

SENATE BILL NO. 95

INTRODUCED BY MCCALLUM, B. BROWN, MOHAR

IN THE SENATE

January 11, 1983	Introduced and referred to Committee on Education and Cultural Resources.
January 12, 1983	Fiscal Note requested.
January 15, 1983	Fiscal Note returned.
January 27, 1983	Committee recommend bill do pass. Report adopted.
January 28, 1983	Bill printed and placed on members' desks.
January 31, 1983	Second reading, do pass.
February 1, 1983	Correctly engrossed.
February 2, 1983	Third reading, passed. Ayes, 32; Noes, 18. Transmitted to House.

IN THE HOUSE

February 3, 1983	Introduced and referred to Committee on Education and Cultural Resources.
March 15, 1983	On motion, taken from Committee on Education and Cultural Resources and referred to second reading.
March 17, 1983	Second reading, pass consideration.
March 18, 1983	On motion, bill postponed until the 64th Legislative Day.
March 22, 1983	Second reading, not concurred in as amended.

IN THE SENATE

March 23, 1983                      On motion, request of House  
granted for return of Senate  
Bill No. 95 for further  
consideration.

IN THE HOUSE

March 23, 1983                      On motion, bill placed on  
second reading for the 67th  
Legislative Day.

March 24, 1983                      Second reading, concurred in  
as amended.

March 25, 1983                      Third reading, concurred in.

IN THE SENATE

March 26, 1983                      Returned to Senate with  
amendments.

March 29, 1983                      Second reading, amendments  
concurred in.

March 30, 1983                      Third reading, amendments  
concurred in. Ayes, 41;  
Noes, 6.

Sent to enrolling.

Reported correctly enrolled.

1 *Senate* BILL NO. *95*  
 2 INTRODUCED BY *Mr. Sullivan Bob Brown Nolan*

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE ALLOCATION  
 5 OF FEDERAL FOREST RESERVE MONEY TO SCHOOL DISTRICTS;  
 6 AMENDING SECTIONS 17-3-213, 20-9-331, 20-9-332, AND  
 7 20-9-335, MCA; AND PROVIDING AN EFFECTIVE DATE."

8  
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 17-3-213, MCA, is amended to read:

11 "17-3-213. Allocation to general road fund and common  
 12 countywide school fund levies. (1) The forest reserve funds  
 13 so apportioned to each county shall be apportioned by the  
 14 county treasurer in each county between the several funds as  
 15 follows:

16 (a) to the general road fund, 66 2/3% of the total  
 17 amount received;

18 (b) to the ~~common--school--fund~~ following countywide  
 19 school levies, 33 1/3% of the total sum received;

20 ~~(ii) the high school transportation fund provided for~~  
 21 ~~in 20-10-143;~~

22 ~~(iii) the elementary teacher retirement and social~~  
 23 ~~security fund provided for in 20-9-501;~~

24 ~~(iiii) the high school teacher retirement and social~~  
 25 ~~security fund provided for in 20-9-501.~~

1 ~~(2) The apportionment of money to the funds provided~~  
 2 ~~for under subsection (1)(b) shall be made by the county~~  
 3 ~~superintendent in proportion to the needs of each fund.~~  
 4 ~~Whenever the total amount of money available for~~  
 5 ~~apportionment under this section is greater than the total~~  
 6 ~~needs, the excess money and any interest income must be~~  
 7 ~~retained in a separate reserve fund, to be apportioned as~~  
 8 ~~needed in the ensuing school fiscal year to the levies~~  
 9 ~~designated in subsection (1)(b).~~

10 ~~(2)(3)~~ In counties wherein special road districts have  
 11 been created according to law, the board of county  
 12 commissioners shall distribute a proportionate share of the  
 13 66 2/3% of the total amount received for the general road  
 14 fund to such special road district or districts within the  
 15 county based upon the percentage that the total area of such  
 16 road district bears to the total area of the entire county."

17 Section 2. Section 20-9-331, MCA, is amended to read:

18 "20-9-331. Basic county tax and other revenues for  
 19 county equalization of the elementary district foundation  
 20 program. (1) It shall be the duty of the county  
 21 commissioners of each county to levy an annual basic tax of  
 22 25 mills on the dollars of the taxable value of all taxable  
 23 property within the county for the purposes of local and  
 24 state foundation program support. The revenue to be  
 25 collected from this levy shall be apportioned to the support

-2- INTRODUCED BILL

SB 95

1 of the foundation programs of the elementary school  
2 districts in the county and to the earmarked revenue funds,  
3 state equalization aid account, in the following manner:

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

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

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

25 ~~(a) -- the -- portion -- of -- the -- federal -- forest -- reserve -- funds~~

1 ~~distributed to a county and designated for the common school~~  
2 ~~fund under the provisions of 17-3-213;~~

3 ~~(b)(a)~~ the portion of the federal Taylor Grazing Act  
4 funds distributed to a county and designated for the common  
5 school fund under the provisions of 17-3-222;

6 ~~(c)(b)~~ the portion of the federal flood control act  
7 funds distributed to a county and designated for expenditure  
8 for the benefit of the county common schools under the  
9 provisions of 17-3-232;

10 ~~(d)(c)~~ all moneys which are ~~money~~ paid into the county  
11 treasury as a result of fines for violations of law and the  
12 use of which is not otherwise specified by law;

13 ~~(e)(d)~~ any money remaining at the end of the  
14 immediately preceding school fiscal year in the county  
15 treasurer's account for the various sources of revenue  
16 established or referred to in this section; and

17 ~~(f)(e)~~ any federal or state moneys ~~money~~ distributed  
18 to the county as payment in lieu of the property taxation  
19 established by the county levy required by this section."

20 Section 3. Section 20-9-332, MCA, is amended to read:

21 "20-9-332. Fines and penalties proceeds for elementary  
22 county equalization. All fines and penalties collected under  
23 the provisions of this title shall be collected by the  
24 action of a court of competent jurisdiction and shall be  
25 paid into the county elementary equalization fund as

provided by 20-9-331(2)(d)(c). In order to implement this section and any other provision of law requiring the deposit of fines in the elementary county equalization fund, the following reports shall be made to the county superintendent of the county in which each court or justice of the peace shall have jurisdiction:

(1) during the month of September, each justice of the peace shall report all fines imposed and collected during the preceding year, indicating the type of violation and the date of collection; and

(2) at the close of each term, the clerk of each district court shall report all fines imposed and collected during the term, indicating the type of violation and the date of collection."

Section 4. Section 20-9-335, MCA, is amended to read:

"20-9-335. Formula for apportionment of county equalization moneys. (1) After making such deductions prescribed in 20-9-334, the county superintendent shall apportion the remaining amount of moneys available in the basic county tax account to the several public elementary districts of the county and in the basic special tax for high schools account to the several public secondary districts of the county in proportion to their needs under the foundation program in accordance with the following procedure:

(a) determine the percentage that the county equalization moneys available for the support of the foundation programs of the public elementary districts in the county is of the total amount of the foundation programs of all public elementary districts;

(b) multiply the foundation program amount of each public elementary district by the percentage determined in subsection (1)(a) above to determine the portion of the county equalization moneys available to each public elementary district.

(2) The above procedure shall also be applied for public secondary districts.

(3) No territory situated within a county shall be excluded from the apportionment of the county equalization moneys under this section solely because such territory lies within the boundaries of a joint district. Cash balances to the credit of any district at the end of a school fiscal year shall not be considered in the apportionment procedure prescribed in this section.

(4) When the total amount of the available county moneys for apportionment under this section is greater than the amount of money to be apportioned under the apportionment procedure prescribed by this section, the excess amount of county moneys shall be retained by the county to be considered as financing during the ensuing

1 school fiscal year under the requirements of  
2 20-9-331(2)(a) or 20-9-333(2)(a).

3 (5) The county equalization moneys apportioned under  
4 these procedures shall constitute the first source of  
5 revenue in calculating the financing of the public  
6 elementary and secondary district foundation program. The  
7 county superintendent shall use the apportionment procedure  
8 prescribed in this section in computing the estimated  
9 revenues for the financing of the ensuing year's foundation  
10 program for budgeting purposes."

11 NEW SECTION. Section 5. Effective date. This act is  
12 effective July 1, 1983.

-End-

## STATE OF MONTANA

REQUEST NO. 087-83

## FISCAL NOTE

Form BD-15

In compliance with a written request received January 13, 19 83, there is hereby submitted a Fiscal Note for Senate Bill 94 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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:

Senate Bill 94 is an act to eliminate the permissive levy, provide a new definition of the Foundation Program, and increase the basic county levy in support of local and state equalization.

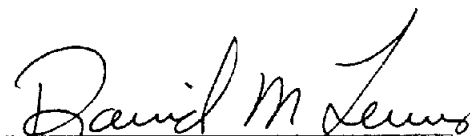
ASSUMPTIONS:

- 1) The county equalization levy for schools is increased from 40 to 55 mills and the permissive levy is eliminated.
- 2) The reimbursement schedules remain at the 1983 level.
- 3) Enrollments are as projected by the Office of Superintendent of Public Instruction.
- 4) The foundation program would be increased from 80% to 100% of the statutory schedule amount for the various sized districts.

FISCAL IMPACT:

If the levy increases were effective in 1983, property taxes would increase as follows:

Big Horn County	\$ 1.3	Million
Blaine	.2	Million
Fallon	1.5	Million
Musselshell	.2	Million
Phillips	.2	Million
Powder River	1.0	Million
Richland	1.2	Million
Roosevelt	.3	Million
Rosebud	1.6	Million
Sheridan	.9	Million
Toole	.4	Million
Wibaux	.3	Million
All Other Counties	.9	Million
TOTAL INCREASE IN TAXES	\$ 9.97	Million

Continued

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-17-83

-2-

The amount of state aid required to fund the foundation program would be reduced by approximately 10 million per year. This would be available to reduce the state general fund contribution or fund schedule increases in FY 84 and FY 85.

FISCAL NOTE 4:Q/2



## STATE OF MONTANA

REQUEST NO. 377-83

## FISCAL NOTE

Form BD-15

In compliance with a written request received February 12, 19 83, there is hereby submitted a Fiscal Note for Senate Bill 94, Amended, pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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:

Senate Bill 94, amended, phases out the permissive levy; provides a new definition of the Foundation Program; and increases the basic county levy in support of local and state equalization over a three year period.

ASSUMPTIONS:

- 1) Total permissive amount remains constant at \$55,815,666.
- 2) Taxable value remains constant.
- 3) State aid parameters remain constant for every school district.

FISCAL IMPACT:

	<u>FY84</u>	<u>FY85</u>	<u>Biennium</u>
<u>Revenue:</u>			
County Equalization Levy			
Under Current Law	\$ 87,673,000	\$ 87,673,000	\$175,346,000
Under Proposed Law	98,632,000	109,592,000	208,224,000
Increase	<u>\$ 10,959,000</u>	<u>\$ 21,919,000</u>	<u>\$ 32,878,000</u>
<u>Expenditures:</u>			
State Permissive			
Under Current Law	\$ 32,904,000	\$ 32,904,000	\$ 65,808,000
Under Proposed Law	39,195,000	46,363,000	85,558,000
Increase	<u>\$ 6,291,000</u>	<u>\$ 13,459,000</u>	<u>\$ 19,750,000</u>
<u>Excess Revenue Generated</u>	<u>\$ 4,668,000</u>	<u>\$ 8,460,000</u>	<u>\$ 13,128,000</u>

The excess revenue generated would be available to reduce the state general fund contribution or fund schedule increases in FY 84 and 85.

LONG TERM IMPACT:

Beginning in FY 1986, assuming the same parameters, the fiscal impact addressed in the original fiscal note would occur. This impact equals approximately \$10 million dollars per year in additional revenue for school equalization efforts.

FISCAL NOTE 13:V/1

  
 BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-16-83

## STATE OF MONTANA

## FISCAL NOTE

Request No. 377-83

In compliance with a written request received March 15, 1983, there is hereby submitted a Fiscal Note for Senate Bill 94, Amended, pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

DESCRIPTION OF PROPOSED LEGISLATION:

Senate Bill 94, amended, revises the permissive levy and increases the basic county levy in support of local and state equalization. The county levy is increased from 40 to 45 mills and the permissive is reduced from 15 to 10 mills in FY 85.

ASSUMPTIONS:

- 1) Total permissive amount remains constant at \$55,815,666.
- 2) Taxable value remains constant.
- 3) State aid parameters remain constant for every school district.
- 4) The effective date is July 1, 1984.

FISCAL IMPACT:

	<u>FY 84</u>	<u>FY 85</u>	<u>Biennium</u>
<u>Revenue:</u>			
County Equalization Levy			
Under Current Law	\$87,673,000	\$87,673,000	
Under Proposed Law	<u>87,673,000</u>	<u>98,632,000</u>	
Increase	- 0 -	\$10,959,000	
<u>Revenue:</u>			
State Permissive			
Under Current Law	\$32,904,000	\$32,904,000	
Under Proposed Law	<u>32,904,000</u>	<u>39,195,000</u>	
Increase	- 0 -	\$ 6,291,000	
<u>Excess Revenue Generated</u>	- 0 -	<u>\$ 4,668,000</u>	<u>\$4,668,000</u>

The excess revenue generated would be available to reduce the state general fund contribution or fund schedule increases in FY 85.

LONG TERM IMPACT:

The revenue raised in FY 85 would be available each year in the future. If the bill's effective date is amended to July 1, 1983, the revenue generated will be \$9,336,000 for the biennium.

*Daniel M. Lewis*

BUDGET DIRECTOR  
Office of Budget and  
Program Planning  
March 15, 1983

1 *Senate* BILL NO. *25*  
 2 INTRODUCED BY *McCallister Bob Brown Nolan*

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE ALLOCATION  
 5 OF FEDERAL FOREST RESERVE MONEY TO SCHOOL DISTRICTS;  
 6 AMENDING SECTIONS 17-3-213, 20-9-331, 20-9-332, AND  
 7 20-9-335, MCA; AND PROVIDING AN EFFECTIVE DATE."

8  
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 17-3-213, MCA, is amended to read:  
 11 "17-3-213. Allocation to general road fund and common  
 12 countywide school fund levies. (1) The forest reserve funds  
 13 so apportioned to each county shall be apportioned by the  
 14 county treasurer in each county between the several funds as  
 15 follows:

16 (a) to the general road fund, 66 2/3% of the total  
 17 amount received;

18 (b) to the ~~common--school--fund~~ following countywide  
 19 school levies, 33 1/3% of the total sum received;

20 (ii) the high school transportation fund provided for  
 21 in 20-10-143;

22 (iii) the elementary teacher retirement and social  
 23 security fund provided for in 20-9-501;

24 (iiii) the high school teacher retirement and social  
 25 security fund provided for in 20-9-501.

1 ~~(2) The apportionment of money to the funds provided~~  
 2 ~~for under subsection (1)(b) shall be made by the county~~  
 3 ~~superintendent in proportion to the needs of each fund.~~  
 4 ~~Whenever the total amount of money available for~~  
 5 ~~apportionment under this section is greater than the total~~  
 6 ~~needs, the excess money and any interest income must be~~  
 7 ~~retained in a separate reserve fund, to be apportioned as~~  
 8 ~~needed in the ensuing school fiscal year to the levies~~  
 9 ~~designated in subsection (1)(b).~~

10 ~~(2)(3)~~ In counties wherein special road districts have  
 11 been created according to law, the board of county  
 12 commissioners shall distribute a proportionate share of the  
 13 66 2/3% of the total amount received for the general road  
 14 fund to such special road district or districts within the  
 15 county based upon the percentage that the total area of such  
 16 road district bears to the total area of the entire county."

17 Section 2. Section 20-9-331, MCA, is amended to read:

18 "20-9-331. Basic county tax and other revenues for  
 19 county equalization of the elementary district foundation  
 20 program. (1) It shall be the duty of the county  
 21 commissioners of each county to levy an annual basic tax of  
 22 25 mills on the dollars of the taxable value of all taxable  
 23 property within the county for the purposes of local and  
 24 state foundation program support. The revenue to be  
 25 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:

(a) 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 (2)(a) through (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.

(b) If the basic levy of 25 mills 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.

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

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

~~distributed to a county and designated for the common school fund under the provisions of 17-3-213;~~

~~(b)(1) the portion of the federal Taylor Grazing Act funds distributed to a county and designated for the common school fund under the provisions of 17-3-222;~~

~~(c)(1) the portion of the federal flood control act funds distributed to a county and designated for expenditure for the benefit of the county common schools under the provisions of 17-3-232;~~

~~(d)(1) all moneys which are money paid into the county treasury as a result of fines for violations of law and the use of which is not otherwise specified by law;~~

~~(e)(1) any money remaining at the end of the immediately preceding school fiscal year in the county treasurer's account for the various sources of revenue established or referred to in this section; and~~

~~(f)(1) any federal or state moneys money distributed to the county as payment in lieu of the property taxation established by the county levy required by this section."~~

Section 3. Section 20-9-332, MCA, is amended to read:

"20-9-332. Fines and penalties proceeds for elementary county equalization. All fines and penalties collected under the provisions of this title shall be collected by the action of a court of competent jurisdiction and shall be paid into the county elementary equalization fund as

provided by 20-9-331(2)(d)(c). In order to implement this section and any other provision of law requiring the deposit of fines in the elementary county equalization fund, the following reports shall be made to the county superintendent of the county in which each court or justice of the peace shall have jurisdiction:

(1) during the month of September, each justice of the peace shall report all fines imposed and collected during the preceding year, indicating the type of violation and the date of collection; and

(2) at the close of each term, the clerk of each district court shall report all fines imposed and collected during the term, indicating the type of violation and the date of collection."

Section 4. Section 20-9-335, MCA, is amended to read:

"20-9-335. Formula for apportionment of county equalization moneys. (1) After making such deductions prescribed in 20-9-334, the county superintendent shall apportion the remaining amount of moneys available in the basic county tax account to the several public elementary districts of the county and in the basic special tax for high schools account to the several public secondary districts of the county in proportion to their needs under the foundation program in accordance with the following procedure:

(a) determine the percentage that the county equalization moneys available for the support of the foundation programs of the public elementary districts in the county is of the total amount of the foundation programs of all public elementary districts;

(b) multiply the foundation program amount of each public elementary district by the percentage determined in subsection (1)(a) above to determine the portion of the county equalization moneys available to each public elementary district.

(2) The above procedure shall also be applied for public secondary districts.

(3) No territory situated within a county shall be excluded from the apportionment of the county equalization moneys under this section solely because such territory lies within the boundaries of a joint district. Cash balances to the credit of any district at the end of a school fiscal year shall not be considered in the apportionment procedure prescribed in this section.

(4) When the total amount of the available county moneys for apportionment under this section is greater than the amount of money to be apportioned under the apportionment procedure prescribed by this section, the excess amount of county moneys shall be retained by the county to be considered as financing during the ensuing

1 school fiscal year under the requirements of  
2 20-9-331(2)(d) or 20-9-333(2)(a).

3 (5) The county equalization monies apportioned under  
4 these procedures shall constitute the first source of  
5 revenue in calculating the financing of the public  
6 elementary and secondary district foundation program. The  
7 county superintendent shall use the apportionment procedure  
8 prescribed in this section in computing the estimated  
9 revenues for the financing of the ensuing year's foundation  
10 program for budgeting purposes."

11 NEW SECTION. Section 5. Effective date. This act is  
12 effective July 1, 1983.

-End-

March 24, 1983

HOUSE COMMITTEE OF THE WHOLE AMENDMENTS TO SENATE BILL 95,  
THIRD READING COPY (BLUE)

1) Page 1

Following: line 19

Insert: "(i) the annual basic tax levy for elementary schools provided  
for in 20-9-331;

(ii) the annual special tax for high schools provided for in  
20-9-33};"

Renumber : subsequent subsections

2) Page 2, line 3

Strike: "in"

Insert: "based on the"

Strike: "to the needs"

Insert: "that the mill levy"

Following: "fund"

Insert: "bears to the total number of mills for all the funds"

3) Page 2, line 6

Strike: "needs"

Insert: "requirements of a levy"

4) Page 2, lines 7 and 8

Following: "to be" on line 7

Strike: line 7 through "needed" on line 8

Insert: "reapportioned"

ADOPT

## SENATE BILL NO. 95

INTRODUCED BY MCCALLUM, B. BROWN, MOHAR

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE ALLOCATION OF FEDERAL FOREST RESERVE MONEY TO SCHOOL DISTRICTS; AMENDING SECTIONS 17-3-213, 20-9-331, 20-9-332, AND 20-9-335, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 17-3-213, MCA, is amended to read:

"17-3-213. Allocation to general road fund and common countywide school fund levies. (1) The forest reserve funds so apportioned to each county shall be apportioned by the county treasurer in each county between the several funds as follows:

(a) to the general road fund, 66 2/3% of the total amount received;

(b) to the common--school--fund following countywide school levies, 33 1/3% of the total sum received;

(I) ~~THE ANNUAL BASIC TAX LEVY FOR ELEMENTARY SCHOOLS PROVIDED FOR IN 20-9-331;~~

~~III) THE ANNUAL SPECIAL TAX FOR HIGH SCHOOLS PROVIDED FOR IN 20-9-333;~~

~~IIII) the high school transportation fund provided for in 20-10-143;~~

~~IIII) the elementary teacher retirement and social security fund provided for in 20-9-501;~~

~~IIII) the high school teacher retirement and social security fund provided for in 20-9-501.~~

(2) ~~The apportionment of money to the funds provided for under subsection (1)(b) shall be made by the county superintendent to BASED ON THE proportion to the needs THAT THE MILL LEVY of each fund BEARS TO THE TOTAL NUMBER OF MILLS FOR ALL THE FUNDS. Whenever the total amount of money available for apportionment under this section is greater than the total needs REQUIREMENTS OF A LEVY, the excess money and any interest income must be retained in a separate reserve fund, to be apportioned as needed REAPPORTIONED in the ensuing school fiscal year to the levies designated in subsection (1)(b).~~

~~(2)(2)~~ In counties wherein special road districts have been created according to law, the board of county commissioners shall distribute a proportionate share of the 66 2/3% of the total amount received for the general road fund to such special road district or districts within the county based upon the percentage that the total area of such road district bears to the total area of the entire county."

Section 2. Section 20-9-331, MCA, is amended to read:

"20-9-331. Basic county tax and other revenues for county equalization of the elementary district foundation



1 program. (1) It shall be the duty of the county  
2 commissioners of each county to levy an annual basic tax of  
3 25 mills on the dollars of the taxable value of all taxable  
4 property within the county for the purposes of local and  
5 state foundation program support. The revenue to be  
6 collected from this levy shall be apportioned to the support  
7 of the foundation programs of the elementary school  
8 districts in the county and to the earmarked revenue fund,  
9 state equalization aid account, in the following manner:

10 (a) In order to determine the amount of revenue raised  
11 by this levy which is retained by the county, the sum of the  
12 estimated revenues identified in subsections (2)(a) through  
13 (2)(f) below shall be subtracted from the sum of the county  
14 elementary transportation obligation and the total of the  
15 foundation programs of all elementary districts of the  
16 county.

17 (b) If the basic levy of 25 mills produces more  
18 revenue than is required to finance the difference  
19 determined above, the county commissioners shall order the  
20 county treasurer to remit the surplus funds to the state  
21 treasurer for deposit to the earmarked revenue fund, state  
22 equalization aid account, not later than June 1 of the  
23 fiscal year for which the levy has been set.

24 (2) The proceeds realized from the county's portion of  
25 the levy prescribed by this section and the revenues from

1 the following sources shall be used for the equalization of  
2 the elementary district foundation programs of the county as  
3 prescribed in 20-9-334, and a separate accounting shall be  
4 kept of such proceeds and revenues by the county treasurer  
5 in accordance with 20-9-212(1):

6 ~~{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-17-3-213;~~

9 {b}{1a} 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 17-3-222;

12 {c}{1b} the portion of the federal flood control act  
13 funds distributed to a county and designated for expenditure  
14 for the benefit of the county common schools under the  
15 provisions of 17-3-232;

16 {d}{1c} all moneys-which-are money paid into the county  
17 treasury as a result of fines for violations of law and the  
18 use of which is not otherwise specified by law;

19 {e}{1d} any money remaining at the end of the  
20 immediately preceding school fiscal year in the county  
21 treasurer's account for the various sources of revenue  
22 established or referred to in this section; and

23 {f}{1e} any federal or state moneys money distributed  
24 to the county as payment in lieu of the property taxation  
25 established by the county levy required by this section."

Section 3. Section 20-9-332, MCA, is amended to read:

"20-9-332. Fines and penalties proceeds for elementary county equalization. All fines and penalties collected under the provisions of this title shall be collected by the action of a court of competent jurisdiction and shall be paid into the county elementary equalization fund as provided by 20-9-331(2)(d)(c). In order to implement this section and any other provision of law requiring the deposit of fines in the elementary county equalization fund, the following reports shall be made to the county superintendent of the county in which each court or justice of the peace shall have jurisdiction:

(1) during the month of September, each justice of the peace shall report all fines imposed and collected during the preceding year, indicating the type of violation and the date of collection; and

(2) at the close of each term, the clerk of each district court shall report all fines imposed and collected during the term, indicating the type of violation and the date of collection."

Section 4. Section 20-9-335, MCA, is amended to read:

"20-9-335. Formula for apportionment of county equalization moneys. (1) After making such deductions prescribed in 20-9-334, the county superintendent shall apportion the remaining amount of moneys available in the

basic county tax account to the several public elementary districts of the county and in the basic special tax for high schools account to the several public secondary districts of the county in proportion to their needs under the foundation program in accordance with the following procedure:

(a) determine the percentage that the county equalization moneys available for the support of the foundation programs of the public elementary districts in the county is of the total amount of the foundation programs of all public elementary districts;

(b) multiply the foundation program amount of each public elementary district by the percentage determined in subsection (1)(a) above to determine the portion of the county equalization moneys available to each public elementary district.

(2) The above procedure shall also be applied for public secondary districts.

(3) No territory situated within a county shall be excluded from the apportionment of the county equalization moneys under this section solely because such territory lies within the boundaries of a joint district. Cash balances to the credit of any district at the end of a school fiscal year shall not be considered in the apportionment procedure prescribed in this section.

1       (4) When the total amount of the available county  
2 moneys for apportionment under this section is greater than  
3 the amount of money to be apportioned under the  
4 apportionment procedure prescribed by this section, the  
5 excess amount of county moneys shall be retained by the  
6 county to be considered as financing during the ensuing  
7 school fiscal year under the requirements of  
8 20-9-331(2)(e)(d) or 20-9-333(2)(a).

9       (5) The county equalization moneys apportioned under  
10 these procedures shall constitute the first source of  
11 revenue in calculating the financing of the public  
12 elementary and secondary district foundation program. The  
13 county superintendent shall use the apportionment procedure  
14 prescribed in this section in computing the estimated  
15 revenues for the financing of the ensuing year's foundation  
16 program for budgeting purposes."

17       NEW SECTION. Section 5. Effective date. This act is  
18 effective July 1, 1983.

-End-