



AYES, 71; NOES, 25.

RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

APRIL 17, 1991

RECEIVED FROM HOUSE.

SECOND READING, AMENDMENTS  
CONCURRED IN.

APRIL 18, 1991

THIRD READING, AMENDMENTS  
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 Senate BILL NO. 82  
 2 INTRODUCED BY Van Valkenburg Peak  
 3 BY REQUEST OF THE LEGISLATIVE OVERSIGHT  
 4 COMMITTEE ON SCHOOL FUNDING IMPLEMENTATION  
 5

6 A BILL FOR AN ACT ENTITLED: "AN ACT STANDARDIZING THE  
 7 FUNDING MECHANISM FOR ELEMENTARY AND HIGH SCHOOL DISTRICT  
 8 TRANSPORTATION SCHEDULES BY DIVIDING THE COSTS BETWEEN THE  
 9 STATE AND COUNTY; ESTABLISHING A COUNTY TRANSPORTATION LEVY  
 10 WITH A REVISED GUARANTEED TAX BASE AID FORMULA FOR ELIGIBLE  
 11 COUNTIES; AMENDING SECTIONS 15-23-607, 15-23-703, 17-2-213,  
 12 20-9-212, 20-9-334, 20-9-366, 20-9-367, 20-9-368, 20-10-141,  
 13 20-10-143, 20-10-144, 20-10-145, AND 20-10-146, MCA; AND  
 14 PROVIDING A DELAYED EFFECTIVE DATE."  
 15

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

17 **Section 1.** Section 17-3-213, MCA, is amended to read:

18 "17-3-213. Allocation to general road fund and  
 19 countywide school levies. (1) The forest reserve funds so  
 20 apportioned to each county must be apportioned by the county  
 21 treasurer in each county as follows:

22 (a) to the general road fund, 66 2/3% of the total  
 23 amount received;

24 (b) to the following countywide school levies, 33 1/3%  
 25 of the total sum received:

1 (i) county equalization for elementary schools provided  
 2 for in 20-9-331; and

3 (ii) county equalization for high schools provided for  
 4 in 20-9-333;

5 (iii) the ~~high--school~~ county transportation fund  
 6 provided for in ~~20-10-143~~ 20-10-146; and

7 (iv) the elementary and high school district retirement  
 8 fund obligations provided for in 20-9-501.

9 (2) The apportionment of money to the funds provided  
 10 for under subsection (1)(b) must be made by the county  
 11 superintendent based on the proportion that the mill levy of  
 12 each fund bears to the total number of mills for all the  
 13 funds. Whenever the total amount of money available for  
 14 apportionment under this section is greater than the total  
 15 requirements of a levy, the excess money and any interest  
 16 income must be retained in a separate reserve fund, to be  
 17 reapportioned in the ensuing school fiscal year to the  
 18 levies designated in subsection (1)(b).

19 (3) In counties in which special road districts have  
 20 been created according to law, the board of county  
 21 commissioners shall distribute a proportionate share of the  
 22 66 2/3% of the total amount received for the general road  
 23 fund to the special road districts within the county based  
 24 upon the percentage that the total area of the road district  
 25 bears to the total area of the entire county."

**Section 2.** 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 and counties under the provisions of 20-9-366(1) and (3) 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.

(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 3.** Section 15-23-703, MCA, is amended to read:

"15-23-703. Taxation of gross proceeds -- taxable value for 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

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

7 (2) For bonding, county classification, and all nontax  
 8 purposes, the taxable value of the gross proceeds of coal is  
 9 45% of the contract sales price as defined in 15-35-102(5).

10 (3) The taxable value of gross proceeds for the purpose  
 11 of computing guaranteed tax base aid for schools and  
 12 counties under the provisions of 20-9-366(1) and (3) is the  
 13 amount of tax received by a district in the previous year  
 14 divided by the number of mills levied by the district in the  
 15 previous year, multiplied by 1,000. This amount must be  
 16 added to the district, county, and statewide taxable value  
 17 when computing guaranteed tax base aid under 20-9-368.

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

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

25 (b) to school districts in the county that either

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

6 **Section 4.** Section 20-9-212, MCA, is amended to read:

7 "20-9-212. Duties of county treasurer. The county  
 8 treasurer of each county shall:

9 (1) receive and hold all school money subject to  
 10 apportionment and keep a separate accounting of its  
 11 apportionment to the several districts which are entitled to  
 12 a portion of the money according to the apportionments  
 13 ordered by the county superintendent. A separate accounting  
 14 must be maintained for each county fund supported by a  
 15 countywide levy for a specific, authorized purpose,  
 16 including:

17 (a) the basic county tax in support of the elementary  
 18 foundation programs;

19 (b) the basic special tax for high schools in support  
 20 of the high school foundation programs;

21 (c) the county tax in support of the ~~county's~~ high  
 22 school elementary and high school transportation obligation  
 23 schedules;

24 (d) the county tax in support of the elementary and  
 25 high school district retirement obligations; and

1 (e) any other county tax for schools, including the  
2 community colleges, which may be authorized by law and  
3 levied by the county commissioners;

4 (2) whenever requested, notify the county  
5 superintendent and the superintendent of public instruction  
6 of the amount of county school money on deposit in each of  
7 the funds enumerated in subsection (1) of this section and  
8 the amount of any other school money subject to  
9 apportionment and apportion the county and other school  
10 money to the districts in accordance with the apportionment  
11 ordered by the county superintendent;

12 (3) keep a separate accounting of the expenditures for  
13 each budgeted fund included in the final budget of each  
14 district;

15 (4) keep a separate accounting of the receipts,  
16 expenditures, and cash balances for each budgeted fund  
17 included in the final budget of each district and for each  
18 nonbudgeted fund established by each district;

19 (5) except as otherwise limited by law, pay all  
20 warrants properly drawn on the county or district school  
21 money and properly endorsed by their holders;

22 (6) receive all revenue collected by and for each  
23 district and deposit these receipts in the fund designated  
24 by law or by the district if no fund is designated by law.  
25 Interest and penalties on delinquent school taxes shall be

1 credited to the same fund and district for which the  
2 original taxes were levied.

3 (7) send all revenue received for a joint district,  
4 part of which is situated in his county, to the county  
5 treasurer designated as the custodian of the revenue, no  
6 later than December 15 of each year and every 3 months  
7 thereafter until the end of the school fiscal year;

8 (8) at the direction of the trustees of a district,  
9 assist the district in the issuance and sale of tax and  
10 revenue anticipation notes as provided in Title 7, chapter  
11 6, part 11;

12 (9) register district warrants drawn on a budgeted fund  
13 in accordance with 7-6-2604 when there is insufficient money  
14 available in all funds of the district to make payment of  
15 the warrant. Redemption of registered warrants must be made  
16 in accordance with 7-6-2116, 7-6-2605, and 7-6-2606.

17 (10) invest the money of any district as directed by the  
18 trustees of the district within 3 working days of the  
19 direction;

20 (11) each month give to the trustees of each district an  
21 itemized report for each fund maintained by the district,  
22 showing the paid warrants, outstanding warrants, registered  
23 warrants, amounts and types of revenue received, and the  
24 cash balance;

25 (12) remit promptly to the state treasurer receipts for

1 the county tax for a vocational-technical center when levied  
2 by the board of county commissioners under the provisions of  
3 20-16-202; and

4 (13) invest the money received from the basic county tax  
5 in support of the elementary foundation programs and the  
6 basic special tax in support of the high school foundation  
7 programs within 3 working days of receipt. The money must be  
8 invested until the working day before it is required to be  
9 distributed to school districts within the county or  
10 remitted to the state. Permissible investments are specified  
11 in 20-9-213(4). All investment income must be deposited, and  
12 credited proportionately, in the funds established to  
13 account for the taxes received for the purposes specified in  
14 subsections (1)(a) and (1)(b)."

15 **Section 5.** Section 20-9-334, MCA, is amended to read:

16 "20-9-334. Apportionment of county equalization moneys  
17 by county superintendent. The county superintendent shall  
18 separately apportion the revenues deposited in the basic  
19 county tax account and the revenues deposited in the basic  
20 special tax for high schools account to the several  
21 districts of the county on a monthly basis. The  
22 apportionments shall be known as "county equalization  
23 moneys". Before the county superintendent makes the monthly  
24 apportionments, he shall:

25 ~~{1} deduct from the revenues available in the basic~~

1 ~~county tax account the amount required for the month to pay~~  
2 ~~the county's obligation for elementary transportation~~  
3 ~~reimbursements; and~~

4 ~~{2} deduct from the revenues available in the basic~~  
5 ~~special tax for high schools account the amount required for~~  
6 ~~the month to pay the county's obligation for high school~~  
7 ~~out-of-county tuition."~~

8 **Section 6.** Section 20-9-366, MCA, is amended to read:

9 "20-9-366. Definitions. As used in 20-9-366 through  
10 20-9-369, the following definitions apply:

11 (1) "County retirement mill value per elementary ANB"  
12 or "county retirement mill value per high school ANB" means  
13 the sum of the current taxable valuation of all property in  
14 the county plus the taxable value of oil and gas net  
15 proceeds determined under 15-23-607(4) for production  
16 occurring after March 31, 1990, plus the taxable value of  
17 coal gross proceeds determined under 15-23-703(3) plus all  
18 the taxable value of nonlevy revenue for the support of  
19 schools, other than Public Law 81-874 funds, divided by  
20 1,000, with the quotient divided by the total county  
21 elementary ANB count or the total county high school ANB  
22 count used to calculate the elementary school districts' and  
23 high school districts' current year foundation program  
24 amounts. The taxable value of nonlevy revenue for the  
25 purpose of computing guaranteed tax base aid for schools is

1 the amount of nonlevy revenue received by a district in the  
 2 previous year, including for fiscal year 1991 the revenue  
 3 received in fiscal year 1990 from the net proceeds taxation  
 4 of oil and natural gas and including for fiscal year 1992  
 5 and thereafter the local government severance tax, divided  
 6 by the number of mills levied by the district in the  
 7 previous year, multiplied by 1,000.

8 (2) "County transportation mill value per elementary  
 9 ANB" or "county transportation mill value per high school  
 10 ANB" means the sum of the current taxable valuation of all  
 11 property in the county divided by the total county  
 12 elementary ANB count or the total county high school ANB  
 13 count used to calculate the elementary school districts' and  
 14 high school districts' current year foundation program  
 15 amounts.

16 ~~(2)~~(3) "District mill value per ANB" means the current  
 17 taxable valuation of all property in the district plus the  
 18 taxable value of oil and gas net proceeds determined under  
 19 15-23-607(4) for production occurring after March 31, 1990,  
 20 plus the taxable value of coal gross proceeds determined  
 21 under 15-23-703(3) plus all the taxable value of nonlevy  
 22 revenue for the support of schools, other than Public Law  
 23 81-874 funds, divided by 1,000, with the quotient divided by  
 24 the ANB count of the district used to calculate the  
 25 district's current year foundation program schedule amount.

1 The taxable value of nonlevy revenue for the purpose of  
 2 computing guaranteed tax base aid for schools is the amount  
 3 of nonlevy revenue received by a district in the previous  
 4 year, including for fiscal year 1991 the revenue received in  
 5 fiscal year 1990 from the net proceeds taxation of oil and  
 6 natural gas and including for fiscal year 1992 and  
 7 thereafter the local government severance tax, divided by  
 8 the number of mills levied by the district in the previous  
 9 year, multiplied by 1,000.

10 ~~(3)~~(4) "Guaranteed overschedule general fund budget"  
 11 means that portion of a district's general fund budget in  
 12 excess of the foundation program amount for the district, as  
 13 provided in 20-9-316 through 20-9-321, but not exceeding  
 14 135% of the district's foundation program amount, and which  
 15 excess is authorized under the provisions of 20-9-145 and  
 16 20-9-353.

17 ~~(4)~~(5) "Statewide mill value per elementary ANB" or  
 18 "statewide mill value per high school ANB" means the sum of  
 19 the current taxable valuation of all property in the state  
 20 plus the taxable value of oil and gas net proceeds  
 21 determined under 15-23-607(4) for production occurring after  
 22 March 31, 1990, plus the taxable value of coal gross  
 23 proceeds determined under 15-23-703(3) plus all the taxable  
 24 value of nonlevy revenue for the support of schools, other  
 25 than Public Law 81-874 funds, divided by 1,000, with the



1 quotient divided by the total state elementary ANB count or  
 2 the total state high school ANB count used to calculate the  
 3 elementary school districts' and high school districts'  
 4 current year foundation program amounts. The taxable value  
 5 of nonlevy revenue for the purpose of computing guaranteed  
 6 tax base aid for schools is the amount of nonlevy revenue  
 7 received by a district in the previous year, including for  
 8 fiscal year 1991 the revenue received in fiscal year 1990  
 9 from the net proceeds taxation of oil and natural gas and  
 10 including for fiscal year 1992 and thereafter the local  
 11 government severance tax, divided by the number of mills  
 12 levied by the district in the previous year, multiplied by  
 13 1,000. For the purpose of calculating the statewide mill  
 14 value per ANB for determining eligibility for guaranteed tax  
 15 base aid for county transportation fund levies, nonlevy  
 16 revenue including the taxable value of oil and gas net  
 17 proceeds and coal gross proceeds is not considered."

18 **Section 7.** Section 20-9-367, MCA, is amended to read:

19 "20-9-367. Eligibility to receive guaranteed tax base  
 20 aid. (1) If the district mill value per ANB of any  
 21 elementary or high school district is less than the  
 22 corresponding statewide mill value per ANB, the district may  
 23 receive guaranteed tax base aid based on the number of mills  
 24 levied in the district in support of its guaranteed  
 25 overschedule permissive amount of the general fund budget.

1 (2) If the county retirement mill value per elementary  
 2 ANB or county retirement mill value per high school ANB is  
 3 less than the corresponding statewide mill value per ANB,  
 4 the county may receive guaranteed tax base aid based on the  
 5 number of mills levied in the county in support of the  
 6 retirement fund budgets of the respective elementary or high  
 7 school districts in the county.

8 (3) If the county transportation mill value per  
 9 elementary ANB or county transportation mill value per high  
 10 school ANB is less than the corresponding statewide mill  
 11 value per ANB, the county may receive guaranteed tax base  
 12 aid based on the number of mills levied in the county in  
 13 support of the county transportation fund obligation for  
 14 one-half of the transportation schedules in 20-10-141 and  
 15 20-10-142 for the elementary and high school districts in  
 16 the county."

17 **Section 8.** Section 20-9-368, MCA, is amended to read:

18 "20-9-368. Amount of guaranteed tax base aid --  
 19 reversion. (1) The amount of guaranteed tax base aid per ANB  
 20 that a county may receive in support of the retirement fund  
 21 budgets or the county transportation fund obligation for  
 22 one half of the transportation schedules of the elementary  
 23 school districts in the county is the difference between the  
 24 county mill value per elementary ANB and the statewide mill  
 25 value per elementary ANB, multiplied by the number of mills

1 levied in support of the retirement fund budgets ~~of or the~~  
 2 county transportation obligation for the elementary  
 3 districts in the county.

4 (2) The amount of guaranteed tax base aid per ANB that  
 5 a county may receive in support of the retirement fund  
 6 budgets or the county transportation fund obligation for  
 7 one-half of the transportation schedules of the high school  
 8 districts in the county is the difference between the county  
 9 mill value per high school ANB and the statewide mill value  
 10 per high school ANB, multiplied by the number of mills  
 11 levied in support of the retirement fund budgets ~~of or the~~  
 12 county transportation obligation for the high school  
 13 districts in the county.

14 (3) The amount of guaranteed tax base aid per ANB that  
 15 a district may receive in support of its guaranteed  
 16 overschedule permissive amount of the general fund budget is  
 17 the difference between the district mill value per ANB and  
 18 the corresponding statewide mill value per ANB, multiplied  
 19 by the number of mills levied in support of the district's  
 20 guaranteed overschedule permissive amount of the general  
 21 fund budget.

22 (4) Guaranteed tax base aid provided to any county or  
 23 district under this section is earmarked to finance the fund  
 24 or portion of the fund for which it is provided. If the  
 25 actual expenditures from the fund or portion of the fund for

1 which guaranteed tax base aid is earmarked are less than the  
 2 amount budgeted, the guaranteed tax base aid reverts in  
 3 proportion to the amount budgeted but not expended. If a  
 4 county or district receives more guaranteed tax base aid  
 5 than it is entitled to, the excess must be returned to the  
 6 state as required by 20-9-344."

7 **Section 9.** Section 20-10-141, MCA, is amended to read:

8 "20-10-141. Schedule of maximum reimbursement by  
 9 mileage rates. (1) The following mileage rates for school  
 10 transportation constitute the maximum reimbursement to  
 11 districts for school transportation from state and county  
 12 sources of transportation revenue under the provisions of  
 13 20-10-145 and 20-10-146. These rates ~~shall~~ may not limit the  
 14 amount ~~which~~ that a district may budget in its  
 15 transportation fund budget in order to provide for the  
 16 estimated and necessary cost of school transportation during  
 17 the ensuing school fiscal year. All bus miles traveled on  
 18 routes approved by the county transportation committee are  
 19 reimbursable. Nonbus mileage is reimbursable for a vehicle  
 20 driven by a bus driver to and from an overnight location of  
 21 a school bus when the location is more than 10 miles from  
 22 the school. A district may approve additional bus or nonbus  
 23 miles within its own district or approved service area but  
 24 may not claim reimbursement for ~~such~~ the mileage. Any  
 25 vehicle, the operation of which is reimbursed for bus

1 mileage under the rate provisions of this schedule, ~~shall~~  
 2 must be a school bus, as defined by this title, driven by a  
 3 qualified driver on a bus route approved by the county  
 4 transportation committee and the superintendent of public  
 5 instruction.

6 (2) The rate per bus mile traveled ~~shall~~ must be  
 7 determined in accordance with the following schedule when  
 8 the number of eligible transportees that board a school bus  
 9 on an approved route is not less than one-half of its rated  
 10 capacity:

11 (a) ~~72-cents-in-fiscal-1984-and 80 cents in-fiscal-1985~~  
 12 ~~and--each-year-thereafter~~ per bus mile for a school bus with  
 13 a rated capacity of not less than 12 but not more than 45  
 14 children; and

15 (b) when the rated capacity is more than 45 children,  
 16 an additional 2 cents per bus mile for each additional child  
 17 in the rated capacity in excess of 45 ~~shall~~ must be added to  
 18 a base rate of ~~72-cents-in--fiscal--1984--and 80 cents in~~  
 19 ~~fiscal-1985-and-each-year-thereafter-per-bus-mile.~~

20 (3) Reimbursement for nonbus mileage provided for in  
 21 subsection (1) may not exceed 50% of the maximum  
 22 reimbursement rate determined under subsection (2).

23 (4) When the number of eligible transportees boarding a  
 24 school bus on an approved route is less than one-half of its  
 25 rated capacity, the rate per bus mile traveled ~~shall~~ must be

1 computed as follows:

2 (a) determine the number of eligible transportees that  
 3 board the school bus on the route;

4 (b) multiply the number determined in subsection (4)(a)  
 5 by two and round off to the nearest whole number; and

6 (c) use the adjusted rated capacity determined in  
 7 subsection (4)(b) as the rated capacity of the bus to  
 8 determine the rate per bus mile traveled from the rate  
 9 schedule in subsection (2).

10 (5) The rated capacity ~~shall-be~~ is the number of riding  
 11 positions of a school bus as determined under the policy  
 12 adopted by the board of public education."

13 **Section 10.** Section 20-10-143, MCA, is amended to read:

14 "20-10-143. Budgeting for transportation and  
 15 transmittal of transportation contracts. (1) The trustees of  
 16 any a district furnishing transportation to pupils who are  
 17 residents of such the district shall ~~have-the-authority-and~~  
 18 ~~it-shall-be-their-duty--to~~ provide a transportation fund  
 19 budget that is adequate to finance such the district's  
 20 transportation contractual obligations and any other  
 21 transportation expenditures necessary for the conduct of its  
 22 transportation program. The transportation fund budget ~~shall~~  
 23 must include:

24 (a) an adequate amount to finance the maintenance and  
 25 operation of district owned and operated school buses;

1 (b) the annual contracted amount for the maintenance  
2 and operation of school buses by a private party;

3 (c) the annual contracted amount for individual  
4 transportation, including any increased amount due to  
5 isolation, which ~~shall~~ may not exceed the schedule amounts  
6 prescribed in 20-10-142;

7 (d) any amount necessary for the purchase, rental, or  
8 insurance of school buses; and

9 (e) any other amount necessary to finance the  
10 administration, operation, or maintenance of the  
11 transportation program of the district, as determined by the  
12 trustees.

13 (2) The trustees may include a contingency amount in  
14 the transportation fund budget for the purpose of enabling  
15 the district to fulfill ~~any~~ an obligation to provide  
16 transportation in accordance with ~~the-transportation-law~~  
17 this title for:

18 (a) any pupils not residing in the district at the time  
19 of the adoption of the preliminary budget and who  
20 subsequently became residents of ~~such~~ the district during  
21 the school fiscal year; or

22 (b) pupils who have become eligible transportees since  
23 the adoption of the preliminary budget because their legal  
24 residence has been changed. The budgeted contingency amount  
25 ~~shall~~ may not exceed 10% of the transportation schedule

1 amount as calculated under the provisions of 20-10-141 and  
2 20-10-142 for all transportation services authorized by ~~such~~  
3 ~~schedate~~ the schedules and provided by the district unless  
4 10% of ~~such~~ the transportation schedule amount ~~shall--be~~ is  
5 less than \$100, in which case \$100 ~~shall--be~~ is the maximum  
6 limitation for ~~such~~ the budgeted contingency amount.

7 (3) ~~As-provided-in--20-9-162,--an--emergency~~ A budget  
8 amendment to the transportation fund budget may be adopted  
9 subject to the provisions of ~~the--emergency--budgeting--law~~  
10 20-9-161 through 20-9-166.

11 (4) The transportation fund budgeted expenditures  
12 appropriated by the trustees ~~shall~~ must be reported on the  
13 regular budget form prescribed by the superintendent of  
14 public instruction in accordance with 20-9-103, and the  
15 adoption of the transportation fund budget ~~shall~~ must be  
16 completed in accordance with the school budgeting laws. When  
17 the adopted preliminary budget is sent to the county  
18 superintendent, the trustees shall also send copies of all  
19 completed transportation contracts for school bus  
20 transportation and individual transportation to the county  
21 superintendent. ~~Such~~ The contracts ~~shall~~ must substantiate  
22 all contracted transportation services incorporated in the  
23 preliminary budget, and after the county superintendent has  
24 utilized the contracts for ~~such~~ that purpose but before the  
25 fourth Monday of July, he shall send all the transportation

1 contracts received by him to the superintendent of public  
 2 instruction. When the county superintendent determines a  
 3 deviation between the preliminary transportation fund budget  
 4 amount for contracted transportation services and the  
 5 contracted amount for such the services, he shall  
 6 immediately call the deviation to the attention of the  
 7 appropriate trustees and shall allow the trustees to change  
 8 the preliminary budgeted amount to compensate for such the  
 9 deviation."

10 **Section 11.** Section 20-10-144, MCA, is amended to read:

11 "20-10-144. Computation of revenues and net tax levy  
 12 requirements for the district transportation fund budget.  
 13 Before the fourth Monday of July and in accordance with  
 14 20-9-123, the county superintendent shall compute the  
 15 revenue available to finance the transportation fund budget  
 16 of each district. The county superintendent shall compute  
 17 the revenue for each district on the following basis:

18 (1) The "schedule amount" of the preliminary budget  
 19 expenditures that is derived from the rate schedules in  
 20 20-10-141 and 20-10-142 must be determined by adding the  
 21 following amounts:

22 (a) the sum of the maximum reimbursable expenditures  
 23 for all approved school bus routes maintained by the  
 24 district (to determine the maximum reimbursable expenditure,  
 25 multiply the applicable rate per bus mile by the total

1 number of miles to be traveled during the ensuing school  
 2 fiscal year on each bus route approved by the county  
 3 transportation committee and maintained by such district);  
 4 plus

5 (b) the total of all individual transportation per diem  
 6 reimbursement rates for the district as determined from the  
 7 contracts submitted by the district multiplied by the number  
 8 of pupil-instruction days scheduled for the ensuing school  
 9 attendance year; plus

10 (c) any estimated costs for supervised home study or  
 11 supervised correspondence study for the ensuing school  
 12 fiscal year; plus

13 (d) the amount budgeted on the preliminary budget for  
 14 the contingency amount permitted in 20-10-143, except if the  
 15 amount exceeds 10% of the total of subsections (1)(a),  
 16 (1)(b), and (1)(c) or \$100, whichever is larger, the  
 17 contingency amount on the preliminary budget must be reduced  
 18 to the limitation amount and used in this determination of  
 19 the schedule amount.

20 (2) (a) The schedule amount determined in subsection  
 21 (1) or the total preliminary transportation fund budget,  
 22 whichever is smaller, is divided by 3 2 and the resulting  
 23 one-third-amount is used to determine the available state  
 24 and county revenue to be budgeted on the following basis:

25 (a)(i) the--resulting--one-third one-half amount is the

1 budgeted state transportation reimbursement, except that the  
 2 state transportation reimbursement for the transportation of  
 3 special education pupils under the provisions of 20-7-442  
 4 must be two-thirds of the schedule amount attributed to the  
 5 transportation of special education pupils; and

6 ~~(b)(ii) the resulting one-third one-half amount; except~~  
 7 ~~as provided for joint elementary districts in subsection~~  
 8 ~~(2)(e);~~ is the budgeted county transportation fund  
 9 reimbursement for elementary districts and must be financed  
 10 by the basic county tax under the provisions of 20-9-334;

11 ~~(c) the resulting one-third amount multiplied by 2 is~~  
 12 ~~the budgeted county transportation reimbursement amount for~~  
 13 ~~high school districts financed under the provisions of~~  
 14 ~~subsection (5); except as provided for joint high school~~  
 15 ~~districts in subsection (2)(e); and in the manner provided~~  
 16 in 20-10-146, except that the county transportation  
 17 reimbursement for the transportation of special education  
 18 pupils under the provisions of 20-7-442 must be one-third of  
 19 the schedule amount attributed to the transportation of  
 20 special education pupils;

21 ~~(d)(b) when~~ When the district has a sufficient amount  
 22 of cash for reappropriation and other sources of district  
 23 revenue, as determined in subsection (3), to reduce the  
 24 total district obligation for financing to zero, any  
 25 remaining amount of district revenue and cash reappropriated

1 must be used to reduce the county financing obligation in  
 2 subsection ~~(2)(b) or (2)(e)~~ (2)(a)(ii) and, if the county  
 3 financing obligations are reduced to zero, to reduce the  
 4 state financial obligation in subsection ~~(2)(e);~~  
 5 and (2)(a)(i).

6 ~~(e)(c) the~~ The county revenue requirement for a joint  
 7 district, after the application of any district money under  
 8 subsection ~~(2)(d)~~ (2)(b), must be prorated to each county  
 9 incorporated by the joint district in the same proportion as  
 10 the ANB of the joint district is distributed by pupil  
 11 residence in each county.

12 (3) The total of the money available for the reduction  
 13 of property tax on the district for the transportation fund  
 14 must be determined by totaling:

15 (a) anticipated federal money received under the  
 16 provisions of Title I of Public Law 81-874 or other  
 17 anticipated federal money received in lieu of that federal  
 18 act; plus

19 (b) anticipated payments from other districts for  
 20 providing school bus transportation services for the  
 21 district; plus

22 (c) anticipated payments from a parent or guardian for  
 23 providing school bus transportation services for his child;  
 24 plus

25 (d) anticipated or reappropriated interest to be earned

1 by the investment of transportation fund cash in accordance  
2 with the provisions of 20-9-213(4); plus

3 (e) anticipated or reappropriated revenue from property  
4 taxes and fees imposed under 23-2-517, 23-2-803,  
5 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204; plus

6 (f) ~~gross proceeds taxes from coal~~ anticipated revenue  
7 from coal gross proceeds under 15-23-703; plus

8 (g) anticipated net proceeds taxes for interim  
9 production and new production, as defined in 15-23-601, and  
10 local government severance taxes on any other production  
11 occurring after December 31, 1988; plus

12 (h) any other revenue anticipated by the trustees to be  
13 earned during the ensuing school fiscal year ~~which that~~ may  
14 be used to finance the transportation fund; plus and

15 (i) any cash fund balance available for reappropriation  
16 as determined by subtracting the amount of the  
17 end-of-the-year cash fund balance earmarked as the  
18 transportation fund cash operating reserve for the ensuing  
19 school fiscal year by the trustees from the end-of-the-year  
20 cash fund balance in the transportation fund. The cash  
21 operating reserve may not be more than 20% of the final  
22 transportation fund budget for the ensuing school fiscal  
23 year and is for the purpose of paying transportation fund  
24 warrants issued by the district under the final  
25 transportation fund budget.

1 (4) The district levy requirement for each district's  
2 transportation fund must be computed by:

3 (a) subtracting the schedule amount calculated in  
4 subsection (1) from the total preliminary transportation  
5 budget amount ~~and, for an elementary district, adding the~~  
6 ~~difference to the district obligation to finance one-third~~  
7 ~~of the schedule amount as determined in subsection (2); and~~

8 (b) subtracting the amount of money available to reduce  
9 the property tax on the district, as determined in  
10 subsection (3), from the amount determined in subsection  
11 (4)(a).

12 (5) ~~The county levy requirement for the financing of~~  
13 ~~the county transportation reimbursement to high school~~  
14 ~~districts is computed by adding all requirements for all the~~  
15 ~~high school districts of the county, including the county's~~  
16 ~~obligation for reimbursements in joint high school~~  
17 ~~districts;~~

18 (6) The transportation fund levy requirements  
19 determined in subsection (4) for each district ~~and in~~  
20 ~~subsection (5) for the county~~ must be reported to the county  
21 commissioners on the second Monday of August by the county  
22 superintendent as the transportation fund levy requirements  
23 for the district ~~and for the county~~, and the levies levy  
24 must be made by the county commissioners in accordance with  
25 20-9-142."

1       **Section 12.** Section 20-10-145, MCA, is amended to read:  
 2       "20-10-145. State transportation reimbursement. (1) Any  
 3       A district providing school bus transportation or individual  
 4       transportation in accordance with ~~the--transportation--law~~  
 5       this title, board of public education transportation policy,  
 6       and superintendent of public instruction transportation  
 7       rules ~~shall~~ must receive a state reimbursement of its  
 8       transportation expenditures under the transportation  
 9       reimbursement rate provisions of 20-10-141 and 20-10-142.  
 10       The state transportation reimbursement ~~shall--not-exceed~~  
 11       one-third is one-half of the reimbursement amounts  
 12       ~~established-in-such-sections-or-one-third or one-half~~ of the  
 13       district's transportation fund budget, whichever is smaller,  
 14       and ~~shall~~ must be computed on the basis of the number of  
 15       days the transportation services were actually rendered, not  
 16       to exceed 180 pupil-instruction days. In determining the  
 17       amount of the state transportation reimbursement, ~~no an~~  
 18       amount claimed by a district ~~shall~~ may not be considered for  
 19       reimbursement unless such the amount has been paid in the  
 20       regular manner provided for the payment of other financial  
 21       obligations of the district.

22       (2) Requests for the state transportation reimbursement  
 23       ~~shall~~ must be made by each district semiannually during the  
 24       school fiscal year on the claim forms and procedure  
 25       promulgated by the superintendent of public instruction. The

1       claims for state transportation reimbursements ~~shall~~ must be  
 2       routed by the district to the county superintendent, who  
 3       after reviewing such the claims shall send them to the  
 4       superintendent of public instruction. The superintendent of  
 5       public instruction shall establish the validity and accuracy  
 6       of the claims for the state transportation reimbursements by  
 7       determining their compliance with ~~the-transportation-law~~  
 8       this title, board of public education transportation policy,  
 9       and the transportation rules of the superintendent of public  
 10       instruction. After making any necessary adjustments to such  
 11       the claims, he--shall--cause--their the superintendent of  
 12       public instruction shall order payment by ordering a  
 13       disbursement from the state moneys money appropriated by the  
 14       legislature of the state of Montana for the state  
 15       transportation reimbursement. Such The payment of all the  
 16       district's claims within one county ~~shall~~ must be made to  
 17       the county treasurer of such the county, and the county  
 18       superintendent shall apportion such the payment in  
 19       accordance with the apportionment order supplied by the  
 20       superintendent of public instruction."

21       **Section 13.** Section 20-10-146, MCA, is amended to read:  
 22       "20-10-146. County transportation reimbursement. (1)  
 23       The apportionment of the county transportation reimbursement  
 24       by the county superintendent for school bus transportation  
 25       or individual transportation that is actually rendered by a



1 district in accordance with the transportation law this  
 2 title, board of public education transportation policy, and  
 3 the transportation rules of the superintendent of public  
 4 instruction shall must be the same as the state  
 5 transportation reimbursement payment except that:

6 (a) ~~the high school apportionment of the county~~  
 7 ~~transportation reimbursement shall be twice the state~~  
 8 ~~transportation reimbursement payment;~~

9 (b) if any cash was used to reduce the budgeted county  
 10 transportation reimbursement under the provisions of  
 11 ~~20-10-144(2)(d)~~ 20-10-144(2)(b), the annual apportionment  
 12 ~~shall be~~ is limited to such the budget amount;

13 ~~(c) when a district receives a state transportation~~  
 14 ~~reimbursement of two thirds the schedule amount for the~~  
 15 ~~transportation of special education pupils, the~~  
 16 ~~apportionment of the high school county transportation~~  
 17 ~~reimbursement shall be adjusted to provide only a one third~~  
 18 ~~high school county reimbursement of the transportation of~~  
 19 ~~special education pupils; and~~

20 (d)(b) when the county transportation reimbursement for  
 21 a school bus has been prorated between two or more counties  
 22 because such the school bus is conveying pupils of more than  
 23 one district located in such the counties, the apportionment  
 24 of the county transportation reimbursement shall must be  
 25 adjusted to pay the amount computed under such the

1 proration.

2 (2) The county transportation net levy requirement for  
 3 the financing of the county transportation fund  
 4 reimbursements to districts is computed by:

5 (a) totaling the net requirement separately for all the  
 6 elementary districts and the high school districts of the  
 7 county, including reimbursements to a special education  
 8 cooperative or prorated reimbursements to joint elementary  
 9 or high school districts;

10 (b) determining the sum of the money available to  
 11 reduce the county transportation net levy requirement by  
 12 adding:

13 (i) anticipated money that may be realized in the  
 14 county transportation fund during the ensuing school fiscal  
 15 year, including anticipated revenue from property taxes and  
 16 fees imposed under 23-2-517, 23-2-803, 61-3-504(2),  
 17 61-3-521, 61-3-537, and 67-3-204;

18 (ii) net proceeds taxes and local government severance  
 19 taxes on other oil and gas production occurring after  
 20 December 31, 1988;

21 (iii) coal gross proceeds taxes under 15-23-703;

22 (iv) any fund balance available for reappropriation from  
 23 the end-of-the-year fund balance in the county  
 24 transportation fund. The county transportation fund  
 25 operating reserve may not be more than 35% of the final

1 county transportation fund budget for the ensuing school  
2 fiscal year and must be used for the purpose of paying  
3 transportation fund warrants under the county transportation  
4 fund budget;

5 (v) federal forest reserve funds allocated under the  
6 provisions of 17-3-213; and

7 (vi) other revenue anticipated that may be realized in  
8 the county transportation fund during the ensuing school  
9 fiscal year, excluding guaranteed tax base aid; and

10 (c) notwithstanding the provisions of subsection (3),  
11 subtracting the money available as determined in subsection  
12 (2)(b) to reduce the levy requirement from the county  
13 transportation net levy requirement.

14 (3) (a) For a county that is eligible for guaranteed  
15 tax base aid under the provisions of 20-9-367, the county  
16 superintendent shall provide the board of county  
17 commissioners with the amount of guaranteed tax base aid  
18 that the county will receive for each mill levied, as  
19 certified by the superintendent of public instruction, to  
20 fund the county transportation net levy requirement.

21 (b) The county commissioners shall calculate the number  
22 of mills to be levied on the taxable property in the county  
23 to finance the county transportation fund net levy  
24 requirement by dividing the amount determined in subsection  
25 (2)(c) by the sum of:

1 (i) the amount of guaranteed tax base aid that the  
2 county will receive for each mill levied, as certified by  
3 the superintendent of public instruction; and

4 (ii) the taxable valuation of the county divided by  
5 1,000.

6 (4) The net levy requirement determined in subsection  
7 (2)(c) must be reported to the county commissioners on the  
8 second Monday of August by the county superintendent and a  
9 levy must be set by the county commissioners in accordance  
10 with 20-9-142.

11 {2}(5) The county superintendent shall apportion the  
12 elementary county transportation reimbursement from the  
13 proceeds of the county-basic-levy-and-the-high-school-county  
14 transportation-reimbursement-from-the-proceeds-of-the-county  
15 tax-for-high--school--transportation county transportation  
16 fund. The county superintendent shall order the county  
17 treasurer to make such the apportionments in accordance with  
18 20-9-212(2) and after the receipt of the semiannual state  
19 transportation reimbursement payments."

20 NEW SECTION. Section 14. Effective date. [This act] is  
21 effective July 1, 1992.

-End-

STATE OF MONTANA - FISCAL NOTE  
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0082, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act standardizing the funding mechanism for elementary and high school district transportation schedules by dividing the costs between the state and county; establishing a county transportation levy with a revised guaranteed tax base aid formula for eligible counties; amending various sections; and providing a delayed effective date.

ASSUMPTIONS:

1. On-schedule transportation costs will total \$16,957,300 in fiscal year 1992 and \$16,984,600 in fiscal year 1993.
2. Special education transportation costs will total \$1,301,383 in fiscal year 1992 and \$1,303,478 in fiscal year 1993.
3. The state appropriation for on-schedule transportation and guaranteed tax base transportation aid will be made from the state general fund.
4. Guaranteed tax base aid payments for county transportation will total \$1,572,000 in fiscal year 1993.

FISCAL IMPACT:

Office of Public Instruction

Expenditures:

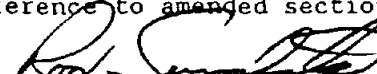
	FY '92			FY '93		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Local assistance (transportation)	6,483,120	6,483,120	0	6,493,558	10,933,285	4,439,727
Local assistance (equalization)	<u>393,797,000</u>	<u>393,797,000</u>	<u>0</u>	<u>393,325,000</u>	<u>393,325,000</u>	<u>0</u>
Total	400,280,120	400,280,120	0	399,818,558	404,278,285	4,439,727
 <u>Funding:</u>						
General Fund (transportation)	6,483,120	6,483,120	0	6,493,558	10,933,285	4,439,727
General Fund (equalization)	112,655,000	112,655,000	<u>0</u>	128,189,000	123,789,000	<u>(4,400,000)</u>
Net General fund			0			39,727
State Special (equalization)	<u>281,142,000</u>	<u>281,142,000</u>	<u>0</u>	<u>265,136,000</u>	<u>269,536,000</u>	<u>4,400,000</u>
Total	400,280,120	400,280,120	0	399,818,558	404,278,285	4,439,727

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

School districts will no longer be required to participate in the funding of on-schedule transportation costs with the result of \$3.7 million reduced costs which were financed from district levies. These costs will be shifted to the counties who will finance them with the county transportation levy.

TECHNICAL NOTES:

The reference to amended sections in the title referring to "17-2-213" should be "17-3-213".

  
 \_\_\_\_\_ 1-18-91  
 ROD SUNDSTED, BUDGET DIRECTOR                      DATE  
 Office of Budget and Program Planning

  
 \_\_\_\_\_ 1/18/91  
 FRED VAN VALKENBURG, PRIMARY SPONSOR                      DATE

Fiscal Note for SB0082, as introduced                      **SB 82**

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0082, third reading.

DESCRIPTION OF PROPOSED LEGISLATION:

An act standardizing the funding mechanism for elementary and high school district transportation schedules by dividing the costs between the state and county; requiring a report to the 1993 legislature; amending various sections; and providing an effective date.

ASSUMPTIONS:

1. On-schedule transportation costs are increased 12.5 percent as a result of the amendments to schedules in sections 10 and 11.
2. Total costs will be \$19,077,000 in FY92 and \$19,108,000 in FY93 after these increases.
3. Special education transportation costs will total \$1,464,000 in FY92 and \$1,466,000 in FY93.
4. The county share of elementary transportation will be generated from the county transportation levy and no longer taken from equalization revenues.
5. The state will pay 100 percent of on-schedule costs for special education transportation.

FISCAL IMPACT:Office of Public Instruction:


	FY '92			FY '93		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Expenditures:</u>						
Local assistance (transportation)	6,483,120	11,002,538	4,519,418	6,493,558	11,020,252	4,526,694
Local assistance (equalization)	<u>393,797,000</u>	<u>393,797,000</u>	<u>0</u>	<u>393,325,000</u>	<u>393,325,000</u>	<u>0</u>
Total	400,280,120	404,799,538	4,519,418	399,818,558	404,345,252	4,526,694
<u>Funding:</u>						
General Fund (transportation)	6,483,120	11,002,538	4,519,418	6,493,558	11,020,252	4,526,694
General Fund (equalization)	102,511,000	98,673,000	(3,838,000)	129,831,000	125,993,000	(3,838,000)
State Special (equalization)	<u>291,286,000</u>	<u>295,124,000</u>	<u>3,838,000</u>	<u>263,494,000</u>	<u>267,332,000</u>	<u>3,838,000</u>
Total	400,280,120	404,799,538	4,519,418	399,818,558	404,345,252	4,526,694
Net General Fund Impact			(681,418)			(688,694)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Elementary school districts will no longer be required to participate in the funding of on-schedule transportation costs with the result of \$3.7 million reduced costs which were financed from district levies. These costs will be shifted to the counties who will finance them with an increased county transportation levy.

TECHNICAL NOTES:

The reference to amended sections in the title referring to "17-2-213" should be "17-3-213".

  
ROD SUNDSTED, BUDGET DIRECTOR      3-16-91  
 DATE  
 Office of Budget and Program Planning

  
FRED VAN VALKENBURG, PRIMARY SPONSOR      3-19-91  
 DATE

Fiscal Note for SB0082, third reading

**SB 82-2**

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0082, third reading, as amended

DESCRIPTION OF PROPOSED LEGISLATION:

An act standardizing the funding mechanism for elementary and high school district transportation schedules by dividing the costs between the state and county; requiring a report to the 1993 legislature.

ASSUMPTIONS:

1. On-schedule transportation costs are increased 6.25 percent as a result of the amendments to schedules in sections 10 and 11.
2. Total costs will be \$18,017,000 in FY92 and \$18,046,000 in FY93 after these increases.
3. Special education transportation costs will total \$1,383,000 in FY92 and \$1,385,000 in FY93.
4. The county share of elementary transportation will be generated from the county transportation levy and no longer taken from equalization revenues.
5. The state will pay 100 percent of on-schedule costs for special education transportation.

FISCAL IMPACT:Office of Public Instruction:


	FY '92			FY '93		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Expenditures:</u>						
Local assistance (transportation)	6,483,120	10,320,000	3,836,880	6,493,558	10,330,000	3,836,442
Local assistance (equalization)	<u>393,797,000</u>	<u>393,797,000</u>	<u>0</u>	<u>393,325,000</u>	<u>393,325,000</u>	<u>0</u>
Total	400,280,120	404,117,000	3,836,880	399,818,558	403,655,000	3,836,442
<u>Funding:</u>						
General Fund (transportation)	6,483,120	10,320,000	3,836,880	6,493,558	10,330,000	3,836,442
General Fund (equalization)	102,511,000	98,673,000	(3,838,000)	129,831,000	125,993,000	(3,838,000)
State Special (equalization)	<u>291,286,000</u>	<u>295,124,000</u>	<u>3,838,000</u>	<u>263,494,000</u>	<u>267,332,000</u>	<u>3,838,000</u>
Total	400,280,120	404,117,000	3,836,880	399,818,558	403,655,000	3,836,442
Net General Fund Impact (savings)			1,120			1,558

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Elementary school districts will no longer be required to participate in the funding of on-schedule transportation costs with the result of \$3.7 million reduced costs which were financed from district levies. These costs will be shifted to the counties who will finance them with an increased county transportation levy.

TECHNICAL NOTES:

The reference to amended sections in the title referring to "17-2-213" should be "17-3-213".

  
 ROD SUNDSTED, BUDGET DIRECTOR  
 Office of Budget and Program Planning

4-5-91  
 DATE

  
 FRED VAN VALKENBURG, PRIMARY SPONSOR

4-6-91  
 DATE

Fiscal Note for SB0082, third reading, as amended **SB82-3**

APPROVED BY COMM. ON EDUCATION  
AND CULTURAL RESOURCES

SENATE BILL NO. 82

INTRODUCED BY VAN VALKENBURG, PECK  
BY REQUEST OF THE LEGISLATIVE OVERSIGHT  
COMMITTEE ON SCHOOL FUNDING IMPLEMENTATION

A BILL FOR AN ACT ENTITLED: "AN ACT STANDARDIZING THE  
FUNDING MECHANISM FOR ELEMENTARY AND HIGH SCHOOL DISTRICT  
TRANSPORTATION SCHEDULES BY DIVIDING THE COSTS BETWEEN THE  
STATE AND COUNTY; ~~ESTABLISHING A COUNTY TRANSPORTATION LEVY  
WITH A REVISED GUARANTEED TAX-BASE AID FORMULA FOR ELIGIBLE  
COUNTIES; REQUIRING A REPORT TO THE 1993 LEGISLATURE;~~  
AMENDING SECTIONS 15-23-607, 15-23-703, 17-2-213, 20-7-422,  
20-9-212, 20-9-334, 20-9-366, 20-9-367, 20-9-368, 20-10-141,  
20-10-142, 20-10-143, 20-10-144, 20-10-145, AND 20-10-146,  
MCA; AND PROVIDING ~~A DELAYED~~ AN EFFECTIVE DATE."

WHEREAS, THE LEGISLATURE RECOGNIZES ITS RESPONSIBILITY  
TO DEVELOP A MORE EQUALIZED SYSTEM OF FUNDING SCHOOL  
TRANSPORTATION. IT IS THE INTENT OF THE LEGISLATURE THAT  
THIS BILL, WHICH ALLOWS THE OFFICE OF PUBLIC INSTRUCTION TO  
DEVELOP DATA NOT CURRENTLY AVAILABLE TO MONITOR CURRENT  
SPENDING BY THE SCHOOL, BE CONSIDERED SIMPLY THE FIRST STEP  
TOWARD PROVIDING A LONG-TERM SOLUTION TO SCHOOL  
TRANSPORTATION EQUALIZATION PROBLEMS IN MONTANA. THE  
LEGISLATURE ALSO INTENDS, AS PROVIDED IN [SECTION 16], THAT

THE OFFICE OF PUBLIC INSTRUCTION CONTINUE TO COLLECT SCHOOL  
TRANSPORTATION DATA AND THAT EQUITABLE FUNDING METHODS FOR  
SCHOOL TRANSPORTATION BE ADDRESSED BY THE 53RD LEGISLATURE.

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

**Section 1.** Section 17-3-213, MCA, is amended to read:

"17-3-213. Allocation to general road fund and  
countywide school levies. (1) The forest reserve funds so  
apportioned to each county must be apportioned by the county  
treasurer in each county as follows:

(a) to the general road fund, 66 2/3% of the total  
amount received;

(b) to the following countywide school levies, 33 1/3%  
of the total sum received:

(i) county equalization for elementary schools provided  
for in 20-9-331; and

(ii) county equalization for high schools provided for  
in 20-9-333;

(iii) the ~~high-school~~ county transportation fund  
provided for in ~~20-10-143~~ 20-10-146; and

(iv) the elementary and high school district retirement  
fund obligations provided for in 20-9-501.

(2) The apportionment of money to the funds provided  
for under subsection (1)(b) must be made by the county  
superintendent based on the proportion that the mill levy of

**SECOND READING**

1 each fund bears to the total number of mills for all the  
 2 funds. Whenever the total amount of money available for  
 3 apportionment under this section is greater than the total  
 4 requirements of a levy, the excess money and any interest  
 5 income must be retained in a separate reserve fund, to be  
 6 reapportioned in the ensuing school fiscal year to the  
 7 levies designated in subsection (1)(b).

8 (3) In counties in which special road districts have  
 9 been created according to law, the board of county  
 10 commissioners shall distribute a proportionate share of the  
 11  $66 \frac{2}{3}\%$  of the total amount received for the general road  
 12 fund to the special road districts within the county based  
 13 upon the percentage that the total area of the road district  
 14 bears to the total area of the entire county."

15 **Section 2.** Section 15-23-607, MCA, is amended to read:

16 "15-23-607. County assessors to compute taxes. (1)  
 17 Immediately after the board of county commissioners has  
 18 fixed tax levies on the second Monday in August, the county  
 19 assessor shall, subject to the provisions of 15-23-612,  
 20 compute the taxes on net proceeds, as provided in subsection  
 21 (2) of this section, and royalty assessments and shall  
 22 deliver the book to the county treasurer on or before  
 23 September 15. The county treasurer shall proceed to give  
 24 full notice of the assessments to the operator and shall  
 25 collect the taxes as provided by law.

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

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

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

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

14 (4) The taxable value of net proceeds for the purpose  
 15 of computing guaranteed tax base aid for schools and  
 16 counties under the provisions of 20-9-366(1)-and-(3) is the  
 17 amount of tax received by a district in the previous year  
 18 divided by the number of mills levied by the district in the  
 19 previous year, multiplied by 1,000. This amount must be  
 20 added to the district, county, and statewide taxable value  
 21 when computing guaranteed tax base aid under 20-9-368.

22 (5) The operator or producer is liable for the payment  
 23 of the taxes that, except as provided in 15-16-121, are  
 24 payable by and must be collected from the operators in the  
 25 same manner and under the same penalties as provided for the

1 collection of taxes upon net proceeds of mines. However, the  
 2 operator may at his option withhold from the proceeds of  
 3 royalty interest, either in kind or in money, an estimated  
 4 amount of the tax to be paid by him upon the royalty or  
 5 royalty interest. After the withholding, any deviation  
 6 between the estimated tax and the actual tax may be  
 7 accounted for by adjusting subsequent withholdings from the  
 8 proceeds of royalty interests."

9 **Section 3.** Section 15-23-703, MCA, is amended to read:

10 **"15-23-703. Taxation of gross proceeds -- taxable value**  
 11 **for bonding and guaranteed tax base aid to schools. (1) The**  
 12 **county assessor shall compute from the reported gross**  
 13 **proceeds from coal a tax roll that he shall transmit to the**  
 14 **county treasurer on or before September 15 each year. The**  
 15 **county assessor may not levy or assess any mills against the**  
 16 **reported gross proceeds of coal but shall levy a tax of 5%**  
 17 **against the value of the reported gross proceeds as provided**  
 18 **in 15-23-701(1)(d). The county treasurer shall proceed to**  
 19 **give full notice to each coal producer of the taxes due and**  
 20 **to collect the taxes as provided in 15-16-101.**

21 (2) For bonding, county classification, and all nontax  
 22 purposes, the taxable value of the gross proceeds of coal is  
 23 45% of the contract sales price as defined in 15-35-102(5).

24 (3) The taxable value of gross proceeds for the purpose  
 25 of computing guaranteed tax base aid for schools and

1 counties under the provisions of 20-9-366(1)-and-(3) is the  
 2 amount of tax received by a district in the previous year  
 3 divided by the number of mills levied by the district in the  
 4 previous year, multiplied by 1,000. This amount must be  
 5 added to the district, county, and statewide taxable value  
 6 when computing guaranteed tax base aid under 20-9-368.

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

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

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

20 **SECTION 4. SECTION 20-7-442, MCA, IS AMENDED TO READ:**

21 **"20-7-442. State transportation reimbursement for**  
 22 **special education children. Districts providing children**  
 23 **with transportation to a special education class or program**  
 24 **and complying with the special education transportation**  
 25 **regulations promulgated by the superintendent of public**



1 instruction shall be eligible for a transportation  
 2 reimbursement. The reimbursement shall be calculated from a  
 3 schedule established by the superintendent of public  
 4 instruction with the state providing ~~two-thirds~~ 100% of the  
 5 reimbursement ~~and the county in which the children reside~~  
 6 ~~providing the remainder."~~

7 **Section 5.** Section 20-9-212, MCA, is amended to read:

8 **"20-9-212. Duties of county treasurer.** The county  
 9 treasurer of each county shall:

10 (1) receive and hold all school money subject to  
 11 apportionment and keep a separate accounting of its  
 12 apportionment to the several districts which are entitled to  
 13 a portion of the money according to the apportionments  
 14 ordered by the county superintendent. A separate accounting  
 15 must be maintained for each county fund supported by a  
 16 countywide levy for a specific, authorized purpose,  
 17 including:

18 (a) the basic county tax in support of the elementary  
 19 foundation programs;

20 (b) the basic special tax for high schools in support  
 21 of the high school foundation programs;

22 (c) the county tax in support of the ~~county's high~~  
 23 ~~school elementary and high school~~ transportation obligation  
 24 ~~schedules~~;

25 (d) the county tax in support of the elementary and

1 high school district retirement obligations; and

2 (e) any other county tax for schools, including the  
 3 community colleges, which may be authorized by law and  
 4 levied by the county commissioners;

5 (2) whenever requested, notify the county  
 6 superintendent and the superintendent of public instruction  
 7 of the amount of county school money on deposit in each of  
 8 the funds enumerated in subsection (1) of this section and  
 9 the amount of any other school money subject to  
 10 apportionment and apportion the county and other school  
 11 money to the districts in accordance with the apportionment  
 12 ordered by the county superintendent;

13 (3) keep a separate accounting of the expenditures for  
 14 each budgeted fund included in the final budget of each  
 15 district;

16 (4) keep a separate accounting of the receipts,  
 17 expenditures, and cash balances for each budgeted fund  
 18 included in the final budget of each district and for each  
 19 nonbudgeted fund established by each district;

20 (5) except as otherwise limited by law, pay all  
 21 warrants properly drawn on the county or district school  
 22 money and properly endorsed by their holders;

23 (6) receive all revenue collected by and for each  
 24 district and deposit these receipts in the fund designated  
 25 by law or by the district if no fund is designated by law.

1 Interest and penalties on delinquent school taxes shall be  
2 credited to the same fund and district for which the  
3 original taxes were levied.

4 (7) send all revenue received for a joint district,  
5 part of which is situated in his county, to the county  
6 treasurer designated as the custodian of the revenue, no  
7 later than December 15 of each year and every 3 months  
8 thereafter until the end of the school fiscal year;

9 (8) at the direction of the trustees of a district,  
10 assist the district in the issuance and sale of tax and  
11 revenue anticipation notes as provided in Title 7, chapter  
12 6, part 11;

13 (9) register district warrants drawn on a budgeted fund  
14 in accordance with 7-6-2604 when there is insufficient money  
15 available in all funds of the district to make payment of  
16 the warrant. Redemption of registered warrants must be made  
17 in accordance with 7-6-2116, 7-6-2605, and 7-6-2606.

18 (10) invest the money of any district as directed by the  
19 trustees of the district within 3 working days of the  
20 direction;

21 (11) each month give to the trustees of each district an  
22 itemized report for each fund maintained by the district,  
23 showing the paid warrants, outstanding warrants, registered  
24 warrants, amounts and types of revenue received, and the  
25 cash balance;

1 (12) remit promptly to the state treasurer receipts for  
2 the county tax for a vocational-technical center when levied  
3 by the board of county commissioners under the provisions of  
4 20-16-202; and

5 (13) invest the money received from the basic county tax  
6 in support of the elementary foundation programs and the  
7 basic special tax in support of the high school foundation  
8 programs within 3 working days of receipt. The money must be  
9 invested until the working day before it is required to be  
10 distributed to school districts within the county or  
11 remitted to the state. Permissible investments are specified  
12 in 20-9-213(4). All investment income must be deposited, and  
13 credited proportionately, in the funds established to  
14 account for the taxes received for the purposes specified in  
15 subsections (1)(a) and (1)(b)."

16 **Section 6.** Section 20-9-334, MCA, is amended to read:

17 "20-9-334. Apportionment of county equalization moneys  
18 by county superintendent. The county superintendent shall  
19 separately apportion the revenues deposited in the basic  
20 county tax account and the revenues deposited in the basic  
21 special tax for high schools account to the several  
22 districts of the county on a monthly basis. The  
23 apportionments shall be known as "county equalization  
24 moneys". Before the county superintendent makes the monthly  
25 apportionments, he shall:

1       ~~{1}~~--deduct-from-the-revenues--available--in--the--basic  
 2 county--tax-account-the-amount-required-for-the-month-to-pay  
 3 the--county's--obligation--for--elementary--transportation  
 4 reimbursements;-and

5       {2} deduct from the revenues available in the basic  
 6 special tax for high schools account the amount required for  
 7 the month to pay the county's obligation for high school  
 8 out-of-county tuition."

9       **Section 7.** Section 20-9-366, MCA, is amended to read:

10       "20-9-366. Definitions. As used in 20-9-366 through  
 11 20-9-369, the following definitions apply:

12       (1) "County retirement mill value per elementary ANB"  
 13 or "county retirement mill value per high school ANB" means  
 14 the sum of the current taxable valuation of all property in  
 15 the county plus the taxable value of oil and gas net  
 16 proceeds determined under 15-23-607(4) for production  
 17 occurring after March 31, 1990, plus the taxable value of  
 18 coal gross proceeds determined under 15-23-703(3) plus all  
 19 the taxable value of nonlevy revenue for the support of  
 20 schools, other than Public Law 81-874 funds, divided by  
 21 1,000, with the quotient divided by the total county  
 22 elementary ANB count or the total county high school ANB  
 23 count used to calculate the elementary school districts' and  
 24 high school districts' current year foundation program  
 25 amounts. The taxable value of nonlevy revenue for the

1 purpose of computing guaranteed tax base aid for schools is  
 2 the amount of nonlevy revenue received by a district in the  
 3 previous year, including for fiscal year 1991 the revenue  
 4 received in fiscal year 1990 from the net proceeds taxation  
 5 of oil and natural gas and including for fiscal year 1992  
 6 and thereafter the local government severance tax, divided  
 7 by the number of mills levied by the district in the  
 8 previous year, multiplied by 1,000.

9       ~~{2}~~--"County-transportation-mill-value-per--elementary  
 10 ANB"--or--"county--transportation-mill-value-per-high-school  
 11 ANB"--means-the-sum-of-the-current-taxable-valuation--of--all  
 12 property--in--the--county--divided--by--the--total--county  
 13 elementary-ANB-count-or-the-total--county--high--school--ANB  
 14 count-used-to-calculate-the-elementary-school-districts'-and  
 15 high--school--districts'-current--year--foundation--program  
 16 amounts;

17       {2}{3}{2} "District mill value per ANB" means the  
 18 current taxable valuation of all property in the district  
 19 plus the taxable value of oil and gas net proceeds  
 20 determined under 15-23-607(4) for production occurring after  
 21 March 31, 1990, plus the taxable value of coal gross  
 22 proceeds determined under 15-23-703(3) plus all the taxable  
 23 value of nonlevy revenue for the support of schools, other  
 24 than Public Law 81-874 funds, divided by 1,000, with the  
 25 quotient divided by the ANB count of the district used to

1 calculate the district's current year foundation program  
 2 schedule amount. The taxable value of nonlevy revenue for  
 3 the purpose of computing guaranteed tax base aid for schools  
 4 is the amount of nonlevy revenue received by a district in  
 5 the previous year, including for fiscal year 1991 the  
 6 revenue received in fiscal year 1990 from the net proceeds  
 7 taxation of oil and natural gas and including for fiscal  
 8 year 1992 and thereafter the local government severance tax,  
 9 divided by the number of mills levied by the district in the  
 10 previous year, multiplied by 1,000.

11 ~~(3)~~~~(4)~~(3) "Guaranteed overschedule general fund budget"  
 12 means that portion of a district's general fund budget in  
 13 excess of the foundation program amount for the district, as  
 14 provided in 20-9-316 through 20-9-321, but not exceeding  
 15 135% of the district's foundation program amount, and which  
 16 excess is authorized under the provisions of 20-9-145 and  
 17 20-9-353.

18 ~~(4)~~~~(5)~~(4) "Statewide mill value per elementary ANB" or  
 19 "statewide mill value per high school ANB", FOR PERMISSIVE  
 20 AND RETIREMENT GUARANTEED TAX BASE PURPOSES, means the sum  
 21 of the current taxable valuation of all property in the  
 22 state plus the taxable value of oil and gas net proceeds  
 23 determined under 15-23-607(4) for production occurring after  
 24 March 31, 1990, plus the taxable value of coal gross  
 25 proceeds determined under 15-23-703(3) plus all the taxable

1 value of nonlevy revenue for the support of schools, other  
 2 than Public Law 81-874 funds, divided by 1,000, with the  
 3 quotient divided by the total state elementary ANB count or  
 4 the total state high school ANB count used to calculate the  
 5 elementary school districts' and high school districts'  
 6 current year foundation program amounts. The taxable value  
 7 of nonlevy revenue for the purpose of computing guaranteed  
 8 tax 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. For the purpose of calculating the statewide mill  
 16 value per ANB for determining eligibility for guaranteed tax  
 17 base aid for county transportation fund levies, nonlevy  
 18 revenue including the taxable value of oil and gas net  
 19 proceeds and coal gross proceeds is not considered."

20 **Section 8.** Section 20-9-367, MCA, is amended to read:

21 "20-9-367. Eligibility to receive guaranteed tax base  
 22 aid. (1) If the district mill value per ANB of any  
 23 elementary or high school district is less than the  
 24 corresponding statewide mill value per ANB, the district may  
 25 receive guaranteed tax base aid based on the number of mills

1 levied in the district in support of its guaranteed  
 2 overschedule permissive amount of the general fund budget.

3 (2) If the county retirement mill value per elementary  
 4 ANB or county retirement mill value per high school ANB is  
 5 less than the corresponding statewide mill value per ANB,  
 6 the county may receive guaranteed tax base aid based on the  
 7 number of mills levied in the county in support of the  
 8 retirement fund budgets of the respective elementary or high  
 9 school districts in the county.

10 ~~(3) If the county transportation mill value per~~  
 11 ~~elementary ANB or county transportation mill value per high~~  
 12 ~~school ANB is less than the corresponding statewide mill~~  
 13 ~~value per ANB, the county may receive guaranteed tax base~~  
 14 ~~aid based on the number of mills levied in the county in~~  
 15 ~~support of the county transportation fund obligation for~~  
 16 ~~one-half of the transportation schedules in 20-10-141 and~~  
 17 ~~20-10-142 for the elementary and high school districts in~~  
 18 ~~the county."~~

19 **Section 9.** Section 20-9-368, MCA, is amended to read:

20 "20-9-368. Amount of guaranteed tax base aid --  
 21 reversion. (1) The amount of guaranteed tax base aid per ANB  
 22 that a county may receive in support of the retirement fund  
 23 budgets ~~or the county transportation fund obligation for~~  
 24 ~~one-half of the transportation schedules~~ of the elementary  
 25 school districts in the county is the difference between the

1 county mill value per elementary ANB and the statewide mill  
 2 value per elementary ANB, multiplied by the number of mills  
 3 levied in support of the retirement fund budgets of ~~or the~~  
 4 ~~county transportation obligation~~ for the elementary  
 5 districts in the county.

6 (2) The amount of guaranteed tax base aid per ANB that  
 7 a county may receive in support of the retirement fund  
 8 budgets ~~or the county transportation fund obligation for~~  
 9 ~~one-half of the transportation schedules~~ of the high school  
 10 districts in the county is the difference between the county  
 11 mill value per high school ANB and the statewide mill value  
 12 per high school ANB, multiplied by the number of mills  
 13 levied in support of the retirement fund budgets of ~~or the~~  
 14 ~~county transportation obligation~~ for the high school  
 15 districts in the county.

16 (3) The amount of guaranteed tax base aid per ANB that  
 17 a district may receive in support of its guaranteed  
 18 overschedule permissive amount of the general fund budget is  
 19 the difference between the district mill value per ANB and  
 20 the corresponding statewide mill value per ANB, multiplied  
 21 by the number of mills levied in support of the district's  
 22 guaranteed overschedule permissive amount of the general  
 23 fund budget.

24 (4) Guaranteed tax base aid provided to any county or  
 25 district under this section is earmarked to finance the fund

1 or portion of the fund for which it is provided. If the  
 2 actual expenditures from the fund or portion of the fund for  
 3 which guaranteed tax base aid is earmarked are less than the  
 4 amount budgeted, the guaranteed tax base aid reverts in  
 5 proportion to the amount budgeted but not expended. If a  
 6 county or district receives more guaranteed tax base aid  
 7 than it is entitled to, the excess must be returned to the  
 8 state as required by 20-9-344."

9 **Section 10.** Section 20-10-141, MCA, is amended to read:

10 "20-10-141. Schedule of maximum reimbursement by  
 11 mileage rates. (1) The following mileage rates for school  
 12 transportation constitute the maximum reimbursement to  
 13 districts for school transportation from state and county  
 14 sources of transportation revenue under the provisions of  
 15 20-10-145 and 20-10-146. These rates shall may not limit the  
 16 amount which that a district may budget in its  
 17 transportation fund budget in order to provide for the  
 18 estimated and necessary cost of school transportation during  
 19 the ensuing school fiscal year. All bus miles traveled on  
 20 routes approved by the county transportation committee are  
 21 reimbursable. Nonbus mileage is reimbursable for a vehicle  
 22 driven by a bus driver to and from an overnight location of  
 23 a school bus when the location is more than 10 miles from  
 24 the school. A district may approve additional bus or nonbus  
 25 miles within its own district or approved service area but

1 may not claim reimbursement for such the mileage. Any  
 2 vehicle, the operation of which is reimbursed for bus  
 3 mileage under the rate provisions of this schedule, shall  
 4 must be a school bus, as defined by this title, driven by a  
 5 qualified driver on a bus route approved by the county  
 6 transportation committee and the superintendent of public  
 7 instruction.

8 (2) The rate per bus mile traveled shall must be  
 9 determined in accordance with the following schedule when  
 10 the number of eligible transportees that board a school bus  
 11 on an approved route is not less than one-half of its rated  
 12 capacity:

13 ~~(a) 72-cents-in-fiscal-1984-and 80 90 cents in--fiscal~~  
 14 ~~1985--and-each-year-thereafter~~ per bus mile for a school bus  
 15 with a rated capacity of not less than 12 but not more than  
 16 45 children; and

17 (b) when the rated capacity is more than 45 children,  
 18 an additional 2 2.25 cents per bus mile for each additional  
 19 child in the rated capacity in excess of 45 shall must be  
 20 added to a base rate of ~~72-cents-in-fiscal-1984--and 80 90~~  
 21 ~~cents in--fiscal-1985-and-each-year-thereafter-per-bus-mile~~  
 22 PER BUS MILE.

23 (3) Reimbursement for nonbus mileage provided for in  
 24 subsection (1) may not exceed 50% of the maximum  
 25 reimbursement rate determined under subsection (2).

1 (4) When the number of eligible transportees boarding a  
2 school bus on an approved route is less than one-half of its  
3 rated capacity, the rate per bus mile traveled shall must be  
4 computed as follows:

5 (a) determine the number of eligible transportees that  
6 board the school bus on the route;

7 (b) multiply the number determined in subsection (4)(a)  
8 by two and round off to the nearest whole number; and

9 (c) use the adjusted rated capacity determined in  
10 subsection (4)(b) as the rated capacity of the bus to  
11 determine the rate per bus mile traveled from the rate  
12 schedule in subsection (2).

13 (5) The rated capacity shall ~~be~~ is the number of riding  
14 positions of a school bus as determined under the policy  
15 adopted by the board of public education."

16 **SECTION 11. SECTION 20-10-142, MCA, IS AMENDED TO READ:**

17 "20-10-142. Schedule of ~~maximum~~ reimbursement for  
18 individual transportation. The following rates for  
19 individual transportation constitute the maximum  
20 reimbursement to districts for individual transportation  
21 from state and county sources of transportation revenue  
22 under the provisions of 20-10-145 and 20-10-146. These rates  
23 also shall constitute the limitation of the budgeted amounts  
24 for individual transportation for the ensuing school fiscal  
25 year. The schedules provided in this section shall not be

1 altered by any authority other than the legislature of the  
2 state of Montana. When the trustees contract with the parent  
3 or guardian of any eligible transportee to provide  
4 individual transportation for each day of school attendance,  
5 they shall reimburse the parent or guardian on the basis of  
6 the following schedule:

7 (1) When a parent or guardian transports an eligible  
8 transportee or transportees from the residence of the parent  
9 or guardian to a school or to schools located within 3 miles  
10 of one another, the total reimbursement per day of  
11 attendance shall be determined by multiplying the distance  
12 in miles between the residence and the school, or the most  
13 distant school if more than one, by 2, subtracting 6 miles  
14 from the product so obtained, and multiplying the difference  
15 by ~~20~~ 22.5 cents provided that:

16 (a) if two or more eligible transportees are  
17 transported by a parent or guardian to two or more schools  
18 located within 3 miles of one another and if such schools  
19 are operated by different school districts, the total amount  
20 of the reimbursement shall be divided equally between the  
21 districts;

22 (b) if two or more eligible transportees are  
23 transported by a parent or guardian to two or more schools  
24 located more than 3 miles from one another, the parent or  
25 guardian shall be separately reimbursed for transporting the

1 eligible transportee or transportees to each school;

2 (c) if a parent transports two or more eligible  
3 transportees to a school and a bus stop which school and bus  
4 stop are located within 3 miles of one another, the total  
5 reimbursement shall be determined under the provisions of  
6 this subsection and shall be divided equally between the  
7 district operating the school and the district operating the  
8 bus;

9 (d) if a parent transporting two or more eligible  
10 transportees to a school or bus stop must, because of  
11 varying arrival and departure times, make more than one  
12 round-trip journey to the bus stop or school, the total  
13 reimbursement allowed by this section shall be limited to  
14 one round trip per day for each scheduled arrival or  
15 departure time;

16 (e) notwithstanding subsection (1)(a), (1)(b), (1)(c),  
17 or (1)(d), no reimbursement may be less than 25 cents a day.

18 (2) When the parent or guardian transports an eligible  
19 transportee or transportees from the residence to a bus stop  
20 of a bus route approved by the trustees for the  
21 transportation of the transportee or transportees, the total  
22 reimbursement per day of attendance shall be determined by  
23 multiplying the distance in miles between the residence and  
24 the bus stop by 2, subtracting 3 miles from the product so  
25 obtained, and multiplying the difference by ~~20~~ 22.5 cents

1 provided that:

2 (a) if the eligible transportees transported attend  
3 schools in different districts but ride on one bus, the  
4 districts shall divide the total reimbursement equally; and

5 (b) if the parent or guardian is required to transport  
6 the eligible transportees to more than one bus, the parent  
7 or guardian shall be separately reimbursed for  
8 transportation to each bus.

9 (3) Where, due to excessive distances, impassable  
10 roads, or other special circumstances of isolation the rates  
11 prescribed in subsection (1) or (2) would be an inadequate  
12 reimbursement for the transportation costs or would result  
13 in a physical hardship for the eligible transportee, his  
14 parent or guardian may request an increase in the  
15 reimbursement rate. Such a request for increased rates due  
16 to isolation shall be made by the parent or guardian on the  
17 contract for individual transportation for the ensuing  
18 school fiscal year by indicating the special facts and  
19 circumstances which exist to justify the increase. Before  
20 any increased rate due to isolation can be paid to the  
21 requesting parent or guardian, such rate must be approved by  
22 the county transportation committee and the superintendent  
23 of public instruction after the trustees have indicated  
24 their approval or disapproval. Regardless of the action of  
25 the trustees and when approval is given by the county



1 transportation committee and the superintendent of public  
2 instruction, the trustees shall pay such increased rate due  
3 to isolation. The increased rate shall be 1 1/2 times the  
4 rate prescribed in subsection (1) above.

5 (4) When the isolated conditions of the household where  
6 an eligible transportee resides require such eligible  
7 transportee to live away from the household in order to  
8 attend school, he shall be eligible for the room and board  
9 reimbursement. Approval to receive the room and board  
10 reimbursement shall be obtained in the same manner  
11 prescribed in subsection (3) above. The per diem rate for  
12 room and board shall be \$5 \$5.62 for one eligible  
13 transportee and \$3 \$3.38 for each additional eligible  
14 transportee of the same household.

15 (5) When the individual transportation provision is to  
16 be satisfied by supervised home study or supervised  
17 correspondence study, the reimbursement rate shall be the  
18 cost of such study, provided that the course of instruction  
19 is approved by the trustees and supervised by the district."

20 **Section 12.** Section 20-10-143, MCA, is amended to read:

21 "20-10-143. Budgeting for transportation and  
22 transmittal of transportation contracts. (1) The trustees of  
23 any a district furnishing transportation to pupils who are  
24 residents of such the district shall ~~have-the-authority-and~~  
25 ~~it-shall-be-their-duty--to~~ provide a transportation fund

1 budget that is adequate to finance such the district's  
2 transportation contractual obligations and any other  
3 transportation expenditures necessary for the conduct of its  
4 transportation program. The transportation fund budget ~~shall~~  
5 must include:

6 (a) an adequate amount to finance the maintenance and  
7 operation of district owned and operated school buses;

8 (b) the annual contracted amount for the maintenance  
9 and operation of school buses by a private party;

10 (c) the annual contracted amount for individual  
11 transportation, including any increased amount due to  
12 isolation, which ~~shall~~ may not exceed the schedule amounts  
13 prescribed in 20-10-142;

14 (d) any amount necessary for the purchase, rental, or  
15 insurance of school buses; and

16 (e) any other amount necessary to finance the  
17 administration, operation, or maintenance of the  
18 transportation program of the district, as determined by the  
19 trustees.

20 (2) The trustees may include a contingency amount in  
21 the transportation fund budget for the purpose of enabling  
22 the district to fulfill any an obligation to provide  
23 transportation in accordance with ~~the-transportation-law~~  
24 this title for:

25 (a) any pupils not residing in the district at the time

1 of the adoption of the preliminary budget and who  
 2 subsequently became residents of such the district during  
 3 the school fiscal year; or

4 (b) pupils who have become eligible transportees since  
 5 the adoption of the preliminary budget because their legal  
 6 residence has been changed. The budgeted contingency amount  
 7 ~~shall~~ may not exceed 10% of the transportation schedule  
 8 amount as calculated under the provisions of 20-10-141 and  
 9 20-10-142 for all transportation services authorized by such  
 10 ~~schedule~~ the schedules and provided by the district unless  
 11 10% of such the transportation schedule amount ~~shall--be~~ is  
 12 less than \$100, in which case \$100 ~~shall-be~~ is the maximum  
 13 limitation for such the budgeted contingency amount.

14 (3) ~~As-provided-in--20-9-162--an--emergency~~ A budget  
 15 amendment to the transportation fund budget may be adopted  
 16 subject to the provisions of ~~the--emergency--budgeting--law~~  
 17 20-9-161 through 20-9-166.

18 (4) The transportation fund budgeted expenditures  
 19 appropriated by the trustees ~~shall~~ must be reported on the  
 20 regular budget form prescribed by the superintendent of  
 21 public instruction in accordance with 20-9-103, and the  
 22 adoption of the transportation fund budget ~~shall~~ must be  
 23 completed in accordance with the school budgeting laws. When  
 24 the adopted preliminary budget is sent to the county  
 25 superintendent, the trustees shall also send copies of all

1 completed transportation contracts for school bus  
 2 transportation and individual transportation to the county  
 3 superintendent. Such The contracts ~~shall~~ must substantiate  
 4 all contracted transportation services incorporated in the  
 5 preliminary budget, and after the county superintendent has  
 6 utilized the contracts for such that purpose but before the  
 7 fourth Monday of July, he shall send all the transportation  
 8 contracts received ~~by-him~~ to the superintendent of public  
 9 instruction. When the county superintendent determines a  
 10 deviation between the preliminary transportation fund budget  
 11 amount for contracted transportation services and the  
 12 contracted amount for such the services, he shall  
 13 immediately call the deviation to the attention of the  
 14 appropriate trustees and shall allow the trustees to change  
 15 the preliminary budgeted amount to compensate for such the  
 16 deviation."

17 **Section 13.** Section 20-10-144, MCA, is amended to read:  
 18 "20-10-144. Computation of revenues and net tax levy  
 19 requirements for the district transportation fund budget.  
 20 Before the fourth Monday of July and in accordance with  
 21 20-9-123, the county superintendent shall compute the  
 22 revenue available to finance the transportation fund budget  
 23 of each district. The county superintendent shall compute  
 24 the revenue for each district on the following basis:

25 (1) The "schedule amount" of the preliminary budget

1 expenditures that is derived from the rate schedules in  
2 20-10-141 and 20-10-142 must be determined by adding the  
3 following amounts:

4 (a) the sum of the maximum reimbursable expenditures  
5 for all approved school bus routes maintained by the  
6 district (to determine the maximum reimbursable expenditure,  
7 multiply the applicable rate per bus mile by the total  
8 number of miles to be traveled during the ensuing school  
9 fiscal year on each bus route approved by the county  
10 transportation committee and maintained by such district);  
11 plus

12 (b) the total of all individual transportation per diem  
13 reimbursement rates for the district as determined from the  
14 contracts submitted by the district multiplied by the number  
15 of pupil-instruction days scheduled for the ensuing school  
16 attendance year; plus

17 (c) any estimated costs for supervised home study or  
18 supervised correspondence study for the ensuing school  
19 fiscal year; plus

20 (d) the amount budgeted on the preliminary budget for  
21 the contingency amount permitted in 20-10-143, except if the  
22 amount exceeds 10% of the total of subsections (1)(a),  
23 (1)(b), and (1)(c) or \$100, whichever is larger, the  
24 contingency amount on the preliminary budget must be reduced  
25 to the limitation amount and used in this determination of

1 the schedule amount.

2 (2) (a) The schedule amount determined in subsection  
3 (1) or the total preliminary transportation fund budget,  
4 whichever is smaller, is divided by 3 2 and the resulting  
5 one-third amount is used to determine the available state  
6 and county revenue to be budgeted on the following basis:

7 (a)(i) the resulting one-third one-half amount is the  
8 budgeted state transportation reimbursement, except that the  
9 state transportation reimbursement for the transportation of  
10 special education pupils under the provisions of 20-7-442  
11 must be two-thirds 100% of the schedule amount attributed to  
12 the transportation of special education pupils; and

13 (b)(ii) the resulting one-third one-half amount, except  
14 as provided for joint elementary districts in subsection  
15 (2)(e), is the budgeted county transportation fund  
16 reimbursement for elementary districts and must be financed  
17 by the basic county tax under the provisions of 20-9-334;

18 (c) the resulting one-third amount multiplied by 2 is  
19 the budgeted county transportation reimbursement amount for  
20 high school districts financed under the provisions of  
21 subsection (5), except as provided for joint high school  
22 districts in subsection (2)(e) and in the manner provided  
23 in 20-10-146, except that the county transportation  
24 reimbursement for the transportation of special education  
25 pupils under the provisions of 20-7-442 must be one-third of

1 ~~the schedule amount attributed to the transportation of~~  
2 ~~special education pupils;~~

3 ~~(d)(b)~~ when When the district has a sufficient amount  
4 of cash for reappropriation and other sources of district  
5 revenue, as determined in subsection (3), to reduce the  
6 total district obligation for financing to zero, any  
7 remaining amount of district revenue and cash reappropriated  
8 must be used to reduce the county financing obligation in  
9 subsection ~~(2)(b) or (2)(c)~~ (2)(a)(ii) and, if the county  
10 financing obligations are reduced to zero, to reduce the  
11 state financial obligation in subsection ~~(2)(a)~~  
12 and (2)(a)(i).

13 ~~(e)(c)~~ the The county revenue requirement for a joint  
14 district, after the application of any district money under  
15 subsection ~~(2)(d)~~ (2)(b), must be prorated to each county  
16 incorporated by the joint district in the same proportion as  
17 the ANB of the joint district is distributed by pupil  
18 residence in each county.

19 (3) The total of the money available for the reduction  
20 of property tax on the district for the transportation fund  
21 must be determined by totaling:

22 (a) anticipated federal money received under the  
23 provisions of Title I of Public Law 81-874 or other  
24 anticipated federal money received in lieu of that federal  
25 act; plus

1 (b) anticipated payments from other districts for  
2 providing school bus transportation services for the  
3 district; plus

4 (c) anticipated payments from a parent or guardian for  
5 providing school bus transportation services for his child;  
6 plus

7 (d) anticipated or reappropriated interest to be earned  
8 by the investment of transportation fund cash in accordance  
9 with the provisions of 20-9-213(4); plus

10 (e) anticipated or reappropriated revenue from property  
11 taxes and fees imposed under 23-2-517, 23-2-803,  
12 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204; plus

13 (f) gross proceeds taxes from coal anticipated revenue  
14 from coal gross proceeds under 15-23-703; plus

15 (g) anticipated net proceeds taxes for interim  
16 production and new production, as defined in 15-23-601, and  
17 local government severance taxes on any other production  
18 occurring after December 31, 1988; plus

19 (h) any other revenue anticipated by the trustees to be  
20 earned during the ensuing school fiscal year which that may  
21 be used to finance the transportation fund; plus and

22 (i) any cash fund balance available for reappropriation  
23 as determined by subtracting the amount of the  
24 end-of-the-year cash fund balance earmarked as the  
25 transportation fund cash operating reserve for the ensuing

1 school fiscal year by the trustees from the end-of-the-year  
 2 cash fund balance in the transportation fund. The cash  
 3 operating reserve may not be more than 20% of the final  
 4 transportation fund budget for the ensuing school fiscal  
 5 year and is for the purpose of paying transportation fund  
 6 warrants issued by the district under the final  
 7 transportation fund budget.

8 (4) The district levy requirement for each district's  
 9 transportation fund must be computed by:

10 (a) subtracting the schedule amount calculated in  
 11 subsection (1) from the total preliminary transportation  
 12 budget amount ~~and, for an elementary district, adding the~~  
 13 ~~difference to the district obligation to finance one-third~~  
 14 ~~of the schedule amount as determined in subsection (2); and~~

15 (b) subtracting the amount of money available to reduce  
 16 the property tax on the district, as determined in  
 17 subsection (3), from the amount determined in subsection  
 18 (4)(a).

19 (5) ~~The county levy requirement for the financing of~~  
 20 ~~the county transportation reimbursement to high school~~  
 21 ~~districts is computed by adding all requirements for all the~~  
 22 ~~high school districts of the county, including the county's~~  
 23 ~~obligation for reimbursements in joint high school~~  
 24 ~~districts:~~

25 (6) The transportation fund levy requirements

1 determined in subsection (4) for each district ~~and in~~  
 2 ~~subsection (5) for the county~~ must be reported to the county  
 3 commissioners on the second Monday of August by the county  
 4 superintendent as the transportation fund levy requirements  
 5 for the district ~~and for the county~~, and the levies levy  
 6 must be made by the county commissioners in accordance with  
 7 20-9-142."

8 **Section 14.** Section 20-10-145, MCA, is amended to read:

9 "20-10-145. State transportation reimbursement. (1) Any  
 10 A district providing school bus transportation or individual  
 11 transportation in accordance with ~~the transportation law~~  
 12 this title, board of public education transportation policy,  
 13 and superintendent of public instruction transportation  
 14 rules ~~shall~~ must receive a state reimbursement of its  
 15 transportation expenditures under the transportation  
 16 reimbursement rate provisions of 20-10-141 and 20-10-142.  
 17 The state transportation reimbursement ~~shall not exceed~~  
 18 one-third is one-half of the reimbursement amounts  
 19 ~~established in such sections or one-third or one-half~~ of the  
 20 district's transportation fund budget, whichever is smaller,  
 21 and ~~shall~~ must be computed on the basis of the number of  
 22 days the transportation services were actually rendered, not  
 23 to exceed 180 pupil-instruction days. In determining the  
 24 amount of the state transportation reimbursement, no an  
 25 amount claimed by a district ~~shall~~ may not be considered for

1 reimbursement unless such the amount has been paid in the  
2 regular manner provided for the payment of other financial  
3 obligations of the district.

4 (2) Requests for the state transportation reimbursement  
5 ~~shall~~ must be made by each district semiannually during the  
6 school fiscal year on the claim forms and procedure  
7 promulgated by the superintendent of public instruction. The  
8 claims for state transportation reimbursements ~~shall~~ must be  
9 routed by the district to the county superintendent, who  
10 after reviewing such the claims shall send them to the  
11 superintendent of public instruction. The superintendent of  
12 public instruction shall establish the validity and accuracy  
13 of the claims for the state transportation reimbursements by  
14 determining ~~their~~ compliance with ~~the--transportation--law~~  
15 this title, board of public education transportation policy,  
16 and the transportation rules of the superintendent of public  
17 instruction. After making any necessary adjustments to ~~such~~  
18 the claims, he--shall--cause--their the superintendent of  
19 public instruction shall order payment by ordering a  
20 disbursement from the state ~~moneys~~ money appropriated by the  
21 legislature of the state of Montana for the state  
22 transportation reimbursement. Such The payment of all the  
23 district's claims within one county ~~shall~~ must be made to  
24 the county treasurer of such the county, and the county  
25 superintendent shall apportion such the payment in

1 accordance with the apportionment order supplied by the  
2 superintendent of public instruction."

3 **Section 15.** Section 20-10-146, MCA, is amended to read:

4 "20-10-146. County transportation reimbursement. (1)  
5 The apportionment of the county transportation reimbursement  
6 by the county superintendent for school bus transportation  
7 or individual transportation that is actually rendered by a  
8 district in accordance with ~~the--transportation--law~~ this  
9 title, board of public education transportation policy, and  
10 the transportation rules of the superintendent of public  
11 instruction ~~shall~~ must be the same as the state  
12 transportation reimbursement payment except that:

13 (a) ~~the--high--school--apportionment--of--the--county~~  
14 ~~transportation--reimbursement--shall--be--twice--the--state~~  
15 ~~transportation-reimbursement-payment;~~

16 (b) if any cash was used to reduce the budgeted county  
17 transportation reimbursement under the provisions of  
18 ~~20-10-144(2)(d)~~ 20-10-144(2)(b), the annual apportionment  
19 ~~shall-be~~ is limited to such the budget amount;

20 (c) ~~when-a--district--receives--a-state-transportation~~  
21 ~~reimbursement-of-two-thirds--the--schedule--amount--for--the~~  
22 ~~transportation--of--special--education--pupils;--the~~  
23 ~~apportionment--of--the--high--school--county--transportation~~  
24 ~~reimbursement--shall--be--adjusted--to--provide--only--a--one-third~~  
25 ~~high--school--county--reimbursement-of-the-transportation-of~~

1 ~~special-education-pupils~~; and

2 ~~(d)~~(b) when the county transportation reimbursement for  
3 a school bus has been prorated between two or more counties  
4 because such the school bus is conveying pupils of more than  
5 one district located in such the counties, the apportionment  
6 of the county transportation reimbursement ~~shall~~ must be  
7 adjusted to pay the amount computed under such the  
8 proration.

9 (2) The county transportation net levy requirement for  
10 the financing of the county transportation fund  
11 reimbursements to districts is computed by:

12 (a) totaling the net requirement separately for all the  
13 elementary--districts--and--the-high-school districts of the  
14 county, including reimbursements to a special education  
15 cooperative or prorated reimbursements to joint elementary  
16 or-high-school districts;

17 (b) determining the sum of the money available to  
18 reduce the county transportation net levy requirement by  
19 adding:

20 (i) anticipated money that may be realized in the  
21 county transportation fund during the ensuing school fiscal  
22 year, including anticipated revenue from property taxes and  
23 fees imposed under 23-2-517, 23-2-803, 61-3-504(2),  
24 61-3-521, 61-3-537, and 67-3-204;

25 (ii) net proceeds taxes and local government severance

1 taxes on other oil and gas production occurring after  
2 December 31, 1988;

3 (iii) coal gross proceeds taxes under 15-23-703;

4 (iv) any fund balance available for reappropriation from  
5 the end-of-the-year fund balance in the county  
6 transportation fund. The county transportation fund  
7 operating reserve may not be more than 35% of the final  
8 county transportation fund budget for the ensuing school  
9 fiscal year and must be used for the purpose of paying  
10 transportation fund warrants under the county transportation  
11 fund budget;

12 (v) federal forest reserve funds allocated under the  
13 provisions of 17-3-213; and

14 (vi) other revenue anticipated that may be realized in  
15 the county transportation fund during the ensuing school  
16 fiscal year, excluding guaranteed-tax-base-aid; and

17 (c) notwithstanding the provisions of subsection (3),  
18 subtracting the money available as determined in subsection  
19 (2)(b) to reduce the levy requirement from the county  
20 transportation net levy requirement.

21 ~~(3)--(a) For a county that is eligible for guaranteed~~  
22 ~~tax-base-aid under the provisions of 20-9-367, the county~~  
23 ~~superintendent shall provide the board of county~~  
24 ~~commissioners with the amount of guaranteed tax-base-aid~~  
25 ~~that the county will receive for each mill levied, as~~

1 ~~certified by the superintendent of public instruction to~~  
2 ~~fund the county transportation net levy requirement;~~

3 ~~(b) The county commissioners shall calculate the number~~  
4 ~~of mills to be levied on the taxable property in the county~~  
5 ~~to finance the county transportation fund net levy~~  
6 ~~requirement by dividing the amount determined in subsection~~  
7 ~~(2)(c) by the sum of:~~

8 ~~(i) the amount of guaranteed tax base aid that the~~  
9 ~~county will receive for each mill levied as certified by~~  
10 ~~the superintendent of public instruction; and~~

11 ~~(ii) the taxable valuation of the county divided by~~  
12 ~~17000;~~

13 ~~(4)(3) The net levy requirement determined in~~  
14 ~~subsection (2)(c) must be reported to the county~~  
15 ~~commissioners on the second Monday of August by the county~~  
16 ~~superintendent and a levy must be set by the county~~  
17 ~~commissioners in accordance with 20-9-142.~~

18 ~~(2)(5)(4) The county superintendent shall apportion the~~  
19 ~~elementary county transportation reimbursement from the~~  
20 ~~proceeds of the county basic levy and the high school county~~  
21 ~~transportation reimbursement from the proceeds of the county~~  
22 ~~tax for high school transportation county transportation~~  
23 ~~fund. The county superintendent shall order the county~~  
24 ~~treasurer to make such the apportionments in accordance with~~  
25 ~~20-9-212(2) and after the receipt of the semiannual state~~

1 transportation reimbursement payments."

2 NEW SECTION. SECTION 16. STUDY OF TRANSPORTATION  
3 FUNDING. (1) DURING THE 1991-92 INTERIM, THE OFFICE OF  
4 PUBLIC INSTRUCTION IS DIRECTED TO COLLECT DATA AND TO STUDY  
5 METHODS FOR EQUALIZING SCHOOL TRANSPORTATION FUNDING.

6 (2) THE OFFICE OF PUBLIC INSTRUCTION IS FURTHER  
7 DIRECTED TO REPORT ITS FINDINGS AND CONCLUSIONS AND MAKE  
8 RECOMMENDATIONS FOR IMPROVEMENTS IN SCHOOL TRANSPORTATION  
9 FUNDING TO THE 53RD LEGISLATURE.

10 NEW SECTION. Section 17. Effective date. [This act] is  
11 effective July 1, 1992 1991.

-End-



## 1 SENATE BILL NO. 82

2 INTRODUCED BY VAN VALKENBURG, PECK

3 BY REQUEST OF THE LEGISLATIVE OVERSIGHT

4 COMMITTEE ON SCHOOL FUNDING IMPLEMENTATION

5  
6 A BILL FOR AN ACT ENTITLED: "AN ACT STANDARDIZING THE  
7 FUNDING MECHANISM FOR ELEMENTARY AND HIGH SCHOOL DISTRICT  
8 TRANSPORTATION SCHEDULES BY DIVIDING THE COSTS BETWEEN THE  
9 STATE AND COUNTY; ~~ESTABLISHING A COUNTY TRANSPORTATION LEVY~~  
10 ~~WITH A REVISED GUARANTEED TAX-BASE AID FORMULA FOR ELIGIBLE~~  
11 ~~COUNTIES~~; REQUIRING A REPORT TO THE 1993 LEGISLATURE;  
12 AMENDING SECTIONS 15-23-607, 15-23-703, 17-2-213, 20-7-422,  
13 20-9-212, 20-9-334, 20-9-366, 20-9-367, 20-9-368, 20-10-141,  
14 20-10-142, 20-10-143, 20-10-144, 20-10-145, AND 20-10-146,  
15 MCA; AND PROVIDING A ~~DELAYED~~ AN EFFECTIVE DATE."

16  
17 WHEREAS, THE LEGISLATURE RECOGNIZES ITS RESPONSIBILITY  
18 TO DEVELOP A MORE EQUALIZED SYSTEM OF FUNDING SCHOOL  
19 TRANSPORTATION. IT IS THE INTENT OF THE LEGISLATURE THAT  
20 THIS BILL, WHICH ALLOWS THE OFFICE OF PUBLIC INSTRUCTION TO  
21 DEVELOP DATA NOT CURRENTLY AVAILABLE TO MONITOR CURRENT  
22 SPENDING BY THE SCHOOL, BE CONSIDERED SIMPLY THE FIRST STEP  
23 TOWARD PROVIDING A LONG-TERM SOLUTION TO SCHOOL  
24 TRANSPORTATION EQUALIZATION PROBLEMS IN MONTANA. THE  
25 LEGISLATURE ALSO INTENDS, AS PROVIDED IN [SECTION 16], THAT

1 THE OFFICE OF PUBLIC INSTRUCTION CONTINUE TO COLLECT SCHOOL  
2 TRANSPORTATION DATA AND THAT EQUITABLE FUNDING METHODS FOR  
3 SCHOOL TRANSPORTATION BE ADDRESSED BY THE 53RD LEGISLATURE.

4  
5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:6 **Section 1.** Section 17-3-213, MCA, is amended to read:7  
8 "17-3-213. Allocation to general road fund and  
9 countywide school levies. (1) The forest reserve funds so  
10 apportioned to each county must be apportioned by the county  
11 treasurer in each county as follows:12 (a) to the general road fund, 66 2/3% of the total  
13 amount received;14 (b) to the following countywide school levies, 33 1/3%  
15 of the total sum received:16 (i) county equalization for elementary schools provided  
17 for in 20-9-331; and18 (ii) county equalization for high schools provided for  
19 in 20-9-333;20 (iii) the ~~high-school~~ county transportation fund  
21 provided for in ~~20-10-143~~ 20-10-146; and22 (iv) the elementary and high school district retirement  
23 fund obligations provided for in 20-9-501.24 (2) The apportionment of money to the funds provided  
25 for under subsection (1)(b) must be made by the county  
superintendent based on the proportion that the mill levy of

1 each fund bears to the total number of mills for all the  
2 funds. Whenever the total amount of money available for  
3 apportionment under this section is greater than the total  
4 requirements of a levy, the excess money and any interest  
5 income must be retained in a separate reserve fund, to be  
6 reapportioned in the ensuing school fiscal year to the  
7 levies designated in subsection (1)(b).

8 (3) In counties in which special road districts have  
9 been created according to law, the board of county  
10 commissioners shall distribute a proportionate share of the  
11  $66 \frac{2}{3}\%$  of the total amount received for the general road  
12 fund to the special road districts within the county based  
13 upon the percentage that the total area of the road district  
14 bears to the total area of the entire county."

15 **Section 2.** Section 15-23-607, MCA, is amended to read:

16 "15-23-607. County assessors to compute taxes. (1)  
17 Immediately after the board of county commissioners has  
18 fixed tax levies on the second Monday in August, the county  
19 assessor shall, subject to the provisions of 15-23-612,  
20 compute the taxes on net proceeds, as provided in subsection  
21 (2) of this section, and royalty assessments and shall  
22 deliver the book to the county treasurer on or before  
23 September 15. The county treasurer shall proceed to give  
24 full notice of the assessments to the operator and shall  
25 collect the taxes as provided by law.

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

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

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

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

14 (4) The taxable value of net proceeds for the purpose  
15 of computing guaranteed tax base aid for schools and  
16 counties under the provisions of 20-9-366(1) and (3) is the  
17 amount of tax received by a district in the previous year  
18 divided by the number of mills levied by the district in the  
19 previous year, multiplied by 1,000. This amount must be  
20 added to the district, county, and statewide taxable value  
21 when computing guaranteed tax base aid under 20-9-368.

22 (5) The operator or producer is liable for the payment  
23 of the taxes that, except as provided in 15-16-121, are  
24 payable by and must be collected from the operators in the  
25 same manner and under the same penalties as provided for the

1 collection of taxes upon net proceeds of mines. However, the  
 2 operator may at his option withhold from the proceeds of  
 3 royalty interest, either in kind or in money, an estimated  
 4 amount of the tax to be paid by him upon the royalty or  
 5 royalty interest. After the withholding, any deviation  
 6 between the estimated tax and the actual tax may be  
 7 accounted for by adjusting subsequent withholdings from the  
 8 proceeds of royalty interests."

9 **Section 3.** Section 15-23-703, MCA, is amended to read:

10 "15-23-703. Taxation of gross proceeds -- taxable value  
 11 for bonding and guaranteed tax base aid to schools. (1) The  
 12 county assessor shall compute from the reported gross  
 13 proceeds from coal a tax roll that he shall transmit to the  
 14 county treasurer on or before September 15 each year. The  
 15 county assessor may not levy or assess any mills against the  
 16 reported gross proceeds of coal but shall levy a tax of 5%  
 17 against the value of the reported gross proceeds as provided  
 18 in 15-23-701(1)(d). The county treasurer shall proceed to  
 19 give full notice to each coal producer of the taxes due and  
 20 to collect the taxes as provided in 15-16-101.

21 (2) For bonding, county classification, and all nontax  
 22 purposes, the taxable value of the gross proceeds of coal is  
 23 45% of the contract sales price as defined in 15-35-102(5).

24 (3) The taxable value of gross proceeds for the purpose  
 25 of computing guaranteed tax base aid for schools and

1 counties under the provisions of 20-9-366(1) and (3) is the  
 2 amount of tax received by a district in the previous year  
 3 divided by the number of mills levied by the district in the  
 4 previous year, multiplied by 1,000. This amount must be  
 5 added to the district, county, and statewide taxable value  
 6 when computing guaranteed tax base aid under 20-9-368.

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

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

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

20 **SECTION 4. SECTION 20-7-442, MCA, IS AMENDED TO READ:**

21 "20-7-442. State transportation reimbursement for  
 22 special education children. Districts providing children  
 23 with transportation to a special education class or program  
 24 and complying with the special education transportation  
 25 regulations promulgated by the superintendent of public

1 instruction shall be eligible for a transportation  
 2 reimbursement. The reimbursement shall be calculated from a  
 3 schedule established by the superintendent of public  
 4 instruction with the state providing ~~two-thirds~~ 100% of the  
 5 reimbursement ~~and the county in which the children reside~~  
 6 ~~providing the remainder."~~

7 **Section 5.** Section 20-9-212, MCA, is amended to read:

8 "20-9-212. Duties of county treasurer. The county  
 9 treasurer of each county shall:

10 (1) receive and hold all school money subject to  
 11 apportionment and keep a separate accounting of its  
 12 apportionment to the several districts which are entitled to  
 13 a portion of the money according to the apportionments  
 14 ordered by the county superintendent. A separate accounting  
 15 must be maintained for each county fund supported by a  
 16 countywide levy for a specific, authorized purpose,  
 17 including:

18 (a) the basic county tax in support of the elementary  
 19 foundation programs;

20 (b) the basic special tax for high schools in support  
 21 of the high school foundation programs;

22 (c) the county tax in support of the ~~county's high~~  
 23 ~~school elementary and high school~~ transportation obligation  
 24 ~~schedules;~~

25 (d) the county tax in support of the elementary and

1 high school district retirement obligations; and

2 (e) any other county tax for schools, including the  
 3 community colleges, which may be authorized by law and  
 4 levied by the county commissioners;

5 (2) whenever requested, notify the county  
 6 superintendent and the superintendent of public instruction  
 7 of the amount of county school money on deposit in each of  
 8 the funds enumerated in subsection (1) of this section and  
 9 the amount of any other school money subject to  
 10 apportionment and apportion the county and other school  
 11 money to the districts in accordance with the apportionment  
 12 ordered by the county superintendent;

13 (3) keep a separate accounting of the expenditures for  
 14 each budgeted fund included in the final budget of each  
 15 district;

16 (4) keep a separate accounting of the receipts,  
 17 expenditures, and cash balances for each budgeted fund  
 18 included in the final budget of each district and for each  
 19 nonbudgeted fund established by each district;

20 (5) except as otherwise limited by law, pay all  
 21 warrants properly drawn on the county or district school  
 22 money and properly endorsed by their holders;

23 (6) receive all revenue collected by and for each  
 24 district and deposit these receipts in the fund designated  
 25 by law or by the district if no fund is designated by law.

1 Interest and penalties on delinquent school taxes shall be  
2 credited to the same fund and district for which the  
3 original taxes were levied.

4 (7) send all revenue received for a joint district,  
5 part of which is situated in his county, to the county  
6 treasurer designated as the custodian of the revenue, no  
7 later than December 15 of each year and every 3 months  
8 thereafter until the end of the school fiscal year;

9 (8) at the direction of the trustees of a district,  
10 assist the district in the issuance and sale of tax and  
11 revenue anticipation notes as provided in Title 7, chapter  
12 6, part 11;

13 (9) register district warrants drawn on a budgeted fund  
14 in accordance with 7-6-2604 when there is insufficient money  
15 available in all funds of the district to make payment of  
16 the warrant. Redemption of registered warrants must be made  
17 in accordance with 7-6-2116, 7-6-2605, and 7-6-2606.

18 (10) invest the money of any district as directed by the  
19 trustees of the district within 3 working days of the  
20 direction;

21 (11) each month give to the trustees of each district an  
22 itemized report for each fund maintained by the district,  
23 showing the paid warrants, outstanding warrants, registered  
24 warrants, amounts and types of revenue received, and the  
25 cash balance;

1 (12) remit promptly to the state treasurer receipts for  
2 the county tax for a vocational-technical center when levied  
3 by the board of county commissioners under the provisions of  
4 20-16-202; and

5 (13) invest the money received from the basic county tax  
6 in support of the elementary foundation programs and the  
7 basic special tax in support of the high school foundation  
8 programs within 3 working days of receipt. The money must be  
9 invested until the working day before it is required to be  
10 distributed to school districts within the county or  
11 remitted to the state. Permissible investments are specified  
12 in 20-9-213(4). All investment income must be deposited, and  
13 credited proportionately, in the funds established to  
14 account for the taxes received for the purposes specified in  
15 subsections (1)(a) and (1)(b)."

16 **Section 6.** Section 20-9-334, MCA, is amended to read:

17 "20-9-334. Apportionment of county equalization moneys  
18 by county superintendent. The county superintendent shall  
19 separately apportion the revenues deposited in the basic  
20 county tax account and the revenues deposited in the basic  
21 special tax for high schools account to the several  
22 districts of the county on a monthly basis. The  
23 apportionments shall be known as "county equalization  
24 moneys". Before the county superintendent makes the monthly  
25 apportionments, he shall:

~~{1}--deduct-from-the-revenues--available--in--the--basic county--tax-account-the-amount-required-for-the-month-to-pay the--county's--obligation--for---elementary---transportation reimbursements,-and~~

{2} deduct from the revenues available in the basic special tax for high schools account the amount required for the month to pay the county's obligation for high school out-of-county tuition."

**Section 7.** Section 20-9-366, MCA, is amended to read:

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

(1) "County retirement mill value per elementary ANB" or "county retirement mill value per high school ANB" means the sum of the current taxable valuation of all property in the county plus the taxable value of oil and gas net proceeds determined under 15-23-607(4) for production occurring after March 31, 1990, plus the taxable value of coal gross proceeds determined under 15-23-703(3) plus all the taxable value of nonlevy revenue for the support of schools, other than Public Law 81-874 funds, divided by 1,000, with the quotient divided by the total county elementary ANB count or the total county high school ANB count used to calculate the elementary school districts' and high school districts' current year foundation program amounts. The taxable value of nonlevy revenue for the

purpose of computing guaranteed tax base aid for schools is the amount of nonlevy revenue received by a district in the previous year, including for fiscal year 1991 the revenue received in fiscal year 1990 from the net proceeds taxation of oil and natural gas and including for fiscal year 1992 and thereafter the local government severance tax, divided by the number of mills levied by the district in the previous year, multiplied by 1,000.

~~{2}--"County-transportation-mill-value-per-elementary ANB"--or--"county--transportation-mill-value-per-high-school ANB"--means-the-sum-of-the-current-taxable-valuation--of--all property---in--the--county--divided--by--the--total--county elementary-ANB-count-or-the-total--county--high--school--ANB count-used-to-calculate-the-elementary-school-districts'-and high--school--districts'-current--year--foundation--program amounts:-~~

{2}{3}(2) "District mill value per ANB" means the current taxable valuation of all property in the district plus the taxable value of oil and gas net proceeds determined under 15-23-607(4) for production occurring after March 31, 1990, plus the taxable value of coal gross proceeds determined under 15-23-703(3) plus all the taxable value of nonlevy revenue for the support of schools, other than Public Law 81-874 funds, divided by 1,000, with the quotient divided by the ANB count of the district used to

1 calculate the district's current year foundation program  
 2 schedule amount. The taxable value of nonlevy revenue for  
 3 the purpose of computing guaranteed tax base aid for schools  
 4 is the amount of nonlevy revenue received by a district in  
 5 the previous year, including for fiscal year 1991 the  
 6 revenue received in fiscal year 1990 from the net proceeds  
 7 taxation of oil and natural gas and including for fiscal  
 8 year 1992 and thereafter the local government severance tax,  
 9 divided by the number of mills levied by the district in the  
 10 previous year, multiplied by 1,000.

11 ~~(3)~~~~(4)~~(3) "Guaranteed overschedule general fund budget"  
 12 means that portion of a district's general fund budget in  
 13 excess of the foundation program amount for the district, as  
 14 provided in 20-9-316 through 20-9-321, but not exceeding  
 15 135% of the district's foundation program amount, and which  
 16 excess is authorized under the provisions of 20-9-145 and  
 17 20-9-353.

18 ~~(4)~~~~(5)~~(4) "Statewide mill value per elementary ANB" or  
 19 "statewide mill value per high school ANB", FOR PERMISSIVE  
 20 AND RETIREMENT GUARANTEED TAX BASE PURPOSES, means the sum  
 21 of the current taxable valuation of all property in the  
 22 state plus the taxable value of oil and gas net proceeds  
 23 determined under 15-23-607(4) for production occurring after  
 24 March 31, 1990, plus the taxable value of coal gross  
 25 proceeds determined under 15-23-703(3) plus all the taxable

1 value of nonlevy revenue for the support of schools, other  
 2 than Public Law 81-874 funds, divided by 1,000, with the  
 3 quotient divided by the total state elementary ANB count or  
 4 the total state high school ANB count used to calculate the  
 5 elementary school districts' and high school districts'  
 6 current year foundation program amounts. The taxable value  
 7 of nonlevy revenue for the purpose of computing guaranteed  
 8 tax 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. For--the--purpose--of--calculating--the--statewide--mill  
 16 value--per--ANB--for--determining--eligibility--for--guaranteed--tax  
 17 base--aid--for--county--transportation--fund--levies,--nonlevy  
 18 revenue--including--the--taxable--value--of--oil--and--gas--net  
 19 proceeds--and--coal--gross--proceeds--is--not--considered--"

20 **Section 8.** Section 20-9-367, MCA, is amended to read:

21 "20-9-367. Eligibility to receive guaranteed tax base  
 22 aid. (1) If the district mill value per ANB of any  
 23 elementary or high school district is less than the  
 24 corresponding statewide mill value per ANB, the district may  
 25 receive guaranteed tax base aid based on the number of mills

1 levied in the district in support of its guaranteed  
2 overschedule permissive amount of the general fund budget.

3 (2) If the county retirement mill value per elementary  
4 ANB or county retirement mill value per high school ANB is  
5 less than the corresponding statewide mill value per ANB,  
6 the county may receive guaranteed tax base aid based on the  
7 number of mills levied in the county in support of the  
8 retirement fund budgets of the respective elementary or high  
9 school districts in the county.

10 ~~{3}--If--the--county--transportation--mill--value--per  
11 elementary--ANB--or--county--transportation--mill--value--per--high  
12 school--ANB--is--less--than--the--corresponding--statewide--mill  
13 value--per--ANB,--the--county--may--receive--guaranteed--tax--base  
14 aid--based--on--the--number--of--mills--levied--in--the--county--in  
15 support--of--the--county--transportation--fund--obligation--for  
16 one-half--of--the--transportation--schedules--in--20-10-141--and  
17 20-10-142--for--the--elementary--and--high--school--districts--in  
18 the--county."~~

19 **Section 9.** Section 20-9-368, MCA, is amended to read:

20 ~~"20-9-368. Amount of guaranteed tax base aid --~~  
21 ~~reversion. (1) The amount of guaranteed tax base aid per ANB~~  
22 ~~that a county may receive in support of the retirement fund~~  
23 ~~budgets or--the--county--transportation--fund--obligation--for~~  
24 ~~one-half--of--the--transportation--schedules of the elementary~~  
25 ~~school districts in the county is the difference between the~~

1 county mill value per elementary ANB and the statewide mill  
2 value per elementary ANB, multiplied by the number of mills  
3 levied in support of the retirement fund budgets of or--the  
4 county--transportation--obligation for the elementary  
5 districts in the county.

6 (2) The amount of guaranteed tax base aid per ANB that  
7 a county may receive in support of the retirement fund  
8 budgets or--the--county--transportation--fund--obligation--for  
9 one-half--of--the--transportation--schedules of the high school  
10 districts in the county is the difference between the county  
11 mill value per high school ANB and the statewide mill value  
12 per high school ANB, multiplied by the number of mills  
13 levied in support of the retirement fund budgets of or--the  
14 county--transportation--obligation for the high school  
15 districts in the county.

16 (3) The amount of guaranteed tax base aid per ANB that  
17 a district may receive in support of its guaranteed  
18 overschedule permissive amount of the general fund budget is  
19 the difference between the district mill value per ANB and  
20 the corresponding statewide mill value per ANB, multiplied  
21 by the number of mills levied in support of the district's  
22 guaranteed overschedule permissive amount of the general  
23 fund budget.

24 (4) Guaranteed tax base aid provided to any county or  
25 district under this section is earmarked to finance the fund



1 or portion of the fund for which it is provided. If the  
 2 actual expenditures from the fund or portion of the fund for  
 3 which guaranteed tax base aid is earmarked are less than the  
 4 amount budgeted, the guaranteed tax base aid reverts in  
 5 proportion to the amount budgeted but not expended. If a  
 6 county or district receives more guaranteed tax base aid  
 7 than it is entitled to, the excess must be returned to the  
 8 state as required by 20-9-344."

9 **Section 10.** Section 20-10-141, MCA, is amended to read:  
 10 \*20-10-141. Schedule of maximum reimbursement by  
 11 mileage rates. (1) The following mileage rates for school  
 12 transportation constitute the maximum reimbursement to  
 13 districts for school transportation from state and county  
 14 sources of transportation revenue under the provisions of  
 15 20-10-145 and 20-10-146. These rates shall may not limit the  
 16 amount which that a district may budget in its  
 17 transportation fund budget in order to provide for the  
 18 estimated and necessary cost of school transportation during  
 19 the ensuing school fiscal year. All bus miles traveled on  
 20 routes approved by the county transportation committee are  
 21 reimbursable. Nonbus mileage is reimbursable for a vehicle  
 22 driven by a bus driver to and from an overnight location of  
 23 a school bus when the location is more than 10 miles from  
 24 the school. A district may approve additional bus or nonbus  
 25 miles within its own district or approved service area but

1 may not claim reimbursement for ~~such~~ the mileage. Any  
 2 vehicle, the operation of which is reimbursed for bus  
 3 mileage under the rate provisions of this schedule, shall  
 4 must be a school bus, as defined by this title, driven by a  
 5 qualified driver on a bus route approved by the county  
 6 transportation committee and the superintendent of public  
 7 instruction.

8 (2) The rate per bus mile traveled shall must be  
 9 determined in accordance with the following schedule when  
 10 the number of eligible transportees that board a school bus  
 11 on an approved route is not less than one-half of its rated  
 12 capacity:

13 (a) ~~72-cents-in-fiscal-1984-and 80 90 cents in--fiscal~~  
 14 ~~1985--and-each-year-thereafter~~ per bus mile for a school bus  
 15 with a rated capacity of not less than 12 but not more than  
 16 45 children; and

17 (b) when the rated capacity is more than 45 children,  
 18 an additional 2 2.25 cents per bus mile for each additional  
 19 child in the rated capacity in excess of 45 shall must be  
 20 added to a base rate of ~~72-cents-in-fiscal-1984--and 80 90~~  
 21 ~~cents in--fiscal-1985-and-each-year-thereafter-per-bus-mile~~  
 22 PER BUS MILE.

23 (3) Reimbursement for nonbus mileage provided for in  
 24 subsection (1) may not exceed 50% of the maximum  
 25 reimbursement rate determined under subsection (2).

1 (4) When the number of eligible transportees boarding a  
2 school bus on an approved route is less than one-half of its  
3 rated capacity, the rate per bus mile traveled shall must be  
4 computed as follows:

5 (a) determine the number of eligible transportees that  
6 board the school bus on the route;

7 (b) multiply the number determined in subsection (4)(a)  
8 by two and round off to the nearest whole number; and

9 (c) use the adjusted rated capacity determined in  
10 subsection (4)(b) as the rated capacity of the bus to  
11 determine the rate per bus mile traveled from the rate  
12 schedule in subsection (2).

13 (5) The rated capacity shall-be is the number of riding  
14 positions of a school bus as determined under the policy  
15 adopted by the board of public education."

16 **SECTION 11. SECTION 20-10-142, MCA, IS AMENDED TO READ:**

17 \*20-10-142. Schedule of maximum reimbursement for  
18 individual transportation. The following rates for  
19 individual transportation constitute the maximum  
20 reimbursement to districts for individual transportation  
21 from state and county sources of transportation revenue  
22 under the provisions of 20-10-145 and 20-10-146. These rates  
23 also shall constitute the limitation of the budgeted amounts  
24 for individual transportation for the ensuing school fiscal  
25 year. The schedules provided in this section shall not be

1 altered by any authority other than the legislature of the  
2 state of Montana. When the trustees contract with the parent  
3 or guardian of any eligible transportee to provide  
4 individual transportation for each day of school attendance,  
5 they shall reimburse the parent or guardian on the basis of  
6 the following schedule:

7 (1) When a parent or guardian transports an eligible  
8 transportee or transportees from the residence of the parent  
9 or guardian to a school or to schools located within 3 miles  
10 of one another, the total reimbursement per day of  
11 attendance shall be determined by multiplying the distance  
12 in miles between the residence and the school, or the most  
13 distant school if more than one, by 2, subtracting 6 miles  
14 from the product so obtained, and multiplying the difference  
15 by ~~20~~ 22.5 cents provided that:

16 (a) if two or more eligible transportees are  
17 transported by a parent or guardian to two or more schools  
18 located within 3 miles of one another and if such schools  
19 are operated by different school districts, the total amount  
20 of the reimbursement shall be divided equally between the  
21 districts;

22 (b) if two or more eligible transportees are  
23 transported by a parent or guardian to two or more schools  
24 located more than 3 miles from one another, the parent or  
25 guardian shall be separately reimbursed for transporting the

1 eligible transportee or transportees to each school;

2 (c) if a parent transports two or more eligible  
3 transportees to a school and a bus stop which school and bus  
4 stop are located within 3 miles of one another, the total  
5 reimbursement shall be determined under the provisions of  
6 this subsection and shall be divided equally between the  
7 district operating the school and the district operating the  
8 bus;

9 (d) if a parent transporting two or more eligible  
10 transportees to a school or bus stop must, because of  
11 varying arrival and departure times, make more than one  
12 round-trip journey to the bus stop or school, the total  
13 reimbursement allowed by this section shall be limited to  
14 one round trip per day for each scheduled arrival or  
15 departure time;

16 (e) notwithstanding subsection (1)(a), (1)(b), (1)(c),  
17 or (1)(d), no reimbursement may be less than 25 cents a day.

18 (2) When the parent or guardian transports an eligible  
19 transportee or transportees from the residence to a bus stop  
20 of a bus route approved by the trustees for the  
21 transportation of the transportee or transportees, the total  
22 reimbursement per day of attendance shall be determined by  
23 multiplying the distance in miles between the residence and  
24 the bus stop by 2, subtracting 3 miles from the product so  
25 obtained, and multiplying the difference by 20 22.5 cents

1 provided that:

2 (a) if the eligible transportees transported attend  
3 schools in different districts but ride on one bus, the  
4 districts shall divide the total reimbursement equally; and

5 (b) if the parent or guardian is required to transport  
6 the eligible transportees to more than one bus, the parent  
7 or guardian shall be separately reimbursed for  
8 transportation to each bus.

9 (3) Where, due to excessive distances, impassable  
10 roads, or other special circumstances of isolation the rates  
11 prescribed in subsection (1) or (2) would be an inadequate  
12 reimbursement for the transportation costs or would result  
13 in a physical hardship for the eligible transportee, his  
14 parent or guardian may request an increase in the  
15 reimbursement rate. Such a request for increased rates due  
16 to isolation shall be made by the parent or guardian on the  
17 contract for individual transportation for the ensuing  
18 school fiscal year by indicating the special facts and  
19 circumstances which exist to justify the increase. Before  
20 any increased rate due to isolation can be paid to the  
21 requesting parent or guardian, such rate must be approved by  
22 the county transportation committee and the superintendent  
23 of public instruction after the trustees have indicated  
24 their approval or disapproval. Regardless of the action of  
25 the trustees and when approval is given by the county

1 transportation committee and the superintendent of public  
2 instruction, the trustees shall pay such increased rate due  
3 to isolation. The increased rate shall be 1 1/2 times the  
4 rate prescribed in subsection (1) above.

5 (4) When the isolated conditions of the household where  
6 an eligible transportee resides require such eligible  
7 transportee to live away from the household in order to  
8 attend school, he shall be eligible for the room and board  
9 reimbursement. Approval to receive the room and board  
10 reimbursement shall be obtained in the same manner  
11 prescribed in subsection (3) above. The per diem rate for  
12 room and board shall be \$5 \$5.62 for one eligible  
13 transportee and \$3 \$3.38 for each additional eligible  
14 transportee of the same household.

15 (5) When the individual transportation provision is to  
16 be satisfied by supervised home study or supervised  
17 correspondence study, the reimbursement rate shall be the  
18 cost of such study, provided that the course of instruction  
19 is approved by the trustees and supervised by the district."

20 **Section 12.** Section 20-10-143, MCA, is amended to read:

21 "**20-10-143. Budgeting for transportation and**  
22 **transmittal of transportation contracts.** (1) The trustees of  
23 **any a** district furnishing transportation to pupils who are  
24 residents of such the district shall ~~have-the-authority-and~~  
25 ~~it-shall-be-their-duty--to~~ provide a transportation fund

1 budget that is adequate to finance such the district's  
2 transportation contractual obligations and any other  
3 transportation expenditures necessary for the conduct of its  
4 transportation program. The transportation fund budget shall  
5 must include:

6 (a) an adequate amount to finance the maintenance and  
7 operation of district owned and operated school buses;

8 (b) the annual contracted amount for the maintenance  
9 and operation of school buses by a private party;

10 (c) the annual contracted amount for individual  
11 transportation, including any increased amount due to  
12 isolation, which ~~shall~~ may not exceed the schedule amounts  
13 prescribed in 20-10-142;

14 (d) any amount necessary for the purchase, rental, or  
15 insurance of school buses; and

16 (e) any other amount necessary to finance the  
17 administration, operation, or maintenance of the  
18 transportation program of the district, as determined by the  
19 trustees.

20 (2) The trustees may include a contingency amount in  
21 the transportation fund budget for the purpose of enabling  
22 the district to fulfill any an obligation to provide  
23 transportation in accordance with ~~the-transportation-law~~  
24 this title for:

25 (a) any pupils not residing in the district at the time

1 of the adoption of the preliminary budget and who  
 2 subsequently became residents of such the district during  
 3 the school fiscal year; or

4 (b) pupils who have become eligible transportees since  
 5 the adoption of the preliminary budget because their legal  
 6 residence has been changed. The budgeted contingency amount  
 7 ~~shall~~ may not exceed 10% of the transportation schedule  
 8 amount as calculated under the provisions of 20-10-141 and  
 9 20-10-142 for all transportation services authorized by such  
 10 schedule the schedules and provided by the district unless  
 11 10% of such the transportation schedule amount ~~shall--be~~ is  
 12 less than \$100, in which case \$100 ~~shall-be~~ is the maximum  
 13 limitation for such the budgeted contingency amount.

14 (3) ~~As provided in 20-9-162, an emergency A budget~~  
 15 amendment to the transportation fund budget may be adopted  
 16 subject to the provisions of ~~the emergency budgeting law~~  
 17 20-9-161 through 20-9-166.

18 (4) The transportation fund budgeted expenditures  
 19 appropriated by the trustees ~~shall~~ must be reported on the  
 20 regular budget form prescribed by the superintendent of  
 21 public instruction in accordance with 20-9-103, and the  
 22 adoption of the transportation fund budget ~~shall~~ must be  
 23 completed in accordance with the school budgeting laws. When  
 24 the adopted preliminary budget is sent to the county  
 25 superintendent, the trustees shall also send copies of all

1 completed transportation contracts for school bus  
 2 transportation and individual transportation to the county  
 3 superintendent. Such The contracts ~~shall~~ must substantiate  
 4 all contracted transportation services incorporated in the  
 5 preliminary budget, and after the county superintendent has  
 6 utilized the contracts for such that purpose but before the  
 7 fourth Monday of July, he shall send all the transportation  
 8 contracts received by him to the superintendent of public  
 9 instruction. When the county superintendent determines a  
 10 deviation between the preliminary transportation fund budget  
 11 amount for contracted transportation services and the  
 12 contracted amount for such the services, he shall  
 13 immediately call the deviation to the attention of the  
 14 appropriate trustees and shall allow the trustees to change  
 15 the preliminary budgeted amount to compensate for such the  
 16 deviation."

17 **Section 13.** Section 20-10-144, MCA, is amended to read:  
 18 "20-10-144. **Computation of revenues and net tax levy**  
 19 **requirements for the district transportation fund budget.**  
 20 Before the fourth Monday of July and in accordance with  
 21 20-9-123, the county superintendent shall compute the  
 22 revenue available to finance the transportation fund budget  
 23 of each district. The county superintendent shall compute  
 24 the revenue for each district on the following basis:

25 (1) The "schedule amount" of the preliminary budget

1 expenditures that is derived from the rate schedules in  
2 20-10-141 and 20-10-142 must be determined by adding the  
3 following amounts:

4 (a) the sum of the maximum reimbursable expenditures  
5 for all approved school bus routes maintained by the  
6 district (to determine the maximum reimbursable expenditure,  
7 multiply the applicable rate per bus mile by the total  
8 number of miles to be traveled during the ensuing school  
9 fiscal year on each bus route approved by the county  
10 transportation committee and maintained by such district);  
11 plus

12 (b) the total of all individual transportation per diem  
13 reimbursement rates for the district as determined from the  
14 contracts submitted by the district multiplied by the number  
15 of pupil-instruction days scheduled for the ensuing school  
16 attendance year; plus

17 (c) any estimated costs for supervised home study or  
18 supervised correspondence study for the ensuing school  
19 fiscal year; plus

20 (d) the amount budgeted on the preliminary budget for  
21 the contingency amount permitted in 20-10-143, except if the  
22 amount exceeds 10% of the total of subsections (1)(a),  
23 (1)(b), and (1)(c) or \$100, whichever is larger, the  
24 contingency amount on the preliminary budget must be reduced  
25 to the limitation amount and used in this determination of

1 the schedule amount.

2 (2) (a) The schedule amount determined in subsection  
3 (1) or the total preliminary transportation fund budget,  
4 whichever is smaller, is divided by 3 2 and the resulting  
5 one-third-amount is used to determine the available state  
6 and county revenue to be budgeted on the following basis:

7 (a)(i) the resulting one-third one-half amount is the  
8 budgeted state transportation reimbursement, except that the  
9 state transportation reimbursement for the transportation of  
10 special education pupils under the provisions of 20-7-442  
11 must be two-thirds 100% of the schedule amount attributed to  
12 the transportation of special education pupils; and

13 (b)(ii) the resulting one-third one-half amount, except  
14 as provided for joint elementary districts in subsection  
15 (2)(e), is the budgeted county transportation fund  
16 reimbursement for elementary districts and must be financed  
17 by the basic county tax under the provisions of 20-9-334;

18 (c) the resulting one-third amount multiplied by 2 is  
19 the budgeted county transportation reimbursement amount for  
20 high school districts financed under the provisions of  
21 subsection (5), except as provided for joint high school  
22 districts in subsection (2)(e), and in the manner provided  
23 in 20-10-146, except that the county transportation  
24 reimbursement for the transportation of special education  
25 pupils under the provisions of 20-7-442 must be one-third of

1 ~~the schedule amount attributed to the transportation of~~  
2 ~~special education pupils;~~

3 ~~(d)(b)~~ when When the district has a sufficient amount  
4 of cash for reappropriation and other sources of district  
5 revenue, as determined in subsection (3), to reduce the  
6 total district obligation for financing to zero, any  
7 remaining amount of district revenue and cash reappropriated  
8 must be used to reduce the county financing obligation in  
9 subsection ~~(2)(b) or (2)(c)~~ (2)(a)(ii) and, if the county  
10 financing obligations are reduced to zero, to reduce the  
11 state financial obligation in subsection ~~(2)(a);~~  
12 and (2)(a)(i).

13 ~~(e)(c)~~ the The county revenue requirement for a joint  
14 district, after the application of any district money under  
15 subsection ~~(2)(d)~~ (2)(b), must be prorated to each county  
16 incorporated by the joint district in the same proportion as  
17 the ANB of the joint district is distributed by pupil  
18 residence in each county.

19 (3) The total of the money available for the reduction  
20 of property tax on the district for the transportation fund  
21 must be determined by totaling:

22 (a) anticipated federal money received under the  
23 provisions of Title I of Public Law 81-874 or other  
24 anticipated federal money received in lieu of that federal  
25 act; plus

1 (b) anticipated payments from other districts for  
2 providing school bus transportation services for the  
3 district; plus

4 (c) anticipated payments from a parent or guardian for  
5 providing school bus transportation services for his child;  
6 plus

7 (d) anticipated or reappropriated interest to be earned  
8 by the investment of transportation fund cash in accordance  
9 with the provisions of 20-9-213(4); plus

10 (e) anticipated or reappropriated revenue from property  
11 taxes and fees imposed under 23-2-517, 23-2-803,  
12 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204; plus

13 (f) gross proceeds taxes from coal anticipated revenue  
14 from coal gross proceeds under 15-23-703; plus

15 (g) anticipated net proceeds taxes for interim  
16 production and new production, as defined in 15-23-601, and  
17 local government severance taxes on any other production  
18 occurring after December 31, 1988; plus

19 (h) any other revenue anticipated by the trustees to be  
20 earned during the ensuing school fiscal year which that may  
21 be used to finance the transportation fund; plus and

22 (i) any cash fund balance available for reappropriation  
23 as determined by subtracting the amount of the  
24 end-of-the-year cash fund balance earmarked as the  
25 transportation fund cash operating reserve for the ensuing

1 school fiscal year by the trustees from the end-of-the-year  
2 cash fund balance in the transportation fund. The cash  
3 operating reserve may not be more than 20% of the final  
4 transportation fund budget for the ensuing school fiscal  
5 year and is for the purpose of paying transportation fund  
6 warrants issued by the district under the final  
7 transportation fund budget.

8 (4) The district levy requirement for each district's  
9 transportation fund must be computed by:

10 (a) subtracting the schedule amount calculated in  
11 subsection (1) from the total preliminary transportation  
12 budget amount and, ~~for an elementary district, adding the~~  
13 ~~difference to the district obligation to finance one-third~~  
14 ~~of the schedule amount as determined in subsection (2); and~~

15 (b) subtracting the amount of money available to reduce  
16 the property tax on the district, as determined in  
17 subsection (3), from the amount determined in subsection  
18 (4)(a).

19 ~~(5) The county levy requirement for the financing of~~  
20 ~~the county transportation reimbursement to high school~~  
21 ~~districts is computed by adding all requirements for all the~~  
22 ~~high school districts of the county, including the county's~~  
23 ~~obligation for reimbursements in joint high school~~  
24 ~~districts.~~

25 (6) The transportation fund levy requirements

1 determined in subsection (4) for each district and in  
2 ~~subsection (5) for the county~~ must be reported to the county  
3 commissioners on the second Monday of August by the county  
4 superintendent as the transportation fund levy requirements  
5 for the district ~~and for the county~~, and the levies levy  
6 must be made by the county commissioners in accordance with  
7 20-9-142."

8 **Section 14.** Section 20-10-145, MCA, is amended to read:

9 **\*20-10-145. State transportation reimbursement.** (1) Any  
10 A district providing school bus transportation or individual  
11 transportation in accordance with ~~the transportation law~~  
12 this title, board of public education transportation policy,  
13 and superintendent of public instruction transportation  
14 rules shall must receive a state reimbursement of its  
15 transportation expenditures under the transportation  
16 reimbursement rate provisions of 20-10-141 and 20-10-142.  
17 The state transportation reimbursement shall ~~not exceed~~  
18 one-third is one-half of the reimbursement amounts  
19 ~~established in such sections or one-third or one-half~~ of the  
20 district's transportation fund budget, whichever is smaller,  
21 and shall must be computed on the basis of the number of  
22 days the transportation services were actually rendered, not  
23 to exceed 180 pupil-instruction days. In determining the  
24 amount of the state transportation reimbursement, no an  
25 amount claimed by a district shall may not be considered for



1 reimbursement unless such the amount has been paid in the  
 2 regular manner provided for the payment of other financial  
 3 obligations of the district.

4 (2) Requests for the state transportation reimbursement  
 5 ~~shall~~ must be made by each district semiannually during the  
 6 school fiscal year on the claim forms and procedure  
 7 promulgated by the superintendent of public instruction. The  
 8 claims for state transportation reimbursements ~~shall~~ must be  
 9 routed by the district to the county superintendent, who  
 10 after reviewing such the claims shall send them to the  
 11 superintendent of public instruction. The superintendent of  
 12 public instruction shall establish the validity and accuracy  
 13 of the claims for the state transportation reimbursements by  
 14 determining their compliance with ~~the--transportation--law~~  
 15 this title, board of public education transportation policy,  
 16 and the transportation rules of the superintendent of public  
 17 instruction. After making any necessary adjustments to such  
 18 ~~the~~ claims, ~~he--shall--cause--their~~ the superintendent of  
 19 public instruction shall order payment by ordering a  
 20 disbursement from the state moneys money appropriated by the  
 21 legislature of the state of Montana for the state  
 22 transportation reimbursement. Such The payment of all the  
 23 district's claims within one county ~~shall~~ must be made to  
 24 the county treasurer of such the county, and the county  
 25 superintendent shall apportion such the payment in

1 accordance with the apportionment order supplied by the  
 2 superintendent of public instruction."

3 **Section 15.** Section 20-10-146, MCA, is amended to read:

4 "20-10-146. County transportation reimbursement. (1)  
 5 The apportionment of the county transportation reimbursement  
 6 by the county superintendent for school bus transportation  
 7 or individual transportation that is actually rendered by a  
 8 district in accordance with ~~the--transportation--law~~ this  
 9 title, board of public education transportation policy, and  
 10 the transportation rules of the superintendent of public  
 11 instruction ~~shall~~ must be the same as the state  
 12 transportation reimbursement payment except that:

13 (a) ~~the--high--school--apportionment--of--the--county~~  
 14 ~~transportation--reimbursement--shall--be--twice--the--state~~  
 15 ~~transportation-reimbursement-payment;~~

16 (b) if any cash was used to reduce the budgeted county  
 17 transportation reimbursement under the provisions of  
 18 ~~20-10-144(2)(d)~~ 20-10-144(2)(b), the annual apportionment  
 19 ~~shall-be~~ is limited to such the budget amount;

20 (c) ~~when--a--district--receives--a--state--transportation~~  
 21 ~~reimbursement-of-two-thirds--the--schedule--amount--for--the~~  
 22 ~~transportation--of--special--education--pupils--the~~  
 23 ~~apportionment--of--the--high--school--county--transportation~~  
 24 ~~reimbursement--shall--be--adjusted--to--provide--only--a--one-third~~  
 25 ~~high--school--county--reimbursement-of-the-transportation-of~~

1 ~~special-education-pupils, and~~

2 ~~(d)(b)~~ when the county transportation reimbursement for  
3 a school bus has been prorated between two or more counties  
4 because ~~such the~~ school bus is conveying pupils of more than  
5 one district located in ~~such the~~ counties, the apportionment  
6 of the county transportation reimbursement ~~shall~~ must be  
7 adjusted to pay the amount computed under ~~such the~~  
8 proration.

9 (2) The county transportation net levy requirement for  
10 the financing of the county transportation fund  
11 reimbursements to districts is computed by:

12 (a) totaling the net requirement separately for all the  
13 elementary--districts--and--the-high-school districts of the  
14 county, including reimbursements to a special education  
15 cooperative or prorated reimbursements to joint elementary  
16 or-high-school districts;

17 (b) determining the sum of the money available to  
18 reduce the county transportation net levy requirement by  
19 adding:

20 (i) anticipated money that may be realized in the  
21 county transportation fund during the ensuing school fiscal  
22 year, including anticipated revenue from property taxes and  
23 fees imposed under 23-2-517, 23-2-803, 61-3-504(2),  
24 61-3-521, 61-3-537, and 67-3-204;

25 (ii) net proceeds taxes and local government severance

1 taxes on other oil and gas production occurring after  
2 December 31, 1988;

3 (iii) coal gross proceeds taxes under 15-23-703;

4 (iv) any fund balance available for reappropriation from  
5 the end-of-the-year fund balance in the county  
6 transportation fund. The county transportation fund  
7 operating reserve may not be more than 35% of the final  
8 county transportation fund budget for the ensuing school  
9 fiscal year and must be used for the purpose of paying  
10 transportation fund warrants under the county transportation  
11 fund budget;

12 (v) federal forest reserve funds allocated under the  
13 provisions of 17-3-213; and

14 (vi) other revenue anticipated that may be realized in  
15 the county transportation fund during the ensuing school  
16 fiscal year--excluding-guaranteed-tax-base-aid; and

17 (c) notwithstanding the provisions of subsection (3),  
18 subtracting the money available as determined in subsection  
19 (2)(b) to reduce the levy requirement from the county  
20 transportation net levy requirement.

21 ~~(3)--(a)-For--a-county--that-is-eligible-for-guaranteed~~  
22 ~~tax-base-aid-under-the-provisions-of--20-9-367--the--county~~  
23 ~~superintendent---shall---provide---the---board---of---county~~  
24 ~~commissioners--with--the--amount--of-guaranteed-tax-base-aid~~  
25 ~~that-the-county--will--receive--for--each--mill--levied,--as~~

1 ~~certified--by--the--superintendent--of--public--instruction;--to~~  
2 ~~fund--the--county--transportation--net--levy--requirement;~~

3 ~~(b)--The--county--commissioners--shall--calculate--the--number~~  
4 ~~of--mills--to--be--levied--on--the--taxable--property--in--the--county~~  
5 ~~to--finance--the--county--transportation--fund--net--levy~~  
6 ~~requirement--by--dividing--the--amount--determined--in--subsection~~  
7 ~~(2)(c)--by--the--sum--of:~~

8 ~~(i)--the--amount--of--guaranteed--tax--base--aid--that--the~~  
9 ~~county--will--receive--for--each--mill--levied;--as--certified--by~~  
10 ~~the--superintendent--of--public--instruction;--and~~

11 ~~(ii)--the--taxable--valuation--of--the--county--divided--by~~  
12 ~~1,000;~~

13 ~~(4)(3) The net levy requirement determined in~~  
14 ~~subsection (2)(c) must be reported to the county~~  
15 ~~commissioners on the second Monday of August by the county~~  
16 ~~superintendent and a levy must be set by the county~~  
17 ~~commissioners in accordance with 20-9-142.~~

18 ~~(5)(4) The county superintendent shall apportion the~~  
19 ~~elementary county transportation reimbursement from the~~  
20 ~~proceeds of the county basic levy and the high school county~~  
21 ~~transportation reimbursement from the proceeds of the county~~  
22 ~~tax for high school transportation county transportation~~  
23 ~~fund. The county superintendent shall order the county~~  
24 ~~treasurer to make such the apportionments in accordance with~~  
25 ~~20-9-212(2) and after the receipt of the semiannual state~~

1 transportation reimbursement payments."

2 NEW SECTION. SECTION 16. STUDY OF TRANSPORTATION  
3 FUNDING. (1) DURING THE 1991-92 INTERIM, THE OFFICE OF  
4 PUBLIC INSTRUCTION IS DIRECTED TO COLLECT DATA AND TO STUDY  
5 METHODS FOR EQUALIZING SCHOOL TRANSPORTATION FUNDING.

6 (2) THE OFFICE OF PUBLIC INSTRUCTION IS FURTHER  
7 DIRECTED TO REPORT ITS FINDINGS AND CONCLUSIONS AND MAKE  
8 RECOMMENDATIONS FOR IMPROVEMENTS IN SCHOOL TRANSPORTATION  
9 FUNDING TO THE 53RD LEGISLATURE.

10 NEW SECTION. Section 17. Effective date. [This act] is  
11 effective July 1, 1992 1991.

-End-

HOUSE STANDING COMMITTEE REPORT

April 4, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that Senate Bill 82 (third reading copy -- blue) be concurred in as amended.

Signed:   
Francis Bardanouve, Chairman

Carried by: Rep. Peck

And, that such amendments read:

1. Page 18, line 13.  
Strike: "90"  
Insert: "85"

2. Page 18, line 18.  
Strike: "2.25"  
Insert: "2.13"

3. Page 18, line 20.  
Strike: "90"  
Insert: "85"

4. Page 20, line 15.  
Strike: "22.5"  
Insert: "21.25"

5. Page 23, line 12.  
Strike: "\$5.62"  
Insert: "\$5.31"

6. Page 23, line 13.  
Strike: "\$3.38"  
Insert: "\$3.19"

SENATE BILL NO. 82

INTRODUCED BY VAN VALKENBURG, PECK

BY REQUEST OF THE LEGISLATIVE OVERSIGHT

COMMITTEE ON SCHOOL FUNDING IMPLEMENTATION

A BILL FOR AN ACT ENTITLED: "AN ACT STANDARDIZING THE FUNDING MECHANISM FOR ELEMENTARY AND HIGH SCHOOL DISTRICT TRANSPORTATION SCHEDULES BY DIVIDING THE COSTS BETWEEN THE STATE AND COUNTY; ESTABLISHING A COUNTY TRANSPORTATION LEVY WITH A REVISED GUARANTEED TAX-BASE AID FORMULA FOR ELIGIBLE COUNTIES; REQUIRING A REPORT TO THE 1993 LEGISLATURE; AMENDING SECTIONS 15-23-607, 15-23-703, 17-3-213, 20-7-422, 20-9-212, 20-9-334, 20-9-366, 20-9-367, 20-9-368, 20-10-141, 20-10-142, 20-10-143, 20-10-144, 20-10-145, AND 20-10-146, MCA; AND PROVIDING A DELAYED AN EFFECTIVE DATE."

WHEREAS, THE LEGISLATURE RECOGNIZES ITS RESPONSIBILITY TO DEVELOP A MORE EQUALIZED SYSTEM OF FUNDING SCHOOL TRANSPORTATION. IT IS THE INTENT OF THE LEGISLATURE THAT THIS BILL, WHICH ALLOWS THE OFFICE OF PUBLIC INSTRUCTION TO DEVELOP DATA NOT CURRENTLY AVAILABLE TO MONITOR CURRENT SPENDING BY THE SCHOOL, BE CONSIDERED SIMPLY THE FIRST STEP TOWARD PROVIDING A LONG-TERM SOLUTION TO SCHOOL TRANSPORTATION EQUALIZATION PROBLEMS IN MONTANA. THE LEGISLATURE ALSO INTENDS, AS PROVIDED IN [SECTION 16], THAT

THE OFFICE OF PUBLIC INSTRUCTION CONTINUE TO COLLECT SCHOOL TRANSPORTATION DATA AND THAT EQUITABLE FUNDING METHODS FOR SCHOOL TRANSPORTATION BE ADDRESSED BY THE 53RD LEGISLATURE.

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

Section 1. Section 17-3-213, MCA, is amended to read:

"17-3-213. Allocation to general road fund and countywide school levies. (1) The forest reserve funds so apportioned to each county must be apportioned by the county treasurer in each county as follows:

(a) to the general road fund, 66 2/3% of the total amount received;

(b) to the following countywide school levies, 33 1/3% of the total sum received:

(i) county equalization for elementary schools provided for in 20-9-331; and

(ii) county equalization for high schools provided for in 20-9-333;

(iii) the high-school county transportation fund provided for in 20-10-143 20-10-146; and

(iv) the elementary and high school district retirement fund obligations provided for in 20-9-501.

(2) The apportionment of money to the funds provided for under subsection (1)(b) must be made by the county superintendent based on the proportion that the mill levy of



1 each fund bears to the total number of mills for all the  
2 funds. Whenever the total amount of money available for  
3 apportionment under this section is greater than the total  
4 requirements of a levy, the excess money and any interest  
5 income must be retained in a separate reserve fund, to be  
6 reapportioned in the ensuing school fiscal year to the  
7 levies designated in subsection (1)(b).

8 (3) In counties in which special road districts have  
9 been created according to law, the board of county  
10 commissioners shall distribute a proportionate share of the  
11  $66 \frac{2}{3}\%$  of the total amount received for the general road  
12 fund to the special road districts within the county based  
13 upon the percentage that the total area of the road district  
14 bears to the total area of the entire county."

15 **Section 2.** Section 15-23-607, MCA, is amended to read:

16 "15-23-607. County assessors to compute taxes. (1)  
17 Immediately after the board of county commissioners has  
18 fixed tax levies on the second Monday in August, the county  
19 assessor shall, subject to the provisions of 15-23-612,  
20 compute the taxes on net proceeds, as provided in subsection  
21 (2) of this section, and royalty assessments and shall  
22 deliver the book to the county treasurer on or before  
23 September 15. The county treasurer shall proceed to give  
24 full notice of the assessments to the operator and shall  
25 collect the taxes as provided by law.

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

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

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

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

14 (4) The taxable value of net proceeds for the purpose  
15 of computing guaranteed tax base aid for schools and  
16 counties under the provisions of 20-9-366(1)-and-(3) is the  
17 amount of tax received by a district in the previous year  
18 divided by the number of mills levied by the district in the  
19 previous year, multiplied by 1,000. This amount must be  
20 added to the district, county, and statewide taxable value  
21 when computing guaranteed tax base aid under 20-9-368.

22 (5) The operator or producer is liable for the payment  
23 of the taxes that, except as provided in 15-16-121, are  
24 payable by and must be collected from the operators in the  
25 same manner and under the same penalties as provided for the

1 collection of taxes upon net proceeds of mines. However, the  
 2 operator may at his option withhold from the proceeds of  
 3 royalty interest, either in kind or in money, an estimated  
 4 amount of the tax to be paid by him upon the royalty or  
 5 royalty interest. After the withholding, any deviation  
 6 between the estimated tax and the actual tax may be  
 7 accounted for by adjusting subsequent withholdings from the  
 8 proceeds of royalty interests."

9 **Section 3.** Section 15-23-703, MCA, is amended to read:

10 **"15-23-703. Taxation of gross proceeds -- taxable value**  
 11 **for bonding and guaranteed tax base aid to schools.** (1) The  
 12 county assessor shall compute from the reported gross  
 13 proceeds from coal a tax roll that he shall transmit to the  
 14 county treasurer on or before September 15 each year. The  
 15 county assessor may not levy or assess any mills against the  
 16 reported gross proceeds of coal but shall levy a tax of 5%  
 17 against the value of the reported gross proceeds as provided  
 18 in 15-23-701(1)(d). The county treasurer shall proceed to  
 19 give full notice to each coal producer of the taxes due and  
 20 to collect the taxes as provided in 15-16-101.

21 (2) For bonding, county classification, and all nontax  
 22 purposes, the taxable value of the gross proceeds of coal is  
 23 45% of the contract sales price as defined in 15-35-102(5).

24 (3) The taxable value of gross proceeds for the purpose  
 25 of computing guaranteed tax base aid for schools and

1 counties under the provisions of 20-9-366~~(1)~~-and-~~(3)~~ is the  
 2 amount of tax received by a district in the previous year  
 3 divided by the number of mills levied by the district in the  
 4 previous year, multiplied by 1,000. This amount must be  
 5 added to the district, county, and statewide taxable value  
 6 when computing guaranteed tax base aid under 20-9-368.

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

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

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

20 **SECTION 4. SECTION 20-7-442, MCA, IS AMENDED TO READ:**

21 **"20-7-442. State transportation reimbursement for**  
 22 **special education children.** Districts providing children  
 23 with transportation to a special education class or program  
 24 and complying with the special education transportation  
 25 regulations promulgated by the superintendent of public

1 instruction shall be eligible for a transportation  
 2 reimbursement. The reimbursement shall be calculated from a  
 3 schedule established by the superintendent of public  
 4 instruction with the state providing ~~two-thirds~~ 100% of the  
 5 reimbursement ~~and the county in which the children reside~~  
 6 ~~providing the remainder."~~

7 **Section 5.** Section 20-9-212, MCA, is amended to read:

8 **"20-9-212. Duties of county treasurer.** The county  
 9 treasurer of each county shall:

10 (1) receive and hold all school money subject to  
 11 apportionment and keep a separate accounting of its  
 12 apportionment to the several districts which are entitled to  
 13 a portion of the money according to the apportionments  
 14 ordered by the county superintendent. A separate accounting  
 15 must be maintained for each county fund supported by a  
 16 countywide levy for a specific, authorized purpose,  
 17 including:

18 (a) the basic county tax in support of the elementary  
 19 foundation programs;

20 (b) the basic special tax for high schools in support  
 21 of the high school foundation programs;

22 (c) the county tax in support of the ~~county's high~~  
 23 ~~school elementary and high school~~ transportation obligation  
 24 ~~schedules;~~

25 (d) the county tax in support of the elementary and

1 high school district retirement obligations; and

2 (e) any other county tax for schools, including the  
 3 community colleges, which may be authorized by law and  
 4 levied by the county commissioners;

5 (2) whenever requested, notify the county  
 6 superintendent and the superintendent of public instruction  
 7 of the amount of county school money on deposit in each of  
 8 the funds enumerated in subsection (1) of this section and  
 9 the amount of any other school money subject to  
 10 apportionment and apportion the county and other school  
 11 money to the districts in accordance with the apportionment  
 12 ordered by the county superintendent;

13 (3) keep a separate accounting of the expenditures for  
 14 each budgeted fund included in the final budget of each  
 15 district;

16 (4) keep a separate accounting of the receipts,  
 17 expenditures, and cash balances for each budgeted fund  
 18 included in the final budget of each district and for each  
 19 nonbudgeted fund established by each district;

20 (5) except as otherwise limited by law, pay all  
 21 warrants properly drawn on the county or district school  
 22 money and properly endorsed by their holders;

23 (6) receive all revenue collected by and for each  
 24 district and deposit these receipts in the fund designated  
 25 by law or by the district if no fund is designated by law.



1 Interest and penalties on delinquent school taxes shall be  
2 credited to the same fund and district for which the  
3 original taxes were levied.

4 (7) send all revenue received for a joint district,  
5 part of which is situated in his county, to the county  
6 treasurer designated as the custodian of the revenue, no  
7 later than December 15 of each year and every 3 months  
8 thereafter until the end of the school fiscal year;

9 (8) at the direction of the trustees of a district,  
10 assist the district in the issuance and sale of tax and  
11 revenue anticipation notes as provided in Title 7, chapter  
12 6, part 11;

13 (9) register district warrants drawn on a budgeted fund  
14 in accordance with 7-6-2604 when there is insufficient money  
15 available in all funds of the district to make payment of  
16 the warrant. Redemption of registered warrants must be made  
17 in accordance with 7-6-2116, 7-6-2605, and 7-6-2606.

18 (10) invest the money of any district as directed by the  
19 trustees of the district within 3 working days of the  
20 direction;

21 (11) each month give to the trustees of each district an  
22 itemized report for each fund maintained by the district,  
23 showing the paid warrants, outstanding warrants, registered  
24 warrants, amounts and types of revenue received, and the  
25 cash balance;

1 (12) remit promptly to the state treasurer receipts for  
2 the county tax for a vocational-technical center when levied  
3 by the board of county commissioners under the provisions of  
4 20-16-202; and

5 (13) invest the money received from the basic county tax  
6 in support of the elementary foundation programs and the  
7 basic special tax in support of the high school foundation  
8 programs within 3 working days of receipt. The money must be  
9 invested until the working day before it is required to be  
10 distributed to school districts within the county or  
11 remitted to the state. Permissible investments are specified  
12 in 20-9-213(4). All investment income must be deposited, and  
13 credited proportionately, in the funds established to  
14 account for the taxes received for the purposes specified in  
15 subsections (1)(a) and (1)(b)."

16 **Section 6.** Section 20-9-334, MCA, is amended to read:

17 "20-9-334. Apportionment of county equalization moneys  
18 by county superintendent. The county superintendent shall  
19 separately apportion the revenues deposited in the basic  
20 county tax account and the revenues deposited in the basic  
21 special tax for high schools account to the several  
22 districts of the county on a monthly basis. The  
23 apportionments shall be known as "county equalization  
24 moneys". Before the county superintendent makes the monthly  
25 apportionments, he shall-

~~{1} deduct from the revenues available in the basic county tax account the amount required for the month to pay the county's obligation for elementary transportation reimbursements, and~~

{2} deduct from the revenues available in the basic special tax for high schools account the amount required for the month to pay the county's obligation for high school out-of-county tuition."

**Section 7.** Section 20-9-366, MCA, is amended to read:

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

(1) "County retirement mill value per elementary ANB" or "county retirement mill value per high school ANB" means the sum of the current taxable valuation of all property in the county plus the taxable value of oil and gas net proceeds determined under 15-23-607(4) for production occurring after March 31, 1990, plus the taxable value of coal gross proceeds determined under 15-23-703(3) plus all the taxable value of nonlevy revenue for the support of schools, other than Public Law 81-874 funds, divided by 1,000, with the quotient divided by the total county elementary ANB count or the total county high school ANB count used to calculate the elementary school districts' and high school districts' current year foundation program amounts. The taxable value of nonlevy revenue for the

purpose of computing guaranteed tax base aid for schools is the amount of nonlevy revenue received by a district in the previous year, including for fiscal year 1991 the revenue received in fiscal year 1990 from the net proceeds taxation of oil and natural gas and including for fiscal year 1992 and thereafter the local government severance tax, divided by the number of mills levied by the district in the previous year, multiplied by 1,000.

~~{2} "County transportation mill value per elementary ANB" or "county transportation mill value per high school ANB" means the sum of the current taxable valuation of all property in the county divided by the total county elementary ANB count or the total county high school ANB count used to calculate the elementary school districts' and high school districts' current year foundation program amounts;~~

{2}{3}{2} "District mill value per ANB" means the current taxable valuation of all property in the district plus the taxable value of oil and gas net proceeds determined under 15-23-607(4) for production occurring after March 31, 1990, plus the taxable value of coal gross proceeds determined under 15-23-703(3) plus all the taxable value of nonlevy revenue for the support of schools, other than Public Law 81-874 funds, divided by 1,000, with the quotient divided by the ANB count of the district used to

1 calculate the district's current year foundation program  
 2 schedule amount. The taxable value of nonlevy revenue for  
 3 the purpose of computing guaranteed tax base aid for schools  
 4 is the amount of nonlevy revenue received by a district in  
 5 the previous year, including for fiscal year 1991 the  
 6 revenue received in fiscal year 1990 from the net proceeds  
 7 taxation of oil and natural gas and including for fiscal  
 8 year 1992 and thereafter the local government severance tax,  
 9 divided by the number of mills levied by the district in the  
 10 previous year, multiplied by 1,000.

11 ~~(3)~~(4)(3) "Guaranteed overschedule general fund budget"  
 12 means that portion of a district's general fund budget in  
 13 excess of the foundation program amount for the district, as  
 14 provided in 20-9-316 through 20-9-321, but not exceeding  
 15 135% of the district's foundation program amount, and which  
 16 excess is authorized under the provisions of 20-9-145 and  
 17 20-9-353.

18 ~~(4)~~(5)(4) "Statewide mill value per elementary ANB" or  
 19 "statewide mill value per high school ANB", FOR PERMISSIVE  
 20 AND RETIREMENT GUARANTEED TAX BASE PURPOSES, means the sum  
 21 of the current taxable valuation of all property in the  
 22 state plus the taxable value of oil and gas net proceeds  
 23 determined under 15-23-607(4) for production occurring after  
 24 March 31, 1990, plus the taxable value of coal gross  
 25 proceeds determined under 15-23-703(3) plus all the taxable

1 value of nonlevy revenue for the support of schools, other  
 2 than Public Law 81-874 funds, divided by 1,000, with the  
 3 quotient divided by the total state elementary ANB count or  
 4 the total state high school ANB count used to calculate the  
 5 elementary school districts' and high school districts'  
 6 current year foundation program amounts. The taxable value  
 7 of nonlevy revenue for the purpose of computing guaranteed  
 8 tax 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. For--the--purpose--of--calculating--the--statewide--mill  
 16 value--per--ANB--for--determining--eligibility--for--guaranteed--tax  
 17 base--aid--for--county--transportation--fund--levies;--nonlevy  
 18 revenue--including--the--taxable--value--of--oil--and--gas--net  
 19 proceeds--and--coal--gross--proceeds--is--not--considered--"

20 **Section 8.** Section 20-9-367, MCA, is amended to read:

21 "20-9-367. Eligibility to receive guaranteed tax base  
 22 aid. (1) If the district mill value per ANB of any  
 23 elementary or high school district is less than the  
 24 corresponding statewide mill value per ANB, the district may  
 25 receive guaranteed tax base aid based on the number of mills

1 levied in the district in support of its guaranteed  
2 overschedule permissive amount of the general fund budget.

3 (2) If the county retirement mill value per elementary  
4 ANB or county retirement mill value per high school ANB is  
5 less than the corresponding statewide mill value per ANB,  
6 the county may receive guaranteed tax base aid based on the  
7 number of mills levied in the county in support of the  
8 retirement fund budgets of the respective elementary or high  
9 school districts in the county.

10 ~~(3) If the county transportation mill value per  
11 elementary ANB or county transportation mill value per high  
12 school ANB is less than the corresponding statewide mill  
13 value per ANB, the county may receive guaranteed tax base  
14 aid based on the number of mills levied in the county in  
15 support of the county transportation fund obligation for  
16 one-half of the transportation schedules in 20-10-141 and  
17 20-10-142 for the elementary and high school districts in  
18 the county.~~

19 **Section 9.** Section 20-9-368, MCA, is amended to read:

20 \*20-9-368. Amount of guaranteed tax base aid --  
21 reversion. (1) The amount of guaranteed tax base aid per ANB  
22 that a county may receive in support of the retirement fund  
23 budgets or the county transportation fund obligation for  
24 one-half of the transportation schedules of the elementary  
25 school districts in the county is the difference between the

1 county mill value per elementary ANB and the statewide mill  
2 value per elementary ANB, multiplied by the number of mills  
3 levied in support of the retirement fund budgets of or the  
4 county transportation obligation for the elementary  
5 districts in the county.

6 (2) The amount of guaranteed tax base aid per ANB that  
7 a county may receive in support of the retirement fund  
8 budgets or the county transportation fund obligation for  
9 one-half of the transportation schedules of the high school  
10 districts in the county is the difference between the county  
11 mill value per high school ANB and the statewide mill value  
12 per high school ANB, multiplied by the number of mills  
13 levied in support of the retirement fund budgets of or the  
14 county transportation obligation for the high school  
15 districts in the county.

16 (3) The amount of guaranteed tax base aid per ANB that  
17 a district may receive in support of its guaranteed  
18 overschedule permissive amount of the general fund budget is  
19 the difference between the district mill value per ANB and  
20 the corresponding statewide mill value per ANB, multiplied  
21 by the number of mills levied in support of the district's  
22 guaranteed overschedule permissive amount of the general  
23 fund budget.

24 (4) Guaranteed tax base aid provided to any county or  
25 district under this section is earmarked to finance the fund

1 or portion of the fund for which it is provided. If the  
 2 actual expenditures from the fund or portion of the fund for  
 3 which guaranteed tax base aid is earmarked are less than the  
 4 amount budgeted, the guaranteed tax base aid reverts in  
 5 proportion to the amount budgeted but not expended. If a  
 6 county or district receives more guaranteed tax base aid  
 7 than it is entitled to, the excess must be returned to the  
 8 state as required by 20-9-344."

9 **Section 10.** Section 20-10-141, MCA, is amended to read:

10 "20-10-141. Schedule of maximum reimbursement by  
 11 mileage rates. (1) The following mileage rates for school  
 12 transportation constitute the maximum reimbursement to  
 13 districts for school transportation from state and county  
 14 sources of transportation revenue under the provisions of  
 15 20-10-145 and 20-10-146. These rates shall may not limit the  
 16 amount which that a district may budget in its  
 17 transportation fund budget in order to provide for the  
 18 estimated and necessary cost of school transportation during  
 19 the ensuing school fiscal year. All bus miles traveled on  
 20 routes approved by the county transportation committee are  
 21 reimbursable. Nonbus mileage is reimbursable for a vehicle  
 22 driven by a bus driver to and from an overnight location of  
 23 a school bus when the location is more than 10 miles from  
 24 the school. A district may approve additional bus or nonbus  
 25 miles within its own district or approved service area but

1 may not claim reimbursement for such the mileage. Any  
 2 vehicle, the operation of which is reimbursed for bus  
 3 mileage under the rate provisions of this schedule, shall  
 4 must be a school bus, as defined by this title, driven by a  
 5 qualified driver on a bus route approved by the county  
 6 transportation committee and the superintendent of public  
 7 instruction.

8 (2) The rate per bus mile traveled shall must be  
 9 determined in accordance with the following schedule when  
 10 the number of eligible transportees that board a school bus  
 11 on an approved route is not less than one-half of its rated  
 12 capacity:

13 (a) ~~72-cents-in-fiscal-1984--and 80 90 85 cents in~~  
 14 ~~fiscal--1985--and--each--year--thereafter~~ per bus mile for a  
 15 school bus with a rated capacity of not less than 12 but not  
 16 more than 45 children; and

17 (b) when the rated capacity is more than 45 children,  
 18 an additional ~~2 2.25~~ 2.13 cents per bus mile for each  
 19 additional child in the rated capacity in excess of 45 shall  
 20 must be added to a base rate of ~~72-cents-in-fiscal-1984--and~~  
 21 ~~80 90 85 cents in-fiscal-1985-and-each-year-thereafter-per~~  
 22 ~~bus-mile~~ PER BUS MILE.

23 (3) Reimbursement for nonbus mileage provided for in  
 24 subsection (1) may not exceed 50% of the maximum  
 25 reimbursement rate determined under subsection (2).

1 (4) When the number of eligible transportees boarding a  
2 school bus on an approved route is less than one-half of its  
3 rated capacity, the rate per bus mile traveled shall must be  
4 computed as follows:

5 (a) determine the number of eligible transportees that  
6 board the school bus on the route;

7 (b) multiply the number determined in subsection (4)(a)  
8 by two and round off to the nearest whole number; and

9 (c) use the adjusted rated capacity determined in  
10 subsection (4)(b) as the rated capacity of the bus to  
11 determine the rate per bus mile traveled from the rate  
12 schedule in subsection (2).

13 (5) The rated capacity shall ~~be~~ is the number of riding  
14 positions of a school bus as determined under the policy  
15 adopted by the board of public education."

16 **SECTION 11. SECTION 20-10-142, MCA, IS AMENDED TO READ:**

17 "20-10-142. Schedule of ~~maximum~~ reimbursement for  
18 individual transportation. The following rates for  
19 individual transportation constitute the maximum  
20 reimbursement to districts for individual transportation  
21 from state and county sources of transportation revenue  
22 under the provisions of 20-10-145 and 20-10-146. These rates  
23 also shall constitute the limitation of the budgeted amounts  
24 for individual transportation for the ensuing school fiscal  
25 year. The schedules provided in this section shall not be

1 altered by any authority other than the legislature of the  
2 state of Montana. When the trustees contract with the parent  
3 or guardian of any eligible transportee to provide  
4 individual transportation for each day of school attendance,  
5 they shall reimburse the parent or guardian on the basis of  
6 the following schedule:

7 (1) When a parent or guardian transports an eligible  
8 transportee or transportees from the residence of the parent  
9 or guardian to a school or to schools located within 3 miles  
10 of one another, the total reimbursement per day of  
11 attendance shall be determined by multiplying the distance  
12 in miles between the residence and the school, or the most  
13 distant school if more than one, by 2, subtracting 6 miles  
14 from the product so obtained, and multiplying the difference  
15 by ~~20~~ 22.5 21.25 cents provided that:

16 (a) if two or more eligible transportees are  
17 transported by a parent or guardian to two or more schools  
18 located within 3 miles of one another and if such schools  
19 are operated by different school districts, the total amount  
20 of the reimbursement shall be divided equally between the  
21 districts;

22 (b) if two or more eligible transportees are  
23 transported by a parent or guardian to two or more schools  
24 located more than 3 miles from one another, the parent or  
25 guardian shall be separately reimbursed for transporting the

1 eligible transportee or transportees to each school;

2 (c) if a parent transports two or more eligible  
3 transportees to a school and a bus stop which school and bus  
4 stop are located within 3 miles of one another, the total  
5 reimbursement shall be determined under the provisions of  
6 this subsection and shall be divided equally between the  
7 district operating the school and the district operating the  
8 bus;

9 (d) if a parent transporting two or more eligible  
10 transportees to a school or bus stop must, because of  
11 varying arrival and departure times, make more than one  
12 round-trip journey to the bus stop or school, the total  
13 reimbursement allowed by this section shall be limited to  
14 one round trip per day for each scheduled arrival or  
15 departure time;

16 (e) notwithstanding subsection (1)(a), (1)(b), (1)(c),  
17 or (1)(d), no reimbursement may be less than 25 cents a day.

18 (2) When the parent or guardian transports an eligible  
19 transportee or transportees from the residence to a bus stop  
20 of a bus route approved by the trustees for the  
21 transportation of the transportee or transportees, the total  
22 reimbursement per day of attendance shall be determined by  
23 multiplying the distance in miles between the residence and  
24 the bus stop by 2, subtracting 3 miles from the product so  
25 obtained, and multiplying the difference by ~~20~~ 22.5 cents

1 provided that:

2 (a) if the eligible transportees transported attend  
3 schools in different districts but ride on one bus, the  
4 districts shall divide the total reimbursement equally; and

5 (b) if the parent or guardian is required to transport  
6 the eligible transportees to more than one bus, the parent  
7 or guardian shall be separately reimbursed for  
8 transportation to each bus.

9 (3) Where, due to excessive distances, impassable  
10 roads, or other special circumstances of isolation the rates  
11 prescribed in subsection (1) or (2) would be an inadequate  
12 reimbursement for the transportation costs or would result  
13 in a physical hardship for the eligible transportee, his  
14 parent or guardian may request an increase in the  
15 reimbursement rate. Such a request for increased rates due  
16 to isolation shall be made by the parent or guardian on the  
17 contract for individual transportation for the ensuing  
18 school fiscal year by indicating the special facts and  
19 circumstances which exist to justify the increase. Before  
20 any increased rate due to isolation can be paid to the  
21 requesting parent or guardian, such rate must be approved by  
22 the county transportation committee and the superintendent  
23 of public instruction after the trustees have indicated  
24 their approval or disapproval. Regardless of the action of  
25 the trustees and when approval is given by the county

1 transportation committee and the superintendent of public  
2 instruction, the trustees shall pay such increased rate due  
3 to isolation. The increased rate shall be 1 1/2 times the  
4 rate prescribed in subsection (1) above.

5 (4) When the isolated conditions of the household where  
6 an eligible transportee resides require such eligible  
7 transportee to live away from the household in order to  
8 attend school, he shall be eligible for the room and board  
9 reimbursement. Approval to receive the room and board  
10 reimbursement shall be obtained in the same manner  
11 prescribed in subsection (3) above. The per diem rate for  
12 room and board shall be \$5 ~~\$5.62~~ \$5.31 for one eligible  
13 transportee and \$3 ~~\$3.38~~ \$3.19 for each additional eligible  
14 transportee of the same household.

15 (5) When the individual transportation provision is to  
16 be satisfied by supervised home study or supervised  
17 correspondence study, the reimbursement rate shall be the  
18 cost of such study, provided that the course of instruction  
19 is approved by the trustees and supervised by the district."

20 **Section 12.** Section 20-10-143, MCA, is amended to read:

21 "20-10-143. Budgeting for transportation and  
22 transmittal of transportation contracts. (1) The trustees of  
23 any a district furnishing transportation to pupils who are  
24 residents of such the district shall ~~have-the-authority--and~~  
25 ~~it--shall--be--their--duty--to~~ provide a transportation fund

1 budget that is adequate to finance such the district's  
2 transportation contractual obligations and any other  
3 transportation expenditures necessary for the conduct of its  
4 transportation program. The transportation fund budget ~~shall~~  
5 must include:

6 (a) an adequate amount to finance the maintenance and  
7 operation of district owned and operated school buses;

8 (b) the annual contracted amount for the maintenance  
9 and operation of school buses by a private party;

10 (c) the annual contracted amount for individual  
11 transportation, including any increased amount due to  
12 isolation, which ~~shall~~ may not exceed the schedule amounts  
13 prescribed in 20-10-142;

14 (d) any amount necessary for the purchase, rental, or  
15 insurance of school buses; and

16 (e) any other amount necessary to finance the  
17 administration, operation, or maintenance of the  
18 transportation program of the district, as determined by the  
19 trustees.

20 (2) The trustees may include a contingency amount in  
21 the transportation fund budget for the purpose of enabling  
22 the district to fulfill any an obligation to provide  
23 transportation in accordance with ~~the--transportation--law~~  
24 this title for:

25 (a) any pupils not residing in the district at the time



1 of the adoption of the preliminary budget and who  
 2 subsequently became residents of such the district during  
 3 the school fiscal year; or

4 (b) pupils who have become eligible transportees since  
 5 the adoption of the preliminary budget because their legal  
 6 residence has been changed. The budgeted contingency amount  
 7 ~~shall~~ may not exceed 10% of the transportation schedule  
 8 amount as calculated under the provisions of 20-10-141 and  
 9 20-10-142 for all transportation services authorized by such  
 10 ~~schedule~~ the schedules and provided by the district unless  
 11 10% of such the transportation schedule amount ~~shall-be~~ is  
 12 less than \$100, in which case \$100 ~~shall-be~~ is the maximum  
 13 limitation for such the budgeted contingency amount.

14 (3) ~~As--provided--in--20-9-162,--an--emergency~~ A budget  
 15 amendment to the transportation fund budget may be adopted  
 16 subject to the provisions of ~~the-emergency-budgeting-law~~  
 17 20-9-161 through 20-9-166.

18 (4) The transportation fund budgeted expenditures  
 19 appropriated by the trustees ~~shall~~ must be reported on the  
 20 regular budget form prescribed by the superintendent of  
 21 public instruction in accordance with 20-9-103, and the  
 22 adoption of the transportation fund budget ~~shall~~ must be  
 23 completed in accordance with the school budgeting laws. When  
 24 the adopted preliminary budget is sent to the county  
 25 superintendent, the trustees shall also send copies of all

1 completed transportation contracts for school bus  
 2 transportation and individual transportation to the county  
 3 superintendent. ~~Such~~ The contracts ~~shall~~ must substantiate  
 4 all contracted transportation services incorporated in the  
 5 preliminary budget, and after the county superintendent has  
 6 utilized the contracts for ~~such~~ that purpose but before the  
 7 fourth Monday of July, he shall send all the transportation  
 8 contracts received ~~by--him~~ to the superintendent of public  
 9 instruction. When the county superintendent determines a  
 10 deviation between the preliminary transportation fund budget  
 11 amount for contracted transportation services and the  
 12 contracted amount for such the services, he shall  
 13 immediately call the deviation to the attention of the  
 14 appropriate trustees and shall allow the trustees to change  
 15 the preliminary budgeted amount to compensate for such the  
 16 deviation."

17 **Section 13.** Section 20-10-144, MCA, is amended to read:  
 18 "20-10-144. Computation of revenues and net tax levy  
 19 requirements for the district transportation fund budget.  
 20 Before the fourth Monday of July and in accordance with  
 21 20-9-123, the county superintendent shall compute the  
 22 revenue available to finance the transportation fund budget  
 23 of each district. The county superintendent shall compute  
 24 the revenue for each district on the following basis:

25 (1) The "schedule amount" of the preliminary budget

1 expenditures that is derived from the rate schedules in  
 2 20-10-141 and 20-10-142 must be determined by adding the  
 3 following amounts:

4 (a) the sum of the maximum reimbursable expenditures  
 5 for all approved school bus routes maintained by the  
 6 district (to determine the maximum reimbursable expenditure,  
 7 multiply the applicable rate per bus mile by the total  
 8 number of miles to be traveled during the ensuing school  
 9 fiscal year on each bus route approved by the county  
 10 transportation committee and maintained by such district);  
 11 plus

12 (b) the total of all individual transportation per diem  
 13 reimbursement rates for the district as determined from the  
 14 contracts submitted by the district multiplied by the number  
 15 of pupil-instruction days scheduled for the ensuing school  
 16 attendance year; plus

17 (c) any estimated costs for supervised home study or  
 18 supervised correspondence study for the ensuing school  
 19 fiscal year; plus

20 (d) the amount budgeted on the preliminary budget for  
 21 the contingency amount permitted in 20-10-143, except if the  
 22 amount exceeds 10% of the total of subsections (1)(a),  
 23 (1)(b), and (1)(c) or \$100, whichever is larger, the  
 24 contingency amount on the preliminary budget must be reduced  
 25 to the limitation amount and used in this determination of

1 the schedule amount.

2 (2) (a) The schedule amount determined in subsection  
 3 (1) or the total preliminary transportation fund budget,  
 4 whichever is smaller, is divided by 3 2 and the--resulting  
 5 one-third--amount is used to determine the available state  
 6 and county revenue to be budgeted on the following basis:

7 ~~(a)(i)~~ the--resulting-one-third one-half amount is the  
 8 budgeted state transportation reimbursement, except that the  
 9 state transportation reimbursement for the transportation of  
 10 special education pupils under the provisions of 20-7-442  
 11 must be two-thirds 100% of the schedule amount attributed to  
 12 the transportation of special education pupils; and

13 ~~(b)(ii)~~ the--resulting-one-third one-half amount;--except  
 14 as--provided--for--joint--elementary--districts--in--subsection  
 15 ~~(2)(e)~~; is the budgeted county transportation fund  
 16 reimbursement for elementary districts and must be financed  
 17 by the basic county tax under the provisions of 20-9-334;

18 ~~(c)~~--the--resulting-one-third-amount-multiplied-by--2--is  
 19 the--budgeted-county-transportation-reimbursement-amount-for  
 20 high-school--districts--financed--under--the--provisions--of  
 21 subsection--(5);--except--as--provided--for--joint--high-school  
 22 districts--in--subsection--(2)(e);--and in the manner provided  
 23 in 20-10-146; except--that--the--county--transportation  
 24 reimbursement-for-the-transportation--of--special--education  
 25 pupils-under-the-provisions-of-20-7-442-must-be-one-third-of

1 ~~the schedule amount attributed to the transportation of~~  
2 ~~special education pupils.~~

3 ~~(d)(b)~~ when When the district has a sufficient amount  
4 of cash for reappropriation and other sources of district  
5 revenue, as determined in subsection (3), to reduce the  
6 total district obligation for financing to zero, any  
7 remaining amount of district revenue and cash reappropriated  
8 must be used to reduce the county financing obligation in  
9 subsection ~~(2)(b)~~ ~~or~~ ~~(2)(c)~~ (2)(a)(ii) and, if the county  
10 financing obligations are reduced to zero, to reduce the  
11 state financial obligation in subsection ~~(2)(a)~~  
12 and (2)(a)(i).

13 ~~(e)(c)~~ the The county revenue requirement for a joint  
14 district, after the application of any district money under  
15 subsection ~~(2)(d)~~ (2)(b), must be prorated to each county  
16 incorporated by the joint district in the same proportion as  
17 the ANB of the joint district is distributed by pupil  
18 residence in each county.

19 (3) The total of the money available for the reduction  
20 of property tax on the district for the transportation fund  
21 must be determined by totaling:

22 (a) anticipated federal money received under the  
23 provisions of Title I of Public Law 81-874 or other  
24 anticipated federal money received in lieu of that federal  
25 act; plus

1 (b) anticipated payments from other districts for  
2 providing school bus transportation services for the  
3 district; plus

4 (c) anticipated payments from a parent or guardian for  
5 providing school bus transportation services for his child;  
6 plus

7 (d) anticipated or reappropriated interest to be earned  
8 by the investment of transportation fund cash in accordance  
9 with the provisions of 20-9-213(4); plus

10 (e) anticipated or reappropriated revenue from property  
11 taxes and fees imposed under 23-2-517, 23-2-803,  
12 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204; plus

13 (f) ~~gross proceeds taxes from coal~~ anticipated revenue  
14 from coal gross proceeds under 15-23-703; plus

15 (g) anticipated net proceeds taxes for interim  
16 production and new production, as defined in 15-23-601, and  
17 local government severance taxes on any other production  
18 occurring after December 31, 1988; plus

19 (h) any other revenue anticipated by the trustees to be  
20 earned during the ensuing school fiscal year which that may  
21 be used to finance the transportation fund; plus and

22 (i) any cash fund balance available for reappropriation  
23 as determined by subtracting the amount of the  
24 end-of-the-year cash fund balance earmarked as the  
25 transportation fund cash operating reserve for the ensuing

1 school fiscal year by the trustees from the end-of-the-year  
 2 cash fund balance in the transportation fund. The cash  
 3 operating reserve may not be more than 20% of the final  
 4 transportation fund budget for the ensuing school fiscal  
 5 year and is for the purpose of paying transportation fund  
 6 warrants issued by the district under the final  
 7 transportation fund budget.

8 (4) The district levy requirement for each district's  
 9 transportation fund must be computed by:

10 (a) subtracting the schedule amount calculated in  
 11 subsection (1) from the total preliminary transportation  
 12 budget amount and, ~~for an elementary district, adding the~~  
 13 ~~difference to the district obligation to finance one-third~~  
 14 ~~of the schedule amount as determined in subsection (2); and~~

15 (b) subtracting the amount of money available to reduce  
 16 the property tax on the district, as determined in  
 17 subsection (3), from the amount determined in subsection  
 18 (4)(a).

19 (5) ~~The county levy requirement for the financing of~~  
 20 ~~the county transportation reimbursement to high school~~  
 21 ~~districts is computed by adding all requirements for all the~~  
 22 ~~high school districts of the county, including the county's~~  
 23 ~~obligation for reimbursements in joint high school~~  
 24 ~~districts;~~

25 (6) The transportation fund levy requirements

1 determined in subsection (4) for each district and in  
 2 ~~subsection (5) for the county~~ must be reported to the county  
 3 commissioners on the second Monday of August by the county  
 4 superintendent as the transportation fund levy requirements  
 5 for the district ~~and for the county~~, and the levies levy  
 6 must be made by the county commissioners in accordance with  
 7 20-9-142."

8 **Section 14.** Section 20-10-145, MCA, is amended to read:

9 "20-10-145. State transportation reimbursement. (1) Any  
 10 A district providing school bus transportation or individual  
 11 transportation in accordance with ~~the transportation law~~  
 12 this title, board of public education transportation policy,  
 13 and superintendent of public instruction transportation  
 14 rules shall must receive a state reimbursement of its  
 15 transportation expenditures under the transportation  
 16 reimbursement rate provisions of 20-10-141 and 20-10-142.  
 17 The state transportation reimbursement shall ~~not exceed~~  
 18 one-third is one-half of the reimbursement amounts  
 19 ~~established in such sections or one-third or one-half~~ of the  
 20 district's transportation fund budget, whichever is smaller,  
 21 and shall must be computed on the basis of the number of  
 22 days the transportation services were actually rendered, not  
 23 to exceed 180 pupil instruction days. In determining the  
 24 amount of the state transportation reimbursement, no an  
 25 amount claimed by a district shall may not be considered for

1 reimbursement unless such the amount has been paid in the  
2 regular manner provided for the payment of other financial  
3 obligations of the district.

4 (2) Requests for the state transportation reimbursement  
5 ~~shall~~ must be made by each district semiannually during the  
6 school fiscal year on the claim forms and procedure  
7 promulgated by the superintendent of public instruction. The  
8 claims for state transportation reimbursements ~~shall~~ must be  
9 routed by the district to the county superintendent, who  
10 after reviewing such the claims shall send them to the  
11 superintendent of public instruction. The superintendent of  
12 public instruction shall establish the validity and accuracy  
13 of the claims for the state transportation reimbursements by  
14 determining ~~their~~ compliance with ~~the-transportation-law~~  
15 this title, board of public education transportation policy,  
16 and the transportation rules of the superintendent of public  
17 instruction. After making any necessary adjustments to such  
18 the claims, he--shall--cause--their the superintendent of  
19 public instruction shall order payment by ordering a  
20 disbursement from the state moneys money appropriated by the  
21 legislature of the state of Montana for the state  
22 transportation reimbursement. Such The payment of all the  
23 district's claims within one county ~~shall~~ must be made to  
24 the county treasurer of such the county, and the county  
25 superintendent shall apportion such the payment in

1 accordance with the apportionment order supplied by the  
2 superintendent of public instruction."

3 **Section 15.** Section 20-10-146, MCA, is amended to read:

4 "20-10-146. County transportation reimbursement. (1)  
5 The apportionment of the county transportation reimbursement  
6 by the county superintendent for school bus transportation  
7 or individual transportation that is actually rendered by a  
8 district in accordance with ~~the--transportation-law~~ this  
9 title, board of public education transportation policy, and  
10 the transportation rules of the superintendent of public  
11 instruction shall must be the same as the state  
12 transportation reimbursement payment except that:

13 (a) ~~the---high---school---apportionment---of---the---county~~  
14 ~~transportation---reimbursement---shall---be---twice---the---state~~  
15 ~~transportation-reimbursement-payment;~~

16 (b) if any cash was used to reduce the budgeted county  
17 transportation reimbursement under the provisions of  
18 ~~20-10-144(2)(d)~~ 20-10-144(2)(b), the annual apportionment  
19 ~~shall-be~~ is limited to such the budget amount;

20 (c) ~~when-a-district---receives---a---state---transportation~~  
21 ~~reimbursement---of---two-thirds---the---schedule---amount---for---the~~  
22 ~~transportation---of---special---education---pupils,---the~~  
23 ~~apportionment---of---the---high---school---county---transportation~~  
24 ~~reimbursement---shall-be-adjusted-to-provide-only-a-one-third~~  
25 ~~high-school-county-reimbursement-of---the---transportation---of~~

1 ~~special-education-pupils~~; and

2 ~~(d)(b)~~ when the county transportation reimbursement for  
3 a school bus has been prorated between two or more counties  
4 because such ~~the~~ school bus is conveying pupils of more than  
5 one district located in such ~~the~~ counties, the apportionment  
6 of the county transportation reimbursement shall ~~must~~ be  
7 adjusted to pay the amount computed under such ~~the~~  
8 proration.

9 (2) The county transportation net levy requirement for  
10 the financing of the county transportation fund  
11 reimbursements to districts is computed by:

12 (a) totaling the net requirement separately for all the  
13 elementary-districts-and-the-high-school districts of the  
14 county, including reimbursements to a special education  
15 cooperative or prorated reimbursements to joint elementary  
16 or-high-school districts;

17 (b) determining the sum of the money available to  
18 reduce the county transportation net levy requirement by  
19 adding:

20 (i) anticipated money that may be realized in the  
21 county transportation fund during the ensuing school fiscal  
22 year, including anticipated revenue from property taxes and  
23 fees imposed under 23-2-517, 23-2-803, 61-3-504(2),  
24 61-3-521, 61-3-537, and 67-3-204;

25 (ii) net proceeds taxes and local government severance

1 taxes on other oil and gas production occurring after  
2 December 31, 1988;

3 (iii) coal gross proceeds taxes under 15-23-703;

4 (iv) any fund balance available for reappropriation from  
5 the end-of-the-year fund balance in the county  
6 transportation fund. The county transportation fund  
7 operating reserve may not be more than 35% of the final  
8 county transportation fund budget for the ensuing school  
9 fiscal year and must be used for the purpose of paying  
10 transportation fund warrants under the county transportation  
11 fund budget;

12 (v) federal forest reserve funds allocated under the  
13 provisions of 17-3-213; and

14 (vi) other revenue anticipated that may be realized in  
15 the county transportation fund during the ensuing school  
16 fiscal year, excluding guaranteed tax base aid; and

17 (c) notwithstanding the provisions of subsection (3),  
18 subtracting the money available as determined in subsection  
19 (2)(b) to reduce the levy requirement from the county  
20 transportation net levy requirement.

21 ~~(3)--(a) For a county that is eligible for guaranteed~~  
22 ~~tax base aid under the provisions of 20-9-367, the county~~  
23 ~~superintendent shall provide the board of county~~  
24 ~~commissioners with the amount of guaranteed tax base aid~~  
25 ~~that the county will receive for each mill levied, as~~

1 ~~certified by the superintendent of public instruction, to~~  
2 ~~fund the county transportation net levy requirement.~~

3 ~~(b) The county commissioners shall calculate the number~~  
4 ~~of mills to be levied on the taxable property in the county~~  
5 ~~to finance the county transportation fund net levy~~  
6 ~~requirement by dividing the amount determined in subsection~~  
7 ~~(2)(c) by the sum of:~~

8 ~~(i) the amount of guaranteed tax base aid that the~~  
9 ~~county will receive for each mill levied, as certified by~~  
10 ~~the superintendent of public instruction; and~~

11 ~~(ii) the taxable valuation of the county divided by~~  
12 ~~17888.~~

13 ~~(4)(3) The net levy requirement determined in~~  
14 ~~subsection (2)(c) must be reported to the county~~  
15 ~~commissioners on the second Monday of August by the county~~  
16 ~~superintendent and a levy must be set by the county~~  
17 ~~commissioners in accordance with 20-9-142.~~

18 ~~(5)(4) The county superintendent shall apportion the~~  
19 ~~elementary county transportation reimbursement from the~~  
20 ~~proceeds of the county basic levy and the high school county~~  
21 ~~transportation reimbursement from the proceeds of the county~~  
22 ~~tax for high school transportation county transportation~~  
23 ~~fund. The county superintendent shall order the county~~  
24 ~~treasurer to make such the apportionments in accordance with~~  
25 ~~20-9-212(2) and after the receipt of the semiannual state~~

1 transportation reimbursement payments."

2 NEW SECTION. SECTION 16. STUDY OF TRANSPORTATION  
3 FUNDING. (1) DURING THE 1991-92 INTERIM, THE OFFICE OF  
4 PUBLIC INSTRUCTION IS DIRECTED TO COLLECT DATA AND TO STUDY  
5 METHODS FOR EQUALIZING SCHOOL TRANSPORTATION FUNDING.

6 (2) THE OFFICE OF PUBLIC INSTRUCTION IS FURTHER  
7 DIRECTED TO REPORT ITS FINDINGS AND CONCLUSIONS AND MAKE  
8 RECOMMENDATIONS FOR IMPROVEMENTS IN SCHOOL TRANSPORTATION  
9 FUNDING TO THE 53RD LEGISLATURE.

10 NEW SECTION. Section 17. Effective date. [This act] is  
11 effective July 1, 1992 1991.

-End-