

SEMATE BILL 313

IN THE SENATE

January 31, 1979	Introduced and referred to Committee on Education.
February 1, 1979	Fiscal note requested.
February 8, 1979	Fiscal note returned.
April 20, 1979	Died in Committee.

1 *Senate* BILL NO. *313*
 2 INTRODUCED BY *Bob Brown* *M. Ball*

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE NUMBER OF
 5 MILLS LEVIED FOR COUNTY EQUALIZATION OF THE ELEMENTARY
 6 DISTRICT FOUNDATION PROGRAM FROM 25 MILLS TO 22 MILLS;
 7 CHANGING THE NUMBER OF MILLS LEVIED FOR COUNTY EQUALIZATION
 8 OF THE HIGH SCHOOL DISTRICT FOUNDATION PROGRAM FROM 15 MILLS
 9 TO 12 MILLS; AND AMENDING SECTIONS 20-9-331 AND 20-9-333,
 10 MCA."

11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 Section 1. Section 20-9-331, MCA, is amended to read:

14 "20-9-331. Basic county tax and other revenues for
 15 county equalization of the elementary district foundation
 16 program. (1) It shall be the duty of the county
 17 commissioners of each county to levy an annual basic tax of
 18 25 22 mills on the dollars of the taxable value of all
 19 taxable property within the county for the purposes of local
 20 and state foundation program support. The revenue to be
 21 collected from this levy shall be apportioned to the support
 22 of the foundation programs of the elementary school
 23 districts in the county and to the earmarked revenue fund,
 24 state equalization aid account, in the following manner:

25 (a) In order to determine the amount of revenue raised

1 by this levy which is retained by the county, the sum of the
 2 estimated revenues identified in subsections (2)(a) through
 3 (2)(f) below shall be subtracted from the sum of the county
 4 elementary transportation obligation and the total of the
 5 foundation programs of all elementary districts of the
 6 county.

7 (b) If the basic levy of 25 22 mills produces more
 8 revenue than is required to finance the difference
 9 determined above, the county commissioners shall order the
 10 county treasurer to remit the surplus funds to the state
 11 treasurer for deposit to the earmarked revenue fund, state
 12 equalization aid account, not later than June 1 of the
 13 fiscal year for which the levy has been set.

14 (2) The proceeds realized from the county's portion of
 15 the levy prescribed by this section and the revenues from
 16 the following sources shall be used for the equalization of
 17 the elementary district foundation programs of the county as
 18 prescribed in 20-9-334, and a separate accounting shall be
 19 kept of such proceeds and revenues by the county treasurer
 20 in accordance with 20-9-212(1):

21 (a) the portion of the federal forest reserve funds
 22 distributed to a county and designated for the common school
 23 fund under the provisions of 17-3-213;

24 (b) the portion of the federal Taylor Grazing Act
 25 funds distributed to a county and designated for the common

1 school fund under the provisions of 17-3-222;

2 (c) the portion of the federal flood control act funds
3 distributed to a county and designated for expenditure for
4 the benefit of the county common schools under the
5 provisions of 17-3-232;

6 (d) all moneys which are paid into the county treasury
7 as a result of fines for violations of law and the use of
8 which is not otherwise specified by law;

9 (e) any money remaining at the end of the immediately
10 preceding school fiscal year in the county treasurer's
11 account for the various sources of revenue established or
12 referred to in this section; and

13 (f) any federal or state moneys distributed to the
14 county as payment in lieu of the property taxation
15 established by the county levy required by this section."

16 Section 2. Section 20-9-333, MCA, is amended to read:

17 "20-9-333. Basic special levy and other revenues for
18 county equalization of high school district foundation
19 program. (1) It shall be the duty of the county
20 commissioners of each county to levy an annual basic special
21 tax for high schools of \$5 12 mills on the dollar of the
22 taxable value of all taxable property within the county for
23 the purposes of local and state foundation program support.
24 The revenue to be collected from this levy shall be
25 apportioned to the support of the foundation programs of

1 high school districts in the county and to the earmarked
2 revenue fund, state equalization aid account, in the
3 following manner:

4 (a) In order to determine the amount of revenue raised
5 by this levy which is retained by the county, the estimated
6 revenues identified in subsections (2)(a) and (2)(b) below
7 shall be subtracted from the sum of the county's high school
8 tuition obligation and the total of the foundation programs
9 of all high school districts of the county.

10 (b) If the basic levy for \$5 12 mills produces more
11 revenue than is required to finance the difference
12 determined above, the county commissioners shall order the
13 county treasurer to remit the surplus to the state treasurer
14 for deposit to the earmarked revenue fund, state
15 equalization aid account, not later than June 1 of the
16 fiscal year for which the levy has been set.

17 (2) The proceeds realized from the county's portion of
18 the levy prescribed in this section and the revenues from
19 the following sources shall be used for the equalization of
20 the high school district foundation programs of the county
21 as prescribed in 20-9-334, and a separate accounting shall
22 be kept of these proceeds by the county treasurer in
23 accordance with 20-9-212(1):

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25 preceding school fiscal year in the county treasurer's

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 20 in accordance with 20-9-212(1):

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10 preceding school fiscal year in the county treasurer's
11 account for the various sources of revenue established or
12 referred to in this section; and

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14 county as payment in lieu of the property taxation
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16 Section 2. Section 20-9-333, MCA, is amended to read:

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18 county equalization of high school district foundation
19 program. (1) It shall be the duty of the county
20 commissioners of each county to levy an annual basic special
21 tax for high schools of ± 5 $\underline{12}$ mills on the dollar of the
22 taxable value of all taxable property within the county for
23 the purposes of local and state foundation program support.
24 The revenue to be collected from this levy shall be
25 apportioned to the support of the foundation programs of

1 high school districts in the county and to the earmarked
2 revenue fund, state equalization aid account, in the
3 following manner:

4 (a) In order to determine the amount of revenue raised
5 by this levy which is retained by the county, the estimated
6 revenues identified in subsections (2)(a) and (2)(b) below
7 shall be subtracted from the sum of the county's high school
8 tuition obligation and the total of the foundation programs
9 of all high school districts of the county.

10 (b) If the basic levy for ± 5 $\underline{12}$ mills produces more
11 revenue than is required to finance the difference
12 determined above, the county commissioners shall order the
13 county treasurer to remit the surplus to the state treasurer
14 for deposit to the earmarked revenue fund, state
15 equalization aid account, not later than June 1 of the
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18 the levy prescribed in this section and the revenues from
19 the following sources shall be used for the equalization of
20 the high school district foundation programs of the county
21 as prescribed in 20-9-334, and a separate accounting shall
22 be kept of these proceeds by the county treasurer in
23 accordance with 20-9-212(1):

24 (a) any money remaining at the end of the immediately
25 preceding school fiscal year in the county treasurer's

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1 account for deposit of the proceeds from the levy
2 established in this section; and

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

-End-

STATE OF MONTANA

REQUEST NO. 194-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 2, 19 79, there is hereby submitted a Fiscal Note for Senate Bill 313 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 proposed bill changes the number of mills levied for county equalization of the elementary district foundation program from 25 mills to 22 mills; changes the number of mills levied for county equalization of the high school district foundation program from 15 mills to 12 mills.

ASSUMPTIONS

1) The taxable valuation of the state will increase 5% per year.

FISCAL IMPACT

	<u>FY 80</u>	<u>FY 81</u>
School Foundation Revenue from County Levies		
under current law	\$65.863 M	\$69.156 M
under proposed law	55.984 M	58.783 M
Estimated Decrease	<u>(\$ 9.879 M)</u>	<u>(\$10.373 M)</u>

EFFECT ON LOCAL GOVERNMENTS

No Impact

LONG-RANGE EFFECT

The loss to the school foundation program from county levies should exceed \$10 million each year this proposal is in effect.

TECHNICAL NOTE

If the school foundation program is intended to be funded at the same level regardless of this proposal then the loss in revenues from the counties will have to come from increases in other revenue sources to the foundation program.

PREPARED BY DEPARTMENT OF REVENUE

Richard L. Franzen
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/8/79