 20-9-369, use for the school fiscal year beginning July
 20 1, 1991, the taxable value of all property for calendar year
 21 1990 reported to the department of revenue based on
 22 information delivered to the county clerk and recorder as
 23 required in 15-10-305, which taxable value the department of
 24 revenue has provided to the superintendent of public
 25 instruction.

1 NEW SECTION. Section 4. Codification instruction.
 2 [Section 3] is intended to be codified as an integral part
 3 of Title 20, chapter 9, part 3, and the provisions of Title
 4 20, chapter 9, part 3, apply to [section 3].

5 NEW SECTION. Section 5. ~~retroactive~~ applicability
 6 APPLICABILITY. (1) [Section 3] applies retroactively, within
 7 the meaning of 1-2-109, to the taxable year beginning after
 8 December 31, 1990.

9 (2) EXCEPT AS PROVIDED IN SUBSECTION (1), [THIS ACT]
 10 APPLIES TO SCHOOL FISCAL YEARS BEGINNING AFTER JUNE 30,
 11 1991.

12 NEW SECTION. Section 6. Termination. [Section 3]
 13 terminates December 1, 1991.

14 NEW SECTION. Section 7. Effective dates. (1) Except as
 15 provided in subsection (2), [this act] is effective FOR THE
 16 SCHOOL FISCAL YEARS BEGINNING ON AND AFTER July 1, 1991.

17 (2) [Section 3 and this section] are effective on
 18 passage and approval.

-End-

1 HOUSE BILL NO. 580
 2 INTRODUCED BY SCHYE
 3 BY REQUEST OF THE REVENUE
 4 OVERSIGHT COMMITTEE
 5

6 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE
 7 SUPERINTENDENT OF PUBLIC INSTRUCTION TO USE THE PREVIOUS
 8 YEAR'S STATE, COUNTY, AND SCHOOL DISTRICT TAXABLE VALUE FOR
 9 DETERMINING MILL VALUES PER AVERAGE NUMBER BELONGING FOR THE
 10 PURPOSE OF CALCULATING GUARANTEED TAX BASE AID; REQUIRING
 11 THE DEPARTMENT OF REVENUE TO REPORT COUNTY AND SCHOOL
 12 DISTRICT TAXABLE VALUE BY DECEMBER 1 OF EACH YEAR; PROVIDING
 13 FOR A TRANSITION PERIOD TO REQUIRE THE SUPERINTENDENT OF
 14 PUBLIC INSTRUCTION TO USE 1990 TAXABLE VALUES FOR GUARANTEED
 15 TAX BASE PURPOSES FOR THE SCHOOL YEAR BEGINNING JULY 1,
 16 1991; AMENDING SECTIONS 20-9-366 AND 20-9-369, MCA; AND
 17 PROVIDING AN IMMEDIATE EFFECTIVE DATES DATE, A--RETROACTIVE
 18 APPLICABILITY DATE DATES, AND A TERMINATION DATE."

19
 20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

21 **Section 1.** Section 20-9-366, MCA, is amended to read:

22 "20-9-366. Definitions. As used in 20-9-366 through
 23 20-9-369, the following definitions apply:

24 (1) "County mill value per elementary ANB" or "county
 25 mill value per high school ANB" means the sum of the current

1 taxable valuation in the previous year of all property in
 2 the county plus the taxable value of oil and gas net
 3 proceeds determined under 15-23-607(4) for production
 4 occurring after March 31, 1990, plus the taxable value of
 5 coal gross proceeds determined under 15-23-703(3) plus all
 6 the taxable value of nonlevy revenue for the support of
 7 schools THE ELEMENTARY SCHOOL AND HIGH SCHOOL DISTRICT
 8 RETIREMENT FUND BUDGET, other than Public Law 81-874 funds,
 9 divided by 1,000, with the quotient divided by the total
 10 county elementary ANB count or the total county high school
 11 ANB count used to calculate the elementary school districts'
 12 and high school districts' current year foundation program
 13 amounts. The taxable value of nonlevy revenue for the
 14 purpose of computing guaranteed tax base aid for schools THE
 15 COUNTY RETIREMENT FUND is the amount of nonlevy revenue
 16 received-by-a-district DEPOSITED IN THE ELEMENTARY SCHOOL OR
 17 HIGH SCHOOL DISTRICT RETIREMENT FUND in the previous
 18 CALENDAR year, including for SCHOOL fiscal year 1991 the
 19 revenue received in fiscal CALENDAR year 1990 from the net
 20 proceeds taxation of oil and natural gas and including for
 21 SCHOOL fiscal year 1992 and thereafter the local government
 22 severance tax, divided by the number of mills levied by the
 23 district COUNTY in the previous-year CURRENT SCHOOL FISCAL
 24 YEAR IN SUPPORT OF THE ELEMENTARY AND HIGH SCHOOL DISTRICT
 25 RETIREMENT FUND BUDGET, multiplied by 1,000.

REFERENCE BILL

1 (2) "District mill value per ANB" means the current
 2 taxable valuation in the previous year of all property in
 3 the district plus the taxable value of oil and gas net
 4 proceeds determined under 15-23-607(4) for production
 5 occurring after March 31, 1990, plus the taxable value of
 6 coal gross proceeds determined under 15-23-703(3) plus all
 7 the taxable value of nonlevy revenue for the support of
 8 ~~schools~~ THE SCHOOL DISTRICT'S GENERAL FUND, other than
 9 Public Law 81-874 funds, divided by 1,000, with the quotient
 10 divided by the ANB count of the district used to calculate
 11 the district's current year foundation program ~~schedule~~
 12 amount. The taxable value of nonlevy revenue for the purpose
 13 of computing guaranteed tax base aid for schools is the
 14 amount of nonlevy revenue ~~received--by~~ DEPOSITED IN a
 15 ~~district~~ DISTRICT'S GENERAL FUND BUDGET in the previous
 16 CALENDAR year, including for SCHOOL fiscal year 1991 the
 17 revenue received in ~~fiscal~~ CALENDAR year 1990 from the net
 18 proceeds taxation of oil and natural gas and including for
 19 SCHOOL fiscal year 1992 and thereafter the local government
 20 severance tax, divided by the number of mills levied by the
 21 district in the ~~previous-year~~ CURRENT SCHOOL FISCAL YEAR IN
 22 SUPPORT OF THE DISTRICT'S GENERAL FUND BUDGET, multiplied by
 23 1,000.

24 (3) "~~Guaranteed--overschedule---general---fund---budget~~
 25 PERMISSIVE AMOUNT" means that portion of a district's

1 general fund budget in excess of the foundation program
 2 amount for the district, as provided in 20-9-316 through
 3 20-9-321, but not exceeding ~~195%~~ 35% of the district's
 4 foundation program amount, and which excess is authorized
 5 under the provisions of 20-9-145 and 20-9-353.

6 (4) "STATEWIDE COUNTY MILL VALUE PER ELEMENTARY ANB" OR
 7 "STATEWIDE COUNTY MILL VALUE PER HIGH SCHOOL ANB" MEANS THE
 8 SUM OF THE TAXABLE VALUATION IN THE PREVIOUS YEAR OF ALL
 9 PROPERTY IN THE STATE PLUS THE TAXABLE VALUE OF OIL AND GAS
 10 NET PROCEEDS DETERMINED UNDER 15-23-607(4) FOR PRODUCTION
 11 OCCURRING AFTER MARCH 31, 1990, PLUS THE TAXABLE VALUE OF
 12 COAL GROSS PROCEEDS DETERMINED UNDER 15-23-703(3) PLUS ALL
 13 THE TAXABLE VALUE OF NONLEVY REVENUE FOR SUPPORT OF THE
 14 ELEMENTARY SCHOOL OR HIGH SCHOOL DISTRICT RETIREMENT FUND
 15 BUDGET, OTHER THAN PUBLIC LAW 81-874 FUNDS, DIVIDED BY
 16 1,000, WITH THE QUOTIENT DIVIDED BY THE TOTAL STATE
 17 ELEMENTARY ANB COUNT OR THE TOTAL STATE HIGH SCHOOL ANB
 18 AMOUNT USED TO CALCULATE THE ELEMENTARY SCHOOL DISTRICTS'
 19 AND HIGH SCHOOL DISTRICTS' CURRENT YEAR FOUNDATION PROGRAM
 20 AMOUNTS. THE TAXABLE VALUE OF NONLEVY REVENUE FOR THE
 21 PURPOSES OF COMPUTING GUARANTEED TAX BASE AID TO THE COUNTY
 22 RETIREMENT FUND IS THE AMOUNT OF NONLEVY REVENUE DEPOSITED
 23 IN THE ELEMENTARY SCHOOL OR HIGH SCHOOL DISTRICT RETIREMENT
 24 FUND THE PREVIOUS CALENDAR YEAR, INCLUDING FOR SCHOOL FISCAL
 25 YEAR 1991 THE REVENUE RECEIVED IN CALENDAR YEAR 1990 FROM

1 THE NET PROCEEDS TAXATION OF OIL AND NATURAL GAS AND
 2 INCLUDING FOR SCHOOL FISCAL YEAR 1992 AND THEREAFTER THE
 3 LOCAL GOVERNMENT SEVERANCE TAX, DIVIDED BY THE NUMBER OF
 4 MILLS LEVIED BY THE COUNTY IN THE CURRENT SCHOOL FISCAL YEAR
 5 IN SUPPORT OF THE ELEMENTARY SCHOOL AND HIGH SCHOOL
 6 RETIREMENT FUNDS, MULTIPLIED BY 1,000.

7 ~~(4)~~(5) "Statewide DISTRICT mill value per elementary
 8 ANB" or "statewide DISTRICT mill value per high school ANB"
 9 means the sum of the current taxable valuation in the
 10 previous year of all property in the state plus the taxable
 11 value of oil and gas net proceeds determined under
 12 15-23-607(4) for production occurring after March 31, 1990,
 13 plus the taxable value of coal gross proceeds determined
 14 under 15-23-703(3) plus all the taxable value of nonlevy
 15 revenue for the support of schools THE GENERAL FUND BUDGET
 16 OF ALL SCHOOL DISTRICTS, other than Public Law 81-874 funds,
 17 divided by 1,000, with the quotient divided by the total
 18 state elementary ANB count or the total state high school
 19 ANB count used to calculate the elementary school districts'
 20 and high school districts' current year foundation program
 21 amounts. The taxable value of nonlevy revenue for the
 22 purpose of computing guaranteed tax base aid for schools is
 23 the amount of nonlevy revenue ~~received-by-a~~ DEPOSITED TO THE
 24 GENERAL FUND OF A SCHOOL district in the previous CALENDAR
 25 year, including for SCHOOL fiscal year 1991 the revenue

1 received in ~~fiscal~~ CALENDAR year 1990 from the net proceeds
 2 taxation of oil and natural gas and including for SCHOOL
 3 fiscal year 1992 and thereafter the local government
 4 severance tax, divided by the number of mills levied by the
 5 district in the previous-year CURRENT SCHOOL FISCAL YEAR IN
 6 SUPPORT OF THE DISTRICT GENERAL FUND BUDGET, multiplied by
 7 1,000."

8 **Section 2.** Section 20-9-369, MCA, is amended to read:
 9 "20-9-369. Duties of superintendent of public
 10 instruction and department of revenue. (1) The
 11 superintendent of public instruction shall administer the
 12 distribution of guaranteed tax base aid by:
 13 (a) providing each school district and county
 14 superintendent, by ~~June-15~~ MARCH 1 of each year, with the
 15 preliminary statewide and county mill values per ANB and, by
 16 ~~July--15~~ MAY 1 of each year, with the final statewide,
 17 district, and county mill values per ANB, for use in
 18 calculating the guaranteed tax base aid available for the
 19 ensuing school fiscal year;
 20 (b) requiring each county and district that qualifies
 21 and applies for guaranteed tax base aid to report to the
 22 county superintendent all budget and accounting information
 23 required to administer the guaranteed tax base aid;
 24 (c) keeping a record of the complete data concerning
 25 appropriations available for guaranteed tax base aid and the

1 entitlements for such aid of the counties and districts that
2 qualify;

3 (d) distributing the guaranteed tax base aid
4 entitlement to each qualified county or district from the
5 appropriations for that purpose.

6 (2) The superintendent shall adopt rules necessary to
7 implement 20-9-366 through 20-9-369.

8 (3) The department of revenue shall provide the
9 superintendent of public instruction by June December 1 of
10 each year ~~a preliminary determination of the taxable value~~
11 ~~of property within each school district and county of the~~
12 ~~state and shall provide by July 1 of each year a final~~
13 ~~determination of the taxable values~~ value of property within
14 each school district and county of the state reported to the
15 department of revenue based on information delivered to the
16 county clerk and recorder as required in 15-10-305."

17 NEW SECTION. Section 3. Transition period for school
18 year beginning July 1, 1991. The superintendent of public
19 instruction shall, for the purposes of the definitions
20 contained in 20-9-366 and for performing the duties required
21 in 20-9-369, use for the school fiscal year beginning July
22 1, 1991, the taxable value of all property for calendar year
23 1990 reported to the department of revenue based on
24 information delivered to the county clerk and recorder as
25 required in 15-10-305, which taxable value the department of

1 revenue has provided to the superintendent of public
2 instruction.

3 NEW SECTION. Section 4. Codification instruction.
4 [Section 3] is intended to be codified as an integral part
5 of Title 20, chapter 9, part 3, and the provisions of Title
6 20, chapter 9, part 3, apply to [section 3].

7 NEW SECTION. Section 5. ~~retroactive~~ applicability
8 APPLICABILITY. (1) [Section 3] applies retroactively, within
9 the meaning of 1-2-109, to the taxable year beginning after
10 December 31, 1990.

11 (2) EXCEPT AS PROVIDED IN SUBSECTION (1), [THIS ACT]
12 APPLIES TO SCHOOL FISCAL YEARS BEGINNING AFTER JUNE 30,
13 1991.

14 NEW SECTION. Section 6. Termination. [Section 3]
15 terminates December 1, 1991.

16 NEW SECTION. Section 7. Effective ~~dates~~ DATE. (1)
17 Except as provided in subsection (2), ~~this act~~ is
18 effective ~~FOR THE SCHOOL FISCAL YEARS BEGINNING ON AND AFTER~~
19 July 1, 1991.

20 (2) ~~[Section 3 and this section]~~ are [THIS ACT] IS
21 effective on passage and approval.

-End-

GOVERNOR'S AMENDMENTS TO
HOUSE BILL 580
(REFERENCE COPY, AS AMENDED)
April 20, 1991

1. Page 2, line 2.
Following: "county"
Strike: remainder of line 2 through "funds," on line 8
2. Page 2, line 13.
Following: "amounts."
Strike: remainder of line 13 through line 25
3. Page 3, line 3.
Following: "district"
Strike: remainder of line 3 through "funds," on line 9
4. Page 3, line 12.
Following: "amount."
Strike: remainder of line 12 through line 23
5. Page 4, line 6.
Following: "ANB"
Strike: "OR"
Insert: "is \$16.60."
6. Page 4, line 7.
Following: "ANB"
Strike: remainder of line 7 through line 6 on page 5
7. Page 5, line 8.
Following: "ANB"
Strike: "or "statewide"
Insert: "is \$17.74. "Statewide"
8. Page 5, line 9.
Following: line 8
Strike: line 9 through line 5 on page 6
Insert: "is \$43.32."

Gov's Amend
HB 580

4/24/91
3:30 PM
BOW

Mr. Speaker and Mr. President:

We, your Free Conference Committee met and considered House Bill 580 and recommend that House Bill 580 (reference copy -- second printing -- salmon) be amended as follows:

1. Title, line 8.
Following: "VALUE"
Insert: ", INCLUDING A MULTIPLIER FOR NONTAX REVENUE,"
2. Title, line 16.
Following: "SECTIONS"
Insert: "15-23-607, 15-23-703,"
Following: "20-9-366"
Insert: ", "
3. Page 2, lines 2 through 8.
Following: "county" on line 2
Strike: remainder of line 2 through "funds," on line 8
4. Page 2, lines 13 through 25.
Following: "amounts." on line 13
Strike: remainder of line 13 through line 25
5. Page 3, lines 3 through 9.
Following: "district" on line 3
Strike: remainder of line 3 through "funds," on line 9
6. Page 3, lines 12 through 23
Following: "amount." on line 12
Strike: remainder of line 12 through line 23
7. Page 4, line 6.
Strike: "COUNTY"
8. Page 4, line 7.
Strike: "COUNTY"
9. Page 4, lines 9 through 15.
Following: "STATE" on line 9
Strike: remainder of line 9 through "FUNDS" on line 15
Following: " /"
Insert: "multiplied by 121% and"

10. Page 4, line 20 through page 6, line 7.
Following: "AMOUNTS." on page 4, line 20
Strike: remainder of page 4 through page 6, line 7

11. Page 8, line 3.

Following: line 2

Insert: "Section 4. Section 15-23-607, MCA, is amended to read:

"15-23-607. County assessors to compute taxes. (1) Immediately after the board of county commissioners has fixed tax levies on the second Monday in August, the county assessor shall, subject to the provisions of 15-23-612, compute the taxes on net proceeds, as provided in subsection (2) of this section, and royalty assessments and shall deliver the book to the county treasurer on or before September 15. The county treasurer shall proceed to give full notice of the assessments to the operator and shall collect the taxes as provided by law.

(2) For interim production or new production, as defined in 15-23-601, the county assessor may not levy or assess any mills against the value of the interim production or new production, but shall instead levy a tax as follows:

(a) for interim production or new production of petroleum or other mineral or crude oil, 7% of net proceeds, as described in 15-23-603(2); or

(b) for interim production or new production of natural gas, 12% of net proceeds, as described in 15-23-603(2).

(3) The amount of tax levied in subsections (2)(a) and (2)(b), divided by the appropriate tax rate and multiplied by 60%, must be treated as taxable value for county bonding purposes.

~~(4) The taxable value of net proceeds for the purpose of computing guaranteed tax base aid for schools is the amount of tax received by a district in the previous year divided by the number of mills levied by the district in the previous year, multiplied by 1,000. This amount must be added to the district, county, and statewide taxable value when computing guaranteed tax base aid under 20-9-360.~~

(5) The operator or producer is liable for the payment of the taxes that, except as provided in 15-16-121, are payable by and must be collected from the operators in the same manner and under the same penalties as provided for the collection of taxes upon net proceeds of mines. However, the operator may at his option withhold from the proceeds of royalty interest, either in kind or in money, an estimated amount of the tax to be paid by him upon the royalty or royalty interest. After the withholding, any deviation between the estimated tax and the actual tax may be accounted for by adjusting subsequent withholdings from the proceeds of royalty interests."

Section 5. Section 15-23-703, MCA, is amended to read:
"15-23-703. Taxation of gross proceeds -- taxable value for

ADOPT

REJECT

April 24, 1991

Page 3 of 3

bonding and guaranteed tax base aid to schools. (1) The county assessor shall compute from the reported gross proceeds from coal a tax roll that he shall transmit to the county treasurer on or before September 15 each year. The county assessor may not levy or assess any mills against the reported gross proceeds of coal but shall levy a tax of 5% against the value of the reported gross proceeds as provided in 15-23-701(1)(d). The county treasurer shall proceed to give full notice to each coal producer of the taxes due and to collect the taxes as provided in 15-16-101.

(2) For bonding, county classification, and all nontax purposes, the taxable value of the gross proceeds of coal is 45% of the contract sales price as defined in 15-35-102(5).

~~(3) The taxable value of gross proceeds for the purpose of computing guaranteed tax base aid for schools is the amount of tax received by a district in the previous year divided by the number of mills levied by the district in the previous year, multiplied by 1,000. This amount must be added to the district, county, and statewide taxable value when computing guaranteed tax base aid under 20-9-368.~~

(4) The county treasurer shall credit all taxes collected under this part:

(a) to the state and to the counties that levied mills against production in the relative proportions required by the levies for state and county purposes in the same manner as property taxes were distributed in the year 1989 in the taxing jurisdiction; and

(b) to school districts in the county that either levied mills against production or used nontax revenue, such as Public Law 81-874 money, in lieu of levying mills against production, in the same manner that property taxes collected or property taxes that would have been collected would have been distributed in 1989 in the school district."

Renumber: subsequent sections


And this Free Conference Committee report be adopted.

For the House:


For the Senate:

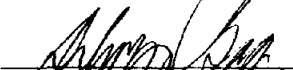

Rep. Schye, Chair


Sen. Blaylock, Chair


Rep. Stang


Sen. Pinsonneault


Rep. Foster


Sen. Gage

1 HOUSE BILL NO. 580
 2 INTRODUCED BY SCHEY
 3 BY REQUEST OF THE REVENUE
 4 OVERSIGHT COMMITTEE
 5
 6 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE
 7 SUPERINTENDENT OF PUBLIC INSTRUCTION TO USE THE PREVIOUS
 8 YEAR'S STATE, COUNTY, AND SCHOOL DISTRICT TAXABLE VALUE,
 9 INCLUDING A MULTIPLIER FOR NONTAX REVENUE, FOR DETERMINING
 10 MILL VALUES PER AVERAGE NUMBER BELONGING FOR THE PURPOSE OF
 11 CALCULATING GUARANTEED TAX BASE AID; REQUIRING THE
 12 DEPARTMENT OF REVENUE TO REPORT COUNTY AND SCHOOL DISTRICT
 13 TAXABLE VALUE BY DECEMBER 1 OF EACH YEAR; PROVIDING FOR A
 14 TRANSITION PERIOD TO REQUIRE THE SUPERINTENDENT OF PUBLIC
 15 INSTRUCTION TO USE 1990 TAXABLE VALUES FOR GUARANTEED TAX
 16 BASE PURPOSES FOR THE SCHOOL YEAR BEGINNING JULY 1, 1991;
 17 AMENDING SECTIONS 15-23-607, 15-23-703, 20-9-366, AND
 18 20-9-369, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATES
 19 DATE, A RETROACTIVE APPLICABILITY DATE DATES, AND A
 20 TERMINATION DATE."
 21
 22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 23 **Section 1.** Section 20-9-366, MCA, is amended to read:
 24 "20-9-366. Definitions. As used in 20-9-366 through
 25 20-9-369, the following definitions apply:

1 (1) "County mill value per elementary ANB" or "county
 2 mill value per high school ANB" means the sum of the current
 3 taxable valuation in the previous year of all property in
 4 the county plus--the--taxable--value--of--oil--and--gas--net
 5 proceeds--determined--under--15-23-607(4)---for---production
 6 occurring--after--March--31--1990--plus--the--taxable--value--of
 7 coal--gross--proceeds--determined--under--15-23-703(3)---plus--all
 8 the--taxable--value--of--nontax--revenue--for--the--support--of
 9 schools ~~THE--ELEMENTARY--SCHOOL--AND--HIGH--SCHOOL--DISTRICT~~
 10 RETIREMENT--FUND--BUDGET, other than Public Law 81-874 funds,
 11 divided by 1,000, with the quotient divided by the total
 12 county elementary ANB count or the total county high school
 13 ANB count used to calculate the elementary school districts'
 14 and high school districts' current year foundation program
 15 amounts. The--taxable--value--of--nontax--revenue--for--the
 16 purpose--of--computing--guaranteed--tax--base--aid--for--schools ~~THE~~
 17 COUNTY--RETIREMENT--FUND is the--amount--of--nontax--revenue
 18 received--by--a--district ~~DEPOSITED--IN--THE--ELEMENTARY--SCHOOL--OR~~
 19 HIGH--SCHOOL--DISTRICT--RETIREMENT--FUND in the--previous
 20 CALENDAR year, including for SCHOOL fiscal year 1991 the
 21 revenue received in fiscal CALENDAR year 1990 from the net
 22 proceeds taxation of oil and natural gas and including for
 23 SCHOOL fiscal year 1992 and thereafter the local government
 24 severance tax, divided by the number of mills levied by the
 25 district COUNTY in the previous year CURRENT--SCHOOL--FISCAL

1 YEAR-IN-SUPPORT-OF-THE-ELEMENTARY-AND-HIGH-SCHOOL-DISTRICT
2 RETIREMENT-FUND-BUDGET, multiplied by 1,000.

3 (2) "District mill value per ANB" means the current
4 taxable valuation in the previous year of all property in
5 the district plus the taxable value of oil and gas net
6 proceeds determined under 15-23-607(4) for production
7 occurring after March 31, 1990, plus the taxable value of
8 coal gross proceeds determined under 15-23-703(3) plus all
9 the taxable value of nonlevy revenue for the support of
10 schools THE-SCHOOL-DISTRICTS-GENERAL-FUND, other than
11 Public Law 81-874 funds, divided by 1,000, with the quotient
12 divided by the ANB count of the district used to calculate
13 the district's current year foundation program schedule
14 amount. The taxable value of nonlevy revenue for the purpose
15 of computing guaranteed tax base aid for schools is the
16 amount of nonlevy revenue received by DEPOSITED IN a
17 district DISTRICTS-GENERAL-FUND-BUDGET in the previous
18 CALENDAR year, including for SCHOOL fiscal year 1991 the
19 revenue received in fiscal CALENDAR year 1990 from the net
20 proceeds taxation of oil and natural gas and including for
21 SCHOOL fiscal year 1992 and thereafter the local government
22 severance tax, divided by the number of mills levied by the
23 district in the previous year CURRENT-SCHOOL-FISCAL-YEAR-IN
24 SUPPORT-OF-THE-DISTRICTS-GENERAL-FUND-BUDGET, multiplied by
25 1,000.

1 (3) "Guaranteed overschedule general fund budget
2 PERMISSIVE AMOUNT" means that portion of a district's
3 general fund budget in excess of the foundation program
4 amount for the district, as provided in 20-9-316 through
5 20-9-321, but not exceeding 35% of the district's
6 foundation program amount, and which excess is authorized
7 under the provisions of 20-9-145 and 20-9-353.

8 (4) "STATEWIDE COUNTY MILL VALUE PER ELEMENTARY ANB"
9 OR "STATEWIDE COUNTY MILL VALUE PER HIGH SCHOOL ANB" MEANS
10 THE SUM OF THE TAXABLE VALUATION IN THE PREVIOUS YEAR OF ALL
11 PROPERTY IN THE STATE PLUS THE TAXABLE VALUE OF OIL AND GAS
12 NET PROCEEDS DETERMINED UNDER 15-23-607(4) FOR PRODUCTION
13 OCCURRING AFTER MARCH 31, 1990, PLUS THE TAXABLE VALUE OF
14 COAL GROSS PROCEEDS DETERMINED UNDER 15-23-703(3) PLUS ALL
15 THE TAXABLE VALUE OF NONLEVY REVENUE FOR SUPPORT OF THE
16 ELEMENTARY SCHOOL OR HIGH SCHOOL DISTRICT RETIREMENT FUND
17 BUDGET, OTHER THAN PUBLIC LAW 81-874 FUNDS, MULTIPLIED BY
18 121% AND DIVIDED BY 1,000, WITH THE QUOTIENT DIVIDED BY THE
19 TOTAL STATE ELEMENTARY ANB COUNT OR THE TOTAL STATE HIGH
20 SCHOOL ANB AMOUNT USED TO CALCULATE THE ELEMENTARY SCHOOL
21 DISTRICTS' AND HIGH SCHOOL DISTRICTS' CURRENT YEAR
22 FOUNDATION PROGRAM AMOUNTS. THE TAXABLE VALUE OF NONLEVY
23 REVENUE FOR THE PURPOSES OF COMPUTING GUARANTEED TAX BASE
24 AID TO THE COUNTY RETIREMENT FUND IS THE AMOUNT OF NONLEVY
25 REVENUE DEPOSITED IN THE ELEMENTARY SCHOOL OR HIGH SCHOOL

1 DISTRICT---RETIREMENT---FUND---THE---PREVIOUS---CALENDAR---YEAR,
 2 INCLUDING FOR SCHOOL FISCAL YEAR 1991 THE REVENUE RECEIVED
 3 IN CALENDAR YEAR 1990 FROM THE NET PROCEEDS TAXATION OF OIL
 4 AND NATURAL GAS AND INCLUDING FOR SCHOOL FISCAL YEAR 1992
 5 AND THEREAFTER THE LOCAL GOVERNMENT SEVERANCE TAX, DIVIDED
 6 BY THE NUMBER OF MILLS LEVIED BY THE COUNTY IN THE CURRENT
 7 SCHOOL FISCAL YEAR IN SUPPORT OF THE ELEMENTARY SCHOOL AND
 8 HIGH SCHOOL RETIREMENT FUNDS, MULTIPLIED BY 17000,

9 (4)(5) "Statewide DISTRICT mill value per elementary
 10 ANB" or "statewide DISTRICT mill value per high school ANB"
 11 means the sum of the current taxable valuation in the
 12 previous year of all property in the state plus the taxable
 13 value of oil and gas net proceeds determined under
 14 15-23-607(4) for production occurring after March 31, 1990,
 15 plus the taxable value of coal gross proceeds determined
 16 under 15-23-703(3) plus all the taxable value of nonlevy
 17 revenue for the support of schools THE GENERAL FUND BUDGET
 18 OF ALL SCHOOLS DISTRICTS, other than Public Law 81-874 funds,
 19 divided by 17000, with the quotient divided by the total
 20 state elementary ANB count or the total state high school
 21 ANB count used to calculate the elementary school districts¹
 22 and high school districts¹ current year foundation program
 23 amounts. The taxable value of nonlevy revenue for the
 24 purpose of computing guaranteed tax base aid for schools is
 25 the amount of nonlevy revenue received by a DEPOSITED TO THE

1 GENERAL FUND OF A SCHOOL district in the previous CALENDAR
 2 year, including for SCHOOL fiscal year 1991 the revenue
 3 received in fiscal CALENDAR year 1990 from the net proceeds
 4 taxation of oil and natural gas and including for SCHOOL
 5 fiscal year 1992 and thereafter the local government
 6 severance tax, divided by the number of mills levied by the
 7 district in the previous year CURRENT SCHOOL FISCAL YEAR IN
 8 SUPPORT OF THE DISTRICT GENERAL FUND BUDGET, multiplied by
 9 17000."

10 **Section 2.** Section 20-9-369, MCA, is amended to read:

11 "20-9-369. Duties of superintendent of public
 12 instruction and department of revenue. (1) The
 13 superintendent of public instruction shall administer the
 14 distribution of guaranteed tax base aid by:

15 (a) providing each school district and county
 16 superintendent, by June 15 MARCH 1 of each year, with the
 17 preliminary statewide and county mill values per ANB and, by
 18 July 15 MAY 1 of each year, with the final statewide,
 19 district, and county mill values per ANB, for use in
 20 calculating the guaranteed tax base aid available for the
 21 ensuing school fiscal year;

22 (b) requiring each county and district that qualifies
 23 and applies for guaranteed tax base aid to report to the
 24 county superintendent all budget and accounting information
 25 required to administer the guaranteed tax base aid;

1 (c) keeping a record of the complete data concerning
2 appropriations available for guaranteed tax base aid and the
3 entitlements for such aid of the counties and districts that
4 qualify;

5 (d) distributing the guaranteed tax base aid
6 entitlement to each qualified county or district from the
7 appropriations for that purpose.

8 (2) The superintendent shall adopt rules necessary to
9 implement 20-9-366 through 20-9-369.

10 (3) The department of revenue shall provide the
11 superintendent of public instruction by ~~June~~ December 1 of
12 each year ~~a preliminary determination of the taxable value~~
13 ~~of property within each school district and county of the~~
14 ~~state and shall provide by July 1 of each year~~ a final
15 determination of the taxable values value of property within
16 each school district and county of the state reported to the
17 department of revenue based on information delivered to the
18 county clerk and recorder as required in 15-10-305."

19 NEW SECTION. Section 3. Transition period for school
20 year beginning July 1, 1991. The superintendent of public
21 instruction shall, for the purposes of the definitions
22 contained in 20-9-366 and for performing the duties required
23 in 20-9-369, use for the school fiscal year beginning July
24 1, 1991, the taxable value of all property for calendar year
25 1990 reported to the department of revenue based on

1 information delivered to the county clerk and recorder as
2 required in 15-10-305, which taxable value the department of
3 revenue has provided to the superintendent of public
4 instruction.

5 **SECTION 4. SECTION 15-23-607, MCA, IS AMENDED TO READ:**

6 **"15-23-607. County assessors to compute taxes. (1)**
7 **Immediately after the board of county commissioners has**
8 **fixed tax levies on the second Monday in August, the county**
9 **assessor shall, subject to the provisions of 15-23-612,**
10 **compute the taxes on net proceeds, as provided in subsection**
11 **(2) of this section, and royalty assessments and shall**
12 **deliver the book to the county treasurer on or before**
13 **September 15. The county treasurer shall proceed to give**
14 **full notice of the assessments to the operator and shall**
15 **collect the taxes as provided by law.**

16 (2) For interim production or new production, as
17 defined in 15-23-601, the county assessor may not levy or
18 assess any mills against the value of the interim production
19 or new production, but shall instead levy a tax as follows:

20 (a) for interim production or new production of
21 petroleum or other mineral or crude oil, 7% of net proceeds,
22 as described in 15-23-603(2); or

23 (b) for interim production or new production of natural
24 gas, 12% of net proceeds, as described in 15-23-603(2).

25 (3) The amount of tax levied in subsections (2)(a) and

1 (2)(b), divided by the appropriate tax rate and multiplied
 2 by 60%, must be treated as taxable value for county bonding
 3 purposes.

4 ~~(4) The taxable value of net proceeds for the purpose~~
 5 ~~of computing guaranteed tax base aid for schools is the~~
 6 ~~amount of tax received by a district in the previous year~~
 7 ~~divided by the number of mills levied by the district in the~~
 8 ~~previous year, multiplied by 17000. This amount must be~~
 9 ~~added to the district, county, and statewide taxable value~~
 10 ~~when computing guaranteed tax base aid under 20-9-368.~~

11 {5} The operator or producer is liable for the payment
 12 of the taxes that, except as provided in 15-16-121, are
 13 payable by and must be collected from the operators in the
 14 same manner and under the same penalties as provided for the
 15 collection of taxes upon net proceeds of mines. However, the
 16 operator may at his option withhold from the proceeds of
 17 royalty interest, either in kind or in money, an estimated
 18 amount of the tax to be paid by him upon the royalty or
 19 royalty interest. After the withholding, any deviation
 20 between the estimated tax and the actual tax may be
 21 accounted for by adjusting subsequent withholdings from the
 22 proceeds of royalty interests."

23 **SECTION 5. SECTION 15-23-703, MCA, IS AMENDED TO READ:**

24 "15-23-703. Taxation of gross proceeds -- taxable value
 25 for bonding and guaranteed tax base aid to schools. (1) The

1 county assessor shall compute from the reported gross
 2 proceeds from coal a tax roll that he shall transmit to the
 3 county treasurer on or before September 15 each year. The
 4 county assessor may not levy or assess any mills against the
 5 reported gross proceeds of coal but shall levy a tax of 5%
 6 against the value of the reported gross proceeds as provided
 7 in 15-23-701(1)(d). The county treasurer shall proceed to
 8 give full notice to each coal producer of the taxes due and
 9 to collect the taxes as provided in 15-16-101.

10 (2) For bonding, county classification, and all nontax
 11 purposes, the taxable value of the gross proceeds of coal is
 12 45% of the contract sales price as defined in 15-35-102(5).

13 ~~(3) The taxable value of gross proceeds for the purpose~~
 14 ~~of computing guaranteed tax base aid for schools is the~~
 15 ~~amount of tax received by a district in the previous year~~
 16 ~~divided by the number of mills levied by the district in the~~
 17 ~~previous year, multiplied by 17000. This amount must be~~
 18 ~~added to the district, county, and statewide taxable value~~
 19 ~~when computing guaranteed tax base aid under 20-9-368.~~

20 {4} The county treasurer shall credit all taxes
 21 collected under this part:

22 (a) to the state and to the counties that levied mills
 23 against production in the relative proportions required by
 24 the levies for state and county purposes in the same manner
 25 as property taxes were distributed in the year 1989 in the

1 taxing jurisdiction; and

2 (b) to school districts in the county that either
 3 levied mills against production or used nontax revenue, such
 4 as Public Law 81-874 money, in lieu of levying mills against
 5 production, in the same manner that property taxes collected
 6 or property taxes that would have been collected would have
 7 been distributed in 1989 in the school district."

8 NEW SECTION. Section 6. Codification instruction.
 9 [Section 3] is intended to be codified as an integral part
 10 of Title 20, chapter 9, part 3, and the provisions of Title
 11 20, chapter 9, part 3, apply to [section 3].

12 NEW SECTION. Section 7. ~~retroactive~~ applicability
 13 APPLICABILITY. (1) [Section 3] applies retroactively, within
 14 the meaning of 1-2-109, to the taxable year beginning after
 15 December 31, 1990.

16 (2) EXCEPT AS PROVIDED IN SUBSECTION (1), [THIS ACT]
 17 APPLIES TO SCHOOL FISCAL YEARS BEGINNING AFTER JUNE 30,
 18 1991.

19 NEW SECTION. Section 8. Termination. [Section 3]
 20 terminates December 1, 1991.

21 NEW SECTION. Section 9. Effective ~~dates~~ DATE. (1)
 22 ~~Except as provided in subsection (2), [this act] is~~
 23 ~~effective FOR THE SCHOOL FISCAL YEARS BEGINNING ON AND AFTER~~
 24 ~~July 1, 1991.~~

25 (2) ~~[Section 3 and this section] are~~ [THIS ACT] IS

1 effective on passage and approval.

-End-