

House Bill 523

In The House

January 27, 1981

Introduced and referred
to Committee on Taxation.

March 2, 1981

Committee recommend bill
do not pass.

1 HOUSE BILL NO. 523
2 INTRODUCED BY Sales

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ELIMINATE THE
5 AUTHORITY TO IMPOSE A STATEWIDE LEVY TO FUND THE PERMISSIVE
6 LEVY DEFICIENCY OF ELEMENTARY AND HIGH SCHOOL DISTRICTS;
7 AMENDING SECTION 20-9-352, MCA; PROVIDING AN IMMEDIATE
8 EFFECTIVE DATE."

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

11 Section 1. Section 20-9-352, MCA, is amended to read:
12 "20-9-352. Permissive amount and permissive levy. (1)
13 Whenever the trustees of any district ~~shall deem consider~~ it
14 necessary to adopt a general fund budget in excess of the
15 foundation program amount but not in excess of the maximum
16 general fund budget amount for such district as established
17 by the schedules in 20-9-316 through 20-9-321, the trustees
18 shall adopt a resolution stating the reasons and purposes
19 for exceeding the foundation program amount. Such excess
20 above the foundation program amount shall be known as the
21 "permissive amount", and it shall be financed by a levy on
22 the taxable value of all taxable property within the
23 district as prescribed in 20-9-141~~y--supplemented--with~~
24 ~~revenue--from--a--levy--on--all--the--taxable--property--in--the~~
25 ~~state.~~

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

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

17 (b) For each high school district, the county
18 commissioners shall annually set a levy not exceeding 6
19 mills on all 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 levy to the maximum
23 permissive amount by 6 or by using the number of mills which
24 would fund the permissive amount, whichever is less. ~~If--the~~
25 ~~amount--of--revenue--raised--by--this--levy--is--not--sufficient--to~~

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1 fund the permissive amount in fully the amount of the
 2 deficiency shall be paid to the district from the earmarked
 3 revenue fundy permissive levy accounty according to the
 4 provisions of subsections (3) and (4) of this section.

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

16 (4) Such distribution shall be made in two payments.
 17 The first payment shall be made at the same time as the
 18 first distribution of state equalization aid is made after
 19 January 1 of the fiscal year. The second payment shall be
 20 made at the same time as the last payment of state
 21 equalization aid is made for the fiscal year. If the revenue
 22 collected is not sufficient to finance the deficiencies of
 23 the districts as determined according to subsection (2),
 24 each district will receive the same percentage of its
 25 deficiency. Surplus revenue in the permissive levy account

1 shall be used to reduce the state levy required for the next
 2 succeeding fiscal year. Interest earned on investment of
 3 permissive levy funds shall be deposited to the earmarked
 4 revenue fundy permissive levy accounty for distribution
 5 during the next succeeding fiscal year."

6 Section 2. Transfer of funds. All money in the
 7 earmarked revenue fund to the credit of the permissive levy
 8 account as of June 30, 1981, shall be transferred to the
 9 state general fund.

10 Section 3. Effective date. This act is effective on
 11 passage and approval.

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