

House Bill 22

In The House

January 6, 1981	Introduced and referred to Committee on Taxation.
January 14, 1981	Committee recommend bill do pass as amended.
January 15, 1981	Bill printed and placed on members' desks.
January 16, 1981	Second reading do pass.
January 17, 1981	Considered correctly engrossed. Third reading passed.

In The Senate

January 19, 1981	Introduced and referred to Committee on Taxation.
April 23, 1981	Died in Committee.

1                    HOUSE    BILL NO. 22  
 2    INTRODUCED BY FABREGA  
 3                    BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

4  
 5    A BILL FOR AN ACT ENTITLED:    "AN ACT TRANSFERRING  
 6    RESPONSIBILITY FOR THE CALCULATION OF THE FOUNDATION  
 7    PROGRAMS'S ADDITIONAL STATE LEVY FOR STATE DEFICIENCY AND  
 8    STATE PERMISSIVE DEFICIENCY LEVY FROM THE SUPERINTENDENT OF  
 9    PUBLIC INSTRUCTION TO THE GOVERNOR'S BUDGET DIRECTOR;  
 10    AMENDING SECTIONS 20-9-351 AND 20-9-352, MCA."

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

13            Section 1. Section 20-9-351, MCA, is amended to read:  
 14            "20-9-351. Additional state levy for state deficiency  
 15            ~~calculation.~~ (1) If the estimated state equalization  
 16            level made under the provisions of 20-9-348 is less than  
 17            100% ~~of budgeted requirements, it shall be the duty of the~~  
 18            ~~budget director appointed in accordance with 17-7-103 shall~~  
 19            ~~calculate the amount required to make up the deficiency and~~  
 20            ~~shall notify the director of the department of revenue no~~  
 21            ~~later than the second Monday in August of the amount needed~~  
 22            ~~to fill the total state requirements for the elementary~~  
 23            ~~district foundation programs and the high school district~~  
 24            ~~foundation programs.~~

25            (2) ~~The~~ director of the department of revenue to ~~shall~~

1    levy, separately for the elementary districts and the high  
 2    school districts, additional taxes in such number of mills  
 3    on the taxable value of all taxable property within the  
 4    state as ~~shall be~~ is required by subsection (1) of this  
 5    section to complete the financing of the foundation programs  
 6    of all elementary districts or all high school districts of  
 7    the state.

8            (2)(3) The state treasurer shall keep a separate  
 9    accounting of the proceeds realized from these mill levies.  
 10    The superintendent of public instruction shall apportion the  
 11    proceeds of the mill levies to the elementary districts of  
 12    the state or the high school districts of the state,  
 13    whichever the case may be, on the following basis:

14            (a) determine the total amount required from this  
 15    source of revenue by the several elementary or high school  
 16    districts of the state;

17            (b) determine the total amount of moneys available for  
 18    this source of revenue;

19            (c) calculate the percentage the amount determined in  
 20    subsection (2)(3)(b) is of the amounts determined separately  
 21    in subsection (2)(3)(a) for all elementary or all high  
 22    school districts;

23            (d) multiply each elementary district or each high  
 24    school district requirement for this source of revenue by  
 25    the percentage calculated in subsection (2)(3)(c).

1       ~~(3)~~(4) When the total amount of the proceeds realized  
 2 from these mill levies is greater than the requirements of  
 3 all the elementary districts or high school districts of the  
 4 state, whichever the case may be, the excess amount of  
 5 moneys shall be retained by the state for reduction of the  
 6 ensuing year's additional state levy for elementary schools  
 7 or high schools or, if there is no additional state levy  
 8 under this section, the excess may be transferred to the  
 9 state equalization aid account for the reduction of the  
 10 legislative appropriation.

11       ~~(4)~~(5) The apportionment of state moneys under this  
 12 section shall be known as the "additional state levy for  
 13 state deficiency", and it shall be the last source of  
 14 revenue in calculating the financing of the elementary  
 15 district foundation program and the high school district  
 16 foundation program.

17       ~~(5)---The---superintendent---of---public---instruction---shall~~  
 18 ~~compute---the---budgeted---requirement---for---this---source---of---revenue~~  
 19 ~~for---each---district---and---shall---supply---the---total---state~~  
 20 ~~requirements---for---the---elementary---district---foundation---programs~~  
 21 ~~and---the---high---school---district---foundation---programs---to---the~~  
 22 ~~director---of---the---department---of---revenue---on---the---second---Monday~~  
 23 ~~of---August.~~

24       Section 2. Section 20-9-352, MCA, is amended to read:  
 25       "20-9-352. Permissive amount and permissive levy ==

1       calculation. (1) Whenever the trustees of any district shall  
 2 deem it necessary to adopt a general fund budget in excess  
 3 of the foundation program amount but not in excess of the  
 4 maximum general fund budget amount for such district as  
 5 established by the schedules in 20-9-316 through 20-9-321,  
 6 the trustees shall adopt a resolution stating the reasons  
 7 and purposes for exceeding the foundation program amount.  
 8 Such excess above the foundation program amount shall be  
 9 known as the "permissive amount", and it shall be financed  
 10 by a levy on the taxable value of all taxable property  
 11 within the district as prescribed in 20-9-141, supplemented  
 12 with revenue from a levy on all the taxable property in the  
 13 state.

14       (2) The district levies to be set for the purpose of  
 15 funding the permissive amount are determined as follows:

16       (a) For each elementary school district, the county  
 17 commissioners shall annually set a levy not exceeding 9  
 18 mills on all the taxable property in the district for the  
 19 purpose of funding the permissive amount of the district.  
 20 The permissive levy in mills shall be obtained by  
 21 multiplying the ratio of the permissive amount to the  
 22 maximum permissive amount by 9 or by using the number of  
 23 mills which would fund the permissive amount, whichever is  
 24 less. If the amount of revenue raised by this levy is not  
 25 sufficient to fund the permissive amount in full, the amount

1 of the deficiency shall be paid to the district from the  
2 earmarked revenue fund, permissive levy account, according  
3 to the provisions of subsections (3), ~~(4)~~, and ~~(4)~~ (5) of  
4 this section.

5 (b) For each high school district, the county  
6 commissioners shall annually set a levy not exceeding 6  
7 mills on all taxable property in the district for the  
8 purpose of funding the permissive amount of the district.  
9 The permissive levy in mills shall be obtained by  
10 multiplying the ratio of the permissive levy to the maximum  
11 permissive amount by 6 or by using the number of mills which  
12 would fund the permissive amount, whichever is less. If the  
13 amount of revenue raised by this levy is not sufficient to  
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15 deficiency shall be paid to the district from the earmarked  
16 revenue fund, permissive levy account, according to the  
17 provisions of subsections (3), ~~(4)~~, and ~~(4)~~ (5) of this  
18 section.

19 (3) The budget director appointed in accordance with  
20 17-7-103 shall calculate the amount required to make up the  
21 state permissive deficiency levy and shall notify the  
22 director of the department of revenue no later than the  
23 second Monday in August of the amount needed to fill the  
24 total state permissive deficiency levy requirements.

25 ~~(3)~~(4) The director of the department of revenue shall

1 annually set a levy on all the property of the state which  
2 will produce enough revenue to fund the permissive levy  
3 deficiency ~~of--the--elementary--and--high--school--districts--of~~  
4 ~~the-state~~ established in subsection (3) of this section.  
5 The proceeds of this levy shall be deposited to the  
6 earmarked revenue fund, permissive levy account, and shall  
7 be distributed to the elementary and high school districts  
8 in accordance with their entitlements as determined by the  
9 superintendent of public instruction according to the  
10 provisions of subsections (1) and (2) of this section.

11 ~~(4)~~(5) Such distribution shall be made in two payments.  
12 The first payment shall be made at the same time as the  
13 first distribution of state equalization aid is made after  
14 January 1 of the fiscal year. The second payment shall be  
15 made at the same time as the last payment of state  
16 equalization aid is made for the fiscal year. If the revenue  
17 collected is not sufficient to finance the deficiencies of  
18 the districts as determined according to subsection (2),  
19 each district will receive the same percentage of its  
20 deficiency. Surplus revenue in the permissive levy account  
21 shall be used to reduce the state levy required for the next  
22 succeeding fiscal year. Interest earned on investment of  
23 permissive levy funds shall be deposited to the earmarked  
24 revenue fund, permissive levy account, for distribution  
25 during the next succeeding fiscal year."

Approved by Committee  
on Taxation

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3                   BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE  
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13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
14       Section 1. Section 20-9-351, MCA, is amended to read:  
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16 == calculation. (1) If the estimated state equalization  
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1                   ~~(2)~~ The director of the department of revenue ~~to shall~~  
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8 the state.  
9                   ~~(2)(3)~~ The state treasurer shall keep a separate  
10 accounting of the proceeds realized from these mill levies.  
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12 proceeds of the mill levies to the elementary districts of  
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15                   (a) determine the total amount required from this  
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 24 ~~of---August.~~"

25 Section 2. Section 20-9-352, MCA, is amended to read:

1 \*20-9-352. Permissive amount and permissive levy ==  
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 4 of the foundation program amount but not in excess of the  
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 11 by a levy on the taxable value of all taxable property  
 12 within the district as prescribed in 20-9-141, supplemented  
 13 with revenue from a levy on all the taxable property in the  
 14 state.

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 16 funding the permissive amount are determined as follows:

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 18 commissioners shall annually set a levy not exceeding 9  
 19 mills on all the taxable property in the district for the  
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 21 The permissive levy in mills shall be obtained by  
 22 multiplying the ratio of the permissive amount to the  
 23 maximum permissive amount by 9 or by using the number of  
 24 mills which would fund the permissive amount, whichever is  
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5 this section.

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7 commissioners shall annually set a levy not exceeding 6  
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1 during the next succeeding fiscal year."

2 ~~SECTION 3. EFFECTIVE DATE. THIS ACT IS EFFECTIVE ON~~

3 ~~PASSAGE AND APPROVAL.~~

-End-



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3 PASSAGE AND APPROVAL.

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