

1 House BILL NO. 699
2 INTRODUCED BY Member

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW THE FOUNDATION
5 PROGRAM LEVIES TO FLOAT BELOW THE CURRENTLY MANDATED LEVELS;
6 PROVIDING FOR A DELAYED EFFECTIVE DATE AND AN INTERIM
7 LEGISLATIVE STUDY PRIOR TO SUCH DATE; AMENDING SECTIONS
8 75-6912 AND 75-6913, R.C.M. 1947."

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

11 Section 1. Section 75-6912, R.C.M. 1947, is amended to
12 read as follows:

13 "75-6912. Basic county tax and other revenues for
14 county equalization of the elementary district foundation
15 program. (1) It shall be the duty of the county
16 commissioners of each county to levy an annual basic tax of
17 not more than twenty-five (25) mills, as fixed by the
18 department of revenue in accordance with the legislative
19 appropriation, on the ~~dollars of~~ taxable value of all
20 taxable property within the county for the purposes of local
21 and state foundation program support. The state
22 superintendent shall furnish the legislature each biennium
23 an estimate of the dollar need for county equalization of
24 the elementary foundation program, taking into consideration
25 projected ANB and various revenue sources other than county

1 equalization. The revenue to be collected from this levy
2 shall be apportioned to the support of the foundation
3 programs of the elementary school districts in the county
4 and to the earmarked revenue fund, state equalization aid
5 account, in the following manner: In order to determine the
6 amount of revenue raised by this levy which is retained by
7 the county, the sum of the estimated revenues identified in
8 subsections ~~(1)(2)(a)~~ through ~~(6)(2)(f)~~ below shall be
9 subtracted from the sum of the county elementary
10 transportation obligation and the total of the foundation
11 programs of all elementary districts of the county. If the
12 basic levy of ~~twenty-five (25) mills fixed by the department~~
13 produces more revenue than is required to finance the
14 difference determined above, the county commissioners shall
15 order the county treasurer to remit the surplus funds to the
16 state treasurer for deposit to the earmarked revenue fund,
17 state equalization aid account, not later than June 1 of the
18 fiscal year for which the levy has been set.

19 (2) The proceeds realized from the county's portion of
20 the levy prescribed by this section and the revenues from
21 the following sources shall be used for the equalization of
22 the elementary district foundation programs of the county as
23 prescribed in section 75-6914 and a separate accounting
24 shall be kept of such proceeds and revenues by the county
25 treasurer in accordance with subsection (1) of section

1 75-6805+~~1~~

2 ~~(1)(a)~~ the portion of the federal forest reserve funds

3 distributed to a county and designated for the common school

4 fund under the provisions of ~~section 79-205~~~~R.C.M. 1947~~;

5 ~~(2)(b)~~ the portion of the federal Taylor Grazing Act

6 funds distributed to a county and designated for the common

7 school fund under the provisions of ~~section 79-702~~~~R.C.M. 1947~~;

8 ~~(3)(c)~~ the portion of the federal flood control act

9 funds distributed to a county and designated for expenditure

10 for the benefit of the county common schools under the

11 provisions of ~~section 79-2102~~~~R.C.M. 1947~~;

12 ~~(4)(d)~~ all moneys which are paid into the county

13 treasury as a result of fines for violations of law and the

14 use of which is not otherwise specified by law;

15 ~~(5)(e)~~ any money remaining at the end of the

16 immediately preceding school fiscal year in the county

17 treasurer's account for the various sources of revenue

18 established or referred to in this section; and

19 ~~(6)(f)~~ any federal or state moneys distributed to the

20 county as payment in lieu of the property taxation

21 established by the county levy required by this section."

22 Section 2. Section 75-6913, R.C.M. 1947, is amended to

23 read as follows:

24 "75-6913. Basic special levy and other revenues for

25

1 county equalization of high school district foundation

2 program. ~~(1)~~ It shall be the duty of the county

3 commissioners of each county to levy an annual basic special

4 tax for high schools of ~~not more than fifteen~~~~(15)~~ mills, ~~as~~

5 ~~fixed by the department of revenue with the appropriation of~~

6 ~~the legislature,~~ on the ~~dollar-of-the~~ taxable value of all

7 taxable property within the county for the purposes of local

8 and state foundation program support. ~~The state~~

9 ~~superintendent shall furnish the legislature each biennium~~

10 ~~an estimate of the dollar need for county equalization of~~

11 ~~the high school foundation program, taking into~~

12 ~~consideration projected ANB and various revenue sources~~

13 ~~other than county equalization.~~ The revenue to be collected

14 from this levy shall be apportioned to the support of the

15 foundation programs of high school districts in the county

16 and to the earmarked revenue fund, state equalization aid

17 account, in the following manner: In order to determine the

18 amount of revenue raised by this levy which is retained by

19 the county, the estimated revenues identified in subsections

20 ~~(1)(2)(a)~~ and ~~(2)(b)~~ below shall be subtracted from the sum

21 of the county's high school tuition obligation and the total

22 of the foundation programs of all high school districts of

23 the county. If the basic levy ~~for-fifteen~~~~(15)~~~~mills fixed~~

24 ~~by the department~~ produces more revenue than is required to

25 finance the difference determined above, the county

1 commissioners shall order the county treasurer to remit the
 2 surplus to the state treasurer for deposit to the earmarked
 3 revenue fund, state equalization aid account, not later than
 4 June 1 of the fiscal year for which the levy has been set.

5 (2) The proceeds realized from the county's portion of
 6 the levy prescribed in this section and the revenues from
 7 the following sources shall be used for the equalization of
 8 the high school district foundation programs of the county
 9 as prescribed in section 75-6914, and a separate accounting
 10 shall be kept of these proceeds by the county treasurer in
 11 accordance with subsection (1) of section 75-6805:

12 ~~(1)(a)~~ any money remaining at the end of the
 13 immediately preceding school fiscal year in the county
 14 treasurer's account for deposit of the proceeds from the
 15 levy established in this section; and

16 ~~(2)(b)~~ any federal or state moneys distributed to the
 17 county as a payment in lieu of the property taxation
 18 established by the county levy required by this section."

19 Section 3. Delayed effective date. Sections 1 and 2 of
 20 this act are effective January 1, 1978.

21 Section 4. Interim study mandated. The committee on
 22 priorities of this legislature shall, under 43-719, assign
 23 the appropriate standing committees to make an interim study
 24 of whether sections 1 and 2 of this act should be extended,
 25 and applied to other mill levies, taking the effects of the

1 cyclical reappraisal of all real property into account. The
 2 interim subcommittee so designated shall publish its report
 3 to the 46th legislature not later than January 1, 1978.

-End-

STATE OF MONTANA

REQUEST NO. 392-77

FISCAL NOTE

Form BD-15

In compliance with a written request received February 14, 19 77, there is hereby submitted a Fiscal Note for House Bill 699 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION

This bill allows the foundation program levies to float below the currently mandated levels; provides for a delayed effective date and an interim legislative study prior to such date.

Currently, levies for support of the school foundation program are fixed at 25 mills for elementary schools and 15 mills for high schools. Under the proposed legislation these values become upper limits on the number of mills which can be levied for the program. It is impossible to estimate the long-range impact the enactment of this measure might have; clearly, if the levies were set at a lower level there would be a saving to all Montana property tax payers. In 1976, one mill, levied against all taxable property in the state, generated \$1.392 million in revenue. However, if schools continue to be financed at current levels, the saving made by property tax payers because their share of the burden of financing the school foundation program has been decreased will ultimately be assumed by the state through use of general fund money which comes from other sources such as income tax, corporation license tax and coal severance tax. Thus, allowing school foundation mill levy limits to float, in the absence of some sort of limitation on spending for school purposes, is equivalent to shifting some of the burden for the school foundation program from the property tax to other tax sources.

Because of the delayed effective date and the fact that the proposal calls for the Superintendent to provide estimates of need each biennium, it appears that the first impact would be felt in FY 1980 rather than in the 78-79 biennium.

PREPARED BY DEPARTMENT OF REVENUE

Richard L. Sawyer
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-15-77

STATE OF MONTANA

Amended
REQUEST NO. 392-77

FISCAL NOTE

Form BD-15

In compliance with a written request received March 17, 19 77, there is hereby submitted a Fiscal Note for Amended HB 699 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to allow the foundation program levies to float below the currently mandated levels; providing for a delayed effective date and an interim legislative study.

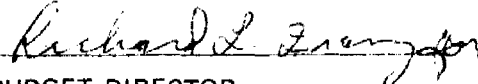
FISCAL IMPACT:

None. Current law mandates that 40 mills be levied in each county for local and state Foundation Program support. House Bill 699 as amended provides that the Department of Revenue must determine the number of mills to be levied statewide for Foundation Program support, which levy may not exceed 40 mills.

TECHNICAL NOTE:

The proposed legislation provides in the sections regarding the basic county tax and other revenues for county equalization of the foundation program that "the uniform number of mills shall be set by the Department of Revenue to raise the amounts appropriated by the Legislature." The meaning of this provision is unclear since the legislature does not appropriate all monies collected by the counties for Foundation Program support.

NOTE: This fiscal note prepared on Second Reading, Third Printing of House Bill 699.


BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 3-17-77

Approved by Committee
on Taxation

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14 county equalization of the elementary district foundation
15 program. (1) It shall be the duty of the county
16 commissioners of each county to levy an annual basic tax of
17 not more than twenty-five-(25) mills, as fixed by the
18 department of revenue in accordance with the legislative
19 appropriation; on the ~~dollars-of-the~~ taxable value of all
20 taxable property within the county for the purposes of local
21 and state foundation program support. The state
22 superintendent shall furnish the legislature DEPARTMENT OF
23 REVENUE each biennium YEAR BY THE THIRD MONDAY IN JUNE an
24 estimate of the dollar need for county equalization of the
25 elementary foundation program, taking into consideration

1 projected ANB and various revenue sources other than county
2 equalization. THE DEPARTMENT OF REVENUE SHALL NOTIFY EACH
3 COUNTY SUPERINTENDENT BY JULY 1 OF EACH YEAR AS TO THE
4 NUMBER OF MILLS TO BE IMPOSED IN THAT COUNTY FOR THE
5 FOUNDATION PROGRAMS. The revenue to be collected from this
6 levy shall be apportioned to the support of the foundation
7 programs of the elementary school districts in the county
8 and to the earmarked revenue fund, state equalization aid
9 account, in the following manner: In order to determine the
10 amount of revenue raised by this levy which is retained by
11 the county, the sum of the estimated revenues identified in
12 subsections ~~(1)(a)~~ through ~~(1)(f)~~ below shall be
13 subtracted from the sum of the county elementary
14 transportation obligation and the total of the foundation
15 programs of all elementary districts of the county. If the
16 basic levy ~~of twenty-five-(25) mills fixed by the department~~
17 produces more revenue than is required to finance the
18 difference determined above, the county commissioners shall
19 order the county treasurer to remit the surplus funds to the
20 state treasurer for deposit to the earmarked revenue fund,
21 state equalization aid account, not later than June 1 of the
22 fiscal year for which the levy has been set.
23 (2) The proceeds realized from the county's portion of
24 the levy prescribed by this section and the revenues from
25 the following sources shall be used for the equalization of

1 the elementary district foundation programs of the county as
 2 prescribed in section 75-6914 and a separate accounting
 3 shall be kept of such proceeds and revenues by the county
 4 treasurer in accordance with subsection (1) of section
 5 75-6805+;

6 {1}(a) the portion of the federal forest reserve funds
 7 distributed to a county and designated for the common school
 8 fund under the provisions of section 79-205+R+6+M+V-1947;

9 {2}(b) the portion of the federal Taylor Grazing Act
 10 funds distributed to a county and designated for the common
 11 school fund under the provisions of section 79-702+R+6+M+V
 12 1947;

13 {3}(c) the portion of the federal flood control act
 14 funds distributed to a county and designated for expenditure
 15 for the benefit of the county common schools under the
 16 provisions of section 79-2102+R+6+M+V-1947;

17 {4}(d) all moneys which are paid into the county
 18 treasury as a result of fines for violations of law and the
 19 use of which is not otherwise specified by law;

20 {5}(e) any money remaining at the end of the
 21 immediately preceding school fiscal year in the county
 22 treasurer's account for the various sources of revenue
 23 established or referred to in this section; and

24 {6}(f) any federal or state moneys distributed to the
 25 county as payment in lieu of the property taxation

1 established by the county levy required by this section."

2 Section 2. Section 75-6913, R.C.M. 1947, is amended to
 3 read as follows:

4 "75-6913. Basic special levy and other revenues for
 5 county equalization of high school district foundation
 6 program. (1) It shall be the duty of the county
 7 commissioners of each county to levy an annual basic special
 8 tax for high schools of not more than fifteen (15) mills, as
 9 fixed by the department of revenue with the appropriation of
 10 the legislature, on the ~~dollar of the~~ taxable value of all
 11 taxable property within the county for the purposes of local
 12 and state foundation program support. The state
 13 superintendent shall furnish the legislature DEPARTMENT OF
 14 REVENUE each biennium YEAR BY THE THIRD MONDAY IN JUNE an
 15 estimate of the dollar need for county equalization of the
 16 high school foundation program, taking into consideration
 17 projected ANB and various revenue sources other than county
 18 equalization. The revenue to be collected from this levy
 19 shall be apportioned to the support of the foundation
 20 programs of high school districts in the county and to the
 21 earmarked revenue fund, state equalization aid account, in
 22 the following manner: In order to determine the amount of
 23 revenue raised by this levy which is retained by the county,
 24 the estimated revenues identified in subsections {1}(2)(a)
 25 and (2)(b) below shall be subtracted from the sum of the

1 county's high school tuition obligation and the total of the
 2 foundation programs of all high school districts of the
 3 county. If the basic levy for ~~fifteen (15) mills fixed by~~
 4 ~~the department~~ produces more revenue than is required to
 5 finance the difference determined above, the county
 6 commissioners shall order the county treasurer to remit the
 7 surplus to the state treasurer for deposit to the earmarked
 8 revenue fund, state equalization aid account, not later than
 9 June 1 of the fiscal year for which the levy has been set.

10 ~~(2)~~ The proceeds realized from the county's portion of
 11 the levy prescribed in this section and the revenues from
 12 the following sources shall be used for the equalization of
 13 the high school district foundation programs of the county
 14 as prescribed in ~~section 75-6914~~, and a separate accounting
 15 shall be kept of these proceeds by the county treasurer in
 16 accordance with subsection (1) of ~~section 75-6805~~:

17 ~~(a)~~ any money remaining at the end of the
 18 immediately preceding school fiscal year in the county
 19 treasurer's account for deposit of the proceeds from the
 20 levy established in this section; and

21 ~~(b)~~ any federal or state moneys distributed to the
 22 county as a payment in lieu of the property taxation
 23 established by the county levy required by this section."

24 Section 3. Delayed effective date. Sections 1 and 2 of
 25 this act are effective January 1, 1978.

1 Section 4. Interim study mandated. The committee on
 2 priorities of this legislature shall, under 43-719, assign
 3 the appropriate standing committees to make an interim study
 4 of whether sections 1 and 2 of this act should be extended,
 5 and applied to other mill levies, taking the effects of the
 6 cyclical reappraisal of all real property into account. The
 7 interim subcommittee so designated shall publish its report
 8 to the 46th legislature not later than January 1, ~~1978~~ 1979.

-End-

Approved by Committee
on Taxation

HOUSE BILL NO. 699
INTRODUCED BY MARKS

A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW THE FOUNDATION PROGRAM LEVIES TO FLOAT BELOW THE CURRENTLY MANDATED LEVELS; PROVIDING FOR A DELAYED EFFECTIVE DATE AND AN INTERIM LEGISLATIVE STUDY PRIOR TO SUCH DATE; AMENDING SECTIONS 75-6912 AND 75-6913, R.C.M. 1947."

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

Section 1. Section 75-6912, R.C.M. 1947, is amended to read as follows:

"75-6912. Basic county tax and other revenues for county equalization of the elementary district foundation program. (1) It shall be IS the duty of the county commissioners of each county to levy an A UNIFORM annual basic tax of not more than twenty-five (25) mills, as fixed by the department of revenue in accordance with the legislative appropriation on the dollars of the taxable value of all taxable property within the county for the purposes of local and state foundation program support. The state superintendent shall furnish the legislature DEPARTMENT OF REVENUE each biennium YEAR BY THE THIRD MONDAY IN JUNE an estimate of the dollar need for county equalization of the elementary foundation program, taking

~~into consideration projected and various revenue sources other than county equalization.~~ THE UNIFORM NUMBER OF MILLS SHALL BE SET BY THE DEPARTMENT OF REVENUE TO RAISE THE AMOUNTS APPROPRIATED BY THE LEGISLATURE. THE DEPARTMENT OF REVENUE SHALL NOTIFY EACH COUNTY SUPERINTENDENT BY JULY 1 OF EACH YEAR AS TO THE NUMBER OF MILLS TO BE IMPOSED IN THAT COUNTY STATEWIDE FOR THE FOUNDATION PROGRAMS. The revenue to be collected from this levy shall be apportioned to the support of the foundation programs of the elementary school districts in the county and to the earmarked revenue fund, state equalization aid account, in the following manner: In order to determine the amount of revenue raised by this levy which is retained by the county, the sum of the estimated revenues identified in subsections ~~(4) (2) (g)~~ through ~~(6) (2) (f)~~ below shall be subtracted from the sum of the county elementary transportation obligation and the total of the foundation programs of all elementary districts of the county. If the UNIFORM basic levy of ~~twenty-five (25) mills fixed by the department~~ produces more revenue than is required to finance the difference determined above, the county commissioners shall order the county treasurer to remit the surplus funds to the state treasurer for deposit to the earmarked revenue fund, state equalization aid account, not later than June 1 of the fiscal year for which the levy has been set.

SECOND READING
SECOND PRINTING

1 county and to the earmarked revenue fund, state equalization
 2 aid account, in the following manner: In order to determine
 3 the amount of revenue raised by this levy which is retained
 4 by the county, the estimated revenues identified in
 5 subsections ~~44~~(2)(a) and (2)(b) below shall be subtracted
 6 from the sum of the county's high school tuition obligation
 7 and the total of the foundation programs of all high school
 8 districts of the county. If the UNIFORM basic levy ~~for~~
 9 ~~fifteen (15) mills fixed by the department~~ produces more
 10 revenue than is required to finance the difference
 11 determined above, the county commissioners shall order the
 12 county treasurer to remit the surplus to the state treasurer
 13 for deposit to the earmarked revenue fund, state
 14 equalization aid account, not later than June 1 of the
 15 fiscal year for which the levy has been set.

16 (2) The proceeds realized from the county's portion of
 17 the levy prescribed in this section and the revenues from
 18 the following sources shall be used for the equalization of
 19 the high school district foundation programs of the county
 20 as prescribed in ~~section~~ 75-6914, and a separate accounting
 21 shall be kept of these proceeds by the county treasurer in
 22 accordance with subsection (1) of ~~section~~ 75-6805:

23 ~~44(a)~~ any money remaining at the end of the
 24 immediately preceding school fiscal year in the county
 25 treasurer's account for deposit of the proceeds from the

1 levy established in this section; and
 2 ~~(2)(b)~~ any federal or state moneys distributed to the
 3 county as a payment in lieu of the property taxation
 4 established by the county levy required by this section."

5 Section 3. Delayed effective date. Sections 1 and 2 of
 6 this act are effective January 1, 1978.

7 Section 4. Interim study mandated. The committee on
 8 priorities of this legislature shall, under 43-719, assign
 9 the appropriate standing committees to make an interim study
 10 of whether sections 1 and 2 of this act should be extended,
 11 and applied to other mill levies, taking the effects of the
 12 cyclical reappraisal of all real property into account. The
 13 interim subcommittee so designated shall publish its report
 14 to the 46th legislature not later than January 1, ~~1978~~ 1979.

-End-

1 (2) The proceeds realized from the county's portion of
2 the levy prescribed by this section and the revenues from
3 the following sources shall be used for the equalization of
4 the elementary district foundation programs of the county as
5 prescribed in ~~section~~ 75-6914 and a separate accounting
6 shall be kept of such proceeds and revenues by the county
7 treasurer in accordance with subsection (1) of ~~section~~
8 75-6805+;

9 ~~(1)(a)~~ the portion of the federal forest reserve funds
10 distributed to a county and designated for the common school
11 fund under the provisions of ~~section~~ 79-205, R.C.M., 1947;

12 ~~(2)(b)~~ the portion of the federal Taylor Grazing Act
13 funds distributed to a county and designated for the common
14 school fund under the provisions of ~~section~~ 79-702, R.C.M.,
15 1947;

16 ~~(3)(c)~~ the portion of the federal flood control act
17 funds distributed to a county and designated for expenditure
18 for the benefit of the county common schools under the
19 provisions of ~~section~~ 79-2102, R.C.M., 1947;

20 ~~(4)(d)~~ all moneys which are paid into the county
21 treasury as a result of fines for violations of law and the
22 use of which is not otherwise specified by law;

23 ~~(5)(e)~~ any money remaining at the end of the
24 immediately preceding school fiscal year in the county
25 treasurer's account for the various sources of revenue

1 established or referred to in this section; and

2 ~~(6)(f)~~ any federal or state moneys distributed to the
3 county as payment in lieu of the property taxation
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5 Section 2. Section 75-6913, R.C.M. 1947, is amended to
6 read as follows:

7 "75-6913. Basic special levy and other revenues for
8 county equalization of high school district foundation
9 program. (1) It shall be IS the duty of the county
10 commissioners of each county to levy as A UNIFORM annual
11 basic special tax for high schools of not more than fifteen
12 ~~(15) mills, as fixed by the department of revenue with the~~
13 ~~appropriation of the legislature, on the dollar of the~~
14 taxable value of all taxable property within the county for
15 the purposes of local and state foundation program support.
16 ~~The state superintendent shall furnish the legislature~~
17 ~~DEPARTMENT OF REVENUE each biennium year by the third~~
18 ~~Monday in June an estimate of the dollar need for county~~
19 ~~equalization of the high school foundation program, taking~~
20 ~~into consideration projected tax and various revenue sources~~
21 ~~other than county equalization. THE UNIFORM NUMBER OF MILLS~~
22 ~~SHALL BE SET BY THE DEPARTMENT OF REVENUE TO RAISE THE~~
23 ~~AMOUNTS APPROPRIATED BY THE LEGISLATURE.~~ The revenue to be
24 collected from this levy shall be apportioned to the support
25 of the foundation programs of high school districts in the

Approved by Committee
on Taxation

1 HOUSE BILL NO. 699

2 INTRODUCED BY MARKS

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4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW THE FOUNDATION
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20 value of all taxable property within the county for the
21 purposes of local and state foundation program support. ~~the~~
22 ~~state superintendent shall furnish the legislature~~
23 ~~DEPARTMENT OF REVENUE each biennium YEAR BY THE THIRD MONDAY~~
24 ~~IN JUNE an estimate of the dollar need for county~~
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2 ~~other than county equalization.~~ THE UNIFORM NUMBER OF MILLS
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6 EACH YEAR AS TO THE NUMBER OF MILLS TO BE IMPOSED IN THAT
7 COUNTY STATEWIDE FOR THE FOUNDATION PROGRAMS PROGRAM. The
8 revenue to be collected from this levy shall be apportioned
9 to the support of the foundation programs of the elementary
10 school districts in the county and to the earmarked revenue
11 fund, state equalization aid account, in the following
12 manner: In order to determine the amount of revenue raised
13 by this levy which is retained by the county, the sum of the
14 estimated revenues identified in subsections ~~(4)-(2)(a)~~
15 through ~~(6)-(2)(f)~~ below shall be subtracted from the sum of
16 the county elementary transportation obligation and the
17 total of the foundation programs of all elementary districts
18 of the county. If the UNIFORM basic levy of ~~twenty-five (25)~~
19 ~~mills fixed by the department~~ produces more revenue than is
20 required to finance the difference determined above, the
21 county commissioners shall order the county treasurer to
22 remit the surplus funds to the state treasurer for deposit
23 to the earmarked revenue fund, state equalization aid
24 account, not later than June 1 of the fiscal year for which
25 the levy has been set.

SECOND READING
Third Printing

1 (2) The proceeds realized from the county's portion of
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 3 the following sources shall be used for the equalization of
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 22 use of which is not otherwise specified by law;

23 (5)(e) any money remaining at the end of the
 24 immediately preceding school fiscal year in the county
 25 treasurer's account for the various sources of revenue

1 established or referred to in this section; and

2 (6)(f) any federal or state moneys distributed to the
 3 county as payment in lieu of the property taxation
 4 established by the county levy required by this section."

5 Section 2. Section 75-6913, R.C.M. 1947, is amended to
 6 read as follows:

7 "75-6913. Basic special levy and other revenues for
 8 county equalization of high school district foundation
 9 program. (1) It shall ~~be~~ IS the duty of the county
 10 commissioners of each county to levy ~~an~~ A UNIFORM annual
 11 basic special tax for high schools of not more than fifteen
 12 ~~(15) mills, as fixed by the department of revenue with the~~
 13 ~~appropriation of the legislature,~~ on the ~~dollar~~ of the
 14 taxable value of all taxable property within the county for
 15 the purposes of local and state foundation program support.

16 ~~The state superintendent shall furnish the legislature~~
 17 ~~DEPARTMENT OF REVENUE each biennial year BY THE THIRD~~
 18 ~~MONDAY IN JUNE an estimate of the dollar need for county~~
 19 ~~equalization of the high school foundation program, taking~~
 20 ~~into consideration projected and various revenue sources~~
 21 ~~other than county equalization. THE UNIFORM NUMBER OF MILLS~~
 22 ~~SHALL BE SET BY THE DEPARTMENT OF REVENUE TO RAISE THE~~
 23 ~~AMOUNTS APPROPRIATED BY THE LEGISLATURE. THE DEPARTMENT OF~~
 24 ~~REVENUE SHALL NOTIFY EACH COUNTY SUPERINTENDENT BY JULY 1 OF~~
 25 ~~EACH YEAR AS TO THE NUMBER OF MILLS TO BE IMPOSED STATEWIDE~~

1 FOR THE FOUNDATION PROGRAM. The revenue to be collected from
 2 this levy shall be apportioned to the support of the
 3 foundation programs of high school districts in the county
 4 and to the earmarked revenue fund, state equalization aid
 5 account, in the following manner: In order to determine the
 6 amount of revenue raised by this levy which is retained by
 7 the county, the estimated revenues identified in subsections
 8 ~~(1)~~ (2) (a) and (2) (b) below shall be subtracted from the sum
 9 of the county's high school tuition obligation and the total
 10 of the foundation programs of all high school districts of
 11 the county. If the UNIFORM basic levy ~~for fifteen (15) mills~~
 12 fixed by the department produces more revenue than is
 13 required to finance the difference determined above, the
 14 county commissioners shall order the county treasurer to
 15 remit the surplus to the state treasurer for deposit to the
 16 earmarked revenue fund, state equalization aid account, not
 17 later than June 1 of the fiscal year for which the levy has
 18 been set.

19 (2) The proceeds realized from the county's portion of
 20 the levy prescribed in this section and the revenues from
 21 the following sources shall be used for the equalization of
 22 the high school district foundation programs of the county
 23 as prescribed in ~~section~~ 75-6914, and a separate accounting
 24 shall be kept of these proceeds by the county treasurer in
 25 accordance with subsection (1) of ~~section~~ 75-6805:

1 ~~(1)~~ (a) any money remaining at the end of the
 2 immediately preceding school fiscal year in the county
 3 treasurer's account for deposit of the proceeds from the
 4 levy established in this section; and
 5 ~~(2)~~ (b) any federal or state moneys distributed to the
 6 county as a payment in lieu of the property taxation
 7 established by the county levy required by this section."

8 Section 3. Delayed effective date. Sections 1 and 2 of
 9 this act are effective January 1, 1978.

10 Section 4. Interim study mandated. The committee on
 11 priorities of this legislature shall, under 43-719, assign
 12 the appropriate standing committees to make an interim study
 13 of whether sections 1 and 2 of this act should be extended,
 14 and applied to other mill levies, taking the effects of the
 15 cyclical reappraisal of all real property into account. The
 16 interim subcommittee so designated shall publish its report
 17 to the 46th legislature not later than January 1, ~~1978~~ 1979.

-End-

1 HOUSE BILL NO. 699
 2 INTRODUCED BY MARKS
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW THE FOUNDATION
 5 PROGRAM LEVIES TO FLOAT BELOW THE CURRENTLY MANDATED LEVELS;
 6 PROVIDING FOR A DELAYED EFFECTIVE DATE AND AN INTERIM
 7 LEGISLATIVE STUDY PRIOR TO SUCH DATE; AMENDING SECTIONS
 8 75-6912 AND 75-6913, R.C.M. 1947."

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

11 Section 1. Section 75-6912, R.C.M. 1947, is amended to
 12 read as follows:

13 "75-6912. Basic county tax and other revenues for
 14 county equalization of the elementary district foundation
 15 program. ~~(1)~~ It shall be the duty of the county
 16 commissioners of each county to levy an annual basic tax of
 17 ~~not more than twenty-five--(25) mills, as fixed by the~~
 18 ~~department of revenue in accordance with the legislative~~
 19 ~~appropriation,~~ on the ~~dollars of the~~ taxable value of all
 20 taxable property within the county for the purposes of local
 21 and state foundation program support. ~~The state~~
 22 ~~superintendent shall furnish the legislature~~ DEPARTMENT OF
 23 REVENUE ~~each biennium~~ YEAR BY THE THIRD MONDAY IN JUNE an
 24 estimate of the dollar need for county equalization of the
 25 elementary foundation program, taking into consideration

1 ~~projected ANB and various revenue sources other than county~~
 2 ~~equalization. THE DEPARTMENT OF REVENUE SHALL NOTIFY EACH~~
 3 ~~COUNTY SUPERINTENDENT BY JULY 1 OF EACH YEAR AS TO THE~~
 4 ~~NUMBER OF MILLS TO BE IMPOSED IN THAT COUNTY FOR THE~~
 5 ~~FOUNDATION PROGRAMS.~~ The revenue to be collected from this
 6 levy shall be apportioned to the support of the foundation
 7 programs of the elementary school districts in the county
 8 and to the earmarked revenue fund, state equalization aid
 9 account, in the following manner: In order to determine the
 10 amount of revenue raised by this levy which is retained by
 11 the county, the sum of the estimated revenues identified in
 12 subsections ~~(1)(2)(a)~~ through ~~(6)(2)(f)~~ below shall be
 13 subtracted from the sum of the county elementary
 14 transportation obligation and the total of the foundation
 15 programs of all elementary districts of the county. If the
 16 basic levy of ~~twenty-five (25) mills fixed by the department~~
 17 produces more revenue than is required to finance the
 18 difference determined above, the county commissioners shall
 19 order the county treasurer to remit the surplus funds to the
 20 state treasurer for deposit to the earmarked revenue fund,
 21 state equalization aid account, not later than June 1 of the
 22 fiscal year for which the levy has been set.

23 (2) The proceeds realized from the county's portion of
 24 the levy prescribed by this section and the revenues from
 25 the following sources shall be used for the equalization of

1 the elementary district foundation programs of the county as
2 prescribed in ~~section~~ 75-6914 and a separate accounting
3 shall be kept of such proceeds and revenues by the county
4 treasurer in accordance with subsection (1) of ~~section~~
5 75-6805~~;~~

6 ~~(1)(a)~~ the portion of the federal forest reserve funds
7 distributed to a county and designated for the common school
8 fund under the provisions of ~~section~~ 79-205~~;~~ ~~R.C.M.~~ 1947;

9 ~~(2)(b)~~ the portion of the federal Taylor Grazing Act
10 funds distributed to a county and designated for the common
11 school fund under the provisions of ~~section~~ 79-702~~;~~ ~~R.C.M.~~ 1947;
12

13 ~~(3)(c)~~ the portion of the federal flood control act
14 funds distributed to a county and designated for expenditure
15 for the benefit of the county common schools under the
16 provisions of ~~section~~ 79-2102~~;~~ ~~R.C.M.~~ 1947;

17 ~~(4)(d)~~ all moneys which are paid into the county
18 treasury as a result of fines for violations of law and the
19 use of which is not otherwise specified by law;

20 ~~(5)(e)~~ any money remaining at the end of the
21 immediately preceding school fiscal year in the county
22 treasurer's account for the various sources of revenue
23 established or referred to in this section; and

24 ~~(6)(f)~~ any federal or state moneys distributed to the
25 county as payment in lieu of the property taxation

1 established by the county levy required by this section."

2 Section 2. Section 75-6913, R.C.M. 1947, is amended to
3 read as follows:

4 "75-6913. Basic special levy and other revenues for
5 county equalization of high school district foundation
6 program. ~~(1)~~ It shall be the duty of the county
7 commissioners of each county to levy an annual basic special
8 tax for high schools of not more than fifteen ~~(15)~~ mills, as
9 fixed by the department of revenue with the appropriation of
10 the legislature, on the ~~dollar of the~~ taxable value of all
11 taxable property within the county for the purposes of local
12 and state foundation program support. The state
13 superintendent shall furnish the legislature DEPARTMENT OF
14 REVENUE each biennium YEAR BY THE THIRD MONDAY IN JUNE an
15 estimate of the dollar need for county equalization of the
16 high school foundation program, taking into consideration
17 projected ANB and various revenue sources other than county
18 equalization. The revenue to be collected from this levy
19 shall be apportioned to the support of the foundation
20 programs of high school districts in the county and to the
21 earmarked revenue fund, state equalization aid account, in
22 the following manner: In order to determine the amount of
23 revenue raised by this levy which is retained by the county,
24 the estimated revenues identified in subsections ~~(1)(2)(a)~~
25 and ~~(2)(b)~~ below shall be subtracted from the sum of the

1 county's high school tuition obligation and the total of the
 2 foundation programs of all high school districts of the
 3 county. If the basic levy for ~~fifteen (15) mills fixed by~~
 4 ~~the department~~ produces more revenue than is required to
 5 finance the difference determined above, the county
 6 commissioners shall order the county treasurer to remit the
 7 surplus to the state treasurer for deposit to the earmarked
 8 revenue fund, state equalization aid account, not later than
 9 June 1 of the fiscal year for which the levy has been set.

10 (2) The proceeds realized from the county's portion of
 11 the levy prescribed in this section and the revenues from
 12 the following sources shall be used for the equalization of
 13 the high school district foundation programs of the county
 14 as prescribed in ~~section 75-6914~~, and a separate accounting
 15 shall be kept of these proceeds by the county treasurer in
 16 accordance with subsection (1) of ~~section 75-6805~~:

17 ~~(1)(a)~~ any money remaining at the end of the
 18 immediately preceding school fiscal year in the county
 19 treasurer's account for deposit of the proceeds from the
 20 levy established in this section; and

21 ~~(2)(b)~~ any federal or state moneys distributed to the
 22 county as a payment in lieu of the property taxation
 23 established by the county levy required by this section."

24 Section 3. Delayed effective date. Sections 1 and 2 of
 25 this act are effective January 1, 1978.

1 Section 4. Interim study mandated. The committee on
 2 priorities of this legislature shall, under 43-719, assign
 3 the appropriate standing committees to make an interim study
 4 of whether sections 1 and 2 of this act should be extended,
 5 and applied to other mill levies, taking the effects of the
 6 cyclical reappraisal of all real property into account. The
 7 interim subcommittee so designated shall publish its report
 8 to the 46th legislature not later than January 1, ~~1978~~ 1979.

-End-