

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       ~~t37141~~ 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       ~~t47151~~ 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       ~~t51--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  
 14 fund the permissive amount in full, the amount of the  
 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) 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) 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."~~

-End-

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HB22

Approved by Committee  
on Taxation

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

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

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

9           122. The state treasurer shall keep a separate  
10      accounting of the proceeds realized from these mill levies.  
11      The superintendent of public instruction shall apportion the  
12      proceeds of the mill levies to the elementary districts of  
13      the state or the high school districts of the state,  
14      whichever the case may be, on the following basis:  
15           (a) determine the total amount required from this  
16      source of revenue by the several elementary or high school  
17      districts of the state;  
18           (b) determine the total amount of moneys available for  
19      this source of revenue;  
20           (c) calculate the percentage the amount determined in  
21      subsection 122(b) is of the amounts determined separately  
22      in subsection 122(a) for all elementary or all high  
23      school districts;  
24           (d) multiply each elementary district or each high  
25      school district requirement for this source of revenue by

1 the percentage calculated in subsection ~~27131~~(c).

2 ~~37151~~ When the total amount of the proceeds realized  
 3 from these mill levies is greater than the requirements of  
 4 all the elementary districts or high school districts of the  
 5 state, whichever the case may be, the excess amount of  
 6 moneys shall be retained by the state for reduction of the  
 7 ensuing year's additional state levy for elementary schools  
 8 or high schools or, if there is no additional state levy  
 9 under this section, the excess may be transferred to the  
 10 state equalization aid account for the reduction of the  
 11 legislative appropriation.

12 ~~47151~~ The apportionment of state moneys under this  
 13 section shall be known as the "additional state levy for  
 14 state deficiency", and it shall be the last source of  
 15 revenue in calculating the financing of the elementary  
 16 district foundation program and the high school district  
 17 foundation program.

18 ~~t5}--the--superintendent--of--public--instruction--shall~~  
 19 ~~compute--the--budgeted--requirement--for--this--source--of--revenue~~  
 20 ~~for--each--district--and--shall--supply--the--total--state~~  
 21 ~~requirements--for--the--elementary--district--foundation--programs~~  
 22 ~~and--the--high--school--district--foundation--programs--to--the~~  
 23 ~~director--of--the--department--of--revenue--on--the--second--Monday~~  
 24 ~~of--August--"~~

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

1 "20-9-352. Permissive amount and permissive levy --  
 2 calculation. (1) Whenever the trustees of any district shall  
 3 deem it necessary to adopt a general fund budget in excess  
 4 of the foundation program amount but not in excess of the  
 5 maximum general fund budget amount for such district as  
 6 established by the schedules in 20-9-316 through 20-9-321,  
 7 the trustees shall adopt a resolution stating the reasons  
 8 and purposes for exceeding the foundation program amount.  
 9 Such excess above the foundation program amount shall be  
 10 known as the "permissive amount", and it shall be financed  
 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.

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

17 (a) For each elementary school district, the county  
 18 commissioners shall annually set a levy not exceeding 9  
 19 mills on all the taxable property in the district for the  
 20 purpose of funding the permissive amount of the district.  
 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  
 25 less. If the amount of revenue raised by this levy is not

1 sufficient to fund the permissive amount in full, the amount  
 2 of the deficiency shall be paid to the district from the  
 3 earmarked revenue fund, permissive levy account, according  
 4 to the provisions of subsections (3) ~~141~~ and ~~141~~ 151 of  
 5 this section.

6 (b) For each high school district, the county  
 7 commissioners shall annually set a levy not exceeding 6  
 8 mills on all taxable property in the district for the  
 9 purpose of funding the permissive amount of the district.  
 10 The permissive levy in mills shall be obtained by  
 11 multiplying the ratio of the permissive levy to the maximum  
 12 permissive amount by 6 or by using the number of mills which  
 13 would fund the permissive amount, whichever is less. If the  
 14 amount of revenue raised by this levy is not sufficient to  
 15 fund the permissive amount in full, the amount of the  
 16 deficiency shall be paid to the district from the earmarked  
 17 revenue fund, permissive levy account, according to the  
 18 provisions of subsections (3) ~~141~~ and ~~141~~ 151 of this  
 19 section.

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

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

12 ~~141~~ Such distribution shall be made in two  
 13 payments. The first payment shall be made at the same time  
 14 as the first distribution of state equalization aid is made  
 15 after January 1 of the fiscal year. The second payment shall  
 16 be made at the same time as the last payment of state  
 17 equalization aid is made for the fiscal year. If the revenue  
 18 collected is not sufficient to finance the deficiencies of  
 19 the districts as determined according to subsection (2),  
 20 each district will receive the same percentage of its  
 21 deficiency. Surplus revenue in the permissive levy account  
 22 shall be used to reduce the state levy required for the next  
 23 succeeding fiscal year. Interest earned on investment of  
 24 permissive levy funds shall be deposited to the earmarked  
 25 revenue fund, permissive levy account, for distribution

1       during the next succeeding fiscal year."

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

3       PASSED AND APPROVED.

-End-

HOUSE BILL NO. 22

INTRODUCED BY FABREGA

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; AND PROVIDING  
11 AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 20-9-351, MCA, is amended to read:

15        "20-9-351. Additional state levy for state deficiency  
16        ==\_calculation. (1) If the estimated state equalization  
17        level made under the provisions of 20-9-348 is less than  
18        100% of budgeted requirements, ~~it shall be the duty of the~~  
19        budget director appointed in accordance with 11-1-103 shall  
20        calculate the amount required to make up the deficiency and  
21        shall notify the director of the department of revenue no  
22        later than the second Monday in August of the amount needed  
23        to fill the total state requirements for the elementary  
24        district foundation programs and the high school district  
25        foundation programs.

121 The director of the department of revenue to shall levy, separately for the elementary districts and the high school districts, additional taxes in such number of mills on the taxable value of all taxable property within the state as shall be is required by subsection (1) of this section to complete the financing of the foundation programs of all elementary districts or all high school districts of the state.

9           ~~t27131~~ The state treasurer shall keep a separate  
10 accounting of the proceeds realized from these mill levies.  
11 The superintendent of public instruction shall apportion the  
12 proceeds of the mill levies to the elementary districts of  
13 the state or the high school districts of the state,  
14 whichever the case may be, on the following basis:

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

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

20 (c) calculate the percentage the amount determined in  
21 subsection ~~17131~~(b) is of the amounts determined separately  
22 in subsection ~~17131~~(a) for all elementary or all high  
23 school districts;

24 (d) multiply each elementary district or each high  
25 school district requirement for this source of revenue by

1 the percentage calculated in subsection ~~t27131(c)~~.

2 ~~t37141~~ When the total amount of the proceeds realized  
 3 from these mill levies is greater than the requirements of  
 4 all the elementary districts or high school districts of the  
 5 state, whichever the case may be, the excess amount of  
 6 moneys shall be retained by the state for reduction of the  
 7 ensuing year's additional state levy for elementary schools  
 8 or high schools or, if there is no additional state levy  
 9 under this section, the excess may be transferred to the  
 10 state equalization aid account for the reduction of the  
 11 legislative appropriation.

12 ~~t47151~~ The apportionment of state moneys under this  
 13 section shall be known as the "additional state levy for  
 14 state deficiency", and it shall be the last source of  
 15 revenue in calculating the financing of the elementary  
 16 district foundation program and the high school district  
 17 foundation program.

18 ~~t57--The--superintendent--of--public--instruction--shall~~  
 19 ~~compute--the--budgeted--requirement--for--this--source--of--revenue~~  
 20 ~~for--each--district--and--shall--supply--the--total--state~~  
 21 ~~requirements--for--the--elementary--district--foundation--programs~~  
 22 ~~and--the--high--school--district--foundation--programs--to--the~~  
 23 ~~director--of--the--department--of--revenue--on--the--second--Monday~~  
 24 ~~of--August--"~~

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

1 "20-9-352. Permissive amount and permissive levy ==  
 2 calculation. (1) Whenever the trustees of any district shall  
 3 deem it necessary to adopt a general fund budget in excess  
 4 of the foundation program amount but not in excess of the  
 5 maximum general fund budget amount for such district as  
 6 established by the schedules in 20-9-316 through 20-9-321,  
 7 the trustees shall adopt a resolution stating the reasons  
 8 and purposes for exceeding the foundation program amount.  
 9 Such excess above the foundation program amount shall be  
 10 known as the "permissive amount", and it shall be financed  
 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.

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

17 (a) For each elementary school district, the county  
 18 commissioners shall annually set a levy not exceeding 9  
 19 mills on all the taxable property in the district for the  
 20 purpose of funding the permissive amount of the district.  
 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  
 25 less. If the amount of revenue raised by this levy is not

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

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

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

1 ~~131~~ The director of the department of revenue shall  
 2 annually set a levy on all the property of the state which  
 3 will produce enough revenue to fund the permissive levy  
 4 deficiency of--the--elementary-and-high-school-districts-of  
 5 the-state established in subsection ~~131~~ of this section.  
 6 The proceeds of this levy shall be deposited to the  
 7 earmarked revenue fund, permissive levy account, and shall  
 8 be distributed to the elementary and high school districts  
 9 in accordance with their entitlements as determined by the  
 10 superintendent of public instruction according to the  
 11 provisions of subsections (1) and (2) of this section.

12 ~~141~~ Such distribution shall be made in two  
 13 payments. The first payment shall be made at the same time  
 14 as the first distribution of state equalization aid is made  
 15 after January 1 of the fiscal year. The second payment shall  
 16 be made at the same time as the last payment of state  
 17 equalization aid is made for the fiscal year. If the revenue  
 18 collected is not sufficient to finance the deficiencies of  
 19 the districts as determined according to subsection (2),  
 20 each district will receive the same percentage of its  
 21 deficiency. Surplus revenue in the permissive levy account  
 22 shall be used to reduce the state levy required for the next  
 23 succeeding fiscal year. Interest earned on investment of  
 24 permissive levy funds shall be deposited to the earmarked  
 25 revenue fund, permissive levy account, for distribution

1       during the next succeeding fiscal year."

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

3       PASSAGE AND APPROVAL.

-End-