

HB 797 INTRODUCED BY BRANDEWIE, ET AL.  
PROVIDE RECAPTURE ON VOTED LEVY OF DISTRICT WITH  
BUDGETS EXCEEDING LIMIT

2/17 INTRODUCED  
2/17 REFERRED TO EDUCATION & CULTURAL RESOURCES  
2/17 FISCAL NOTE REQUESTED  
2/20 HEARING  
2/21 COMMITTEE REPORT--BILL NOT PASSED  
2/23 ADVERSE COMMITTEE REPORT ADOPTED 64 28  
2/24 FISCAL NOTE RECEIVED

1 INTRODUCED BY House BILL NO. 797  
2 Don Lewis HART Mercer

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR STATE  
5 RECAPTURE OF A PORTION OF THE ADDITIONAL LEVY OF A SCHOOL  
6 DISTRICT IF THE PROPOSED GENERAL FUND BUDGET AMOUNT PER ANB  
7 OF THE DISTRICT EXCEEDS CERTAIN LIMITS; AND AMENDING  
8 SECTIONS 20-3-106 AND 20-9-343, MCA."

9  
10 WHEREAS, most Montana school districts depend on the  
11 district's property wealth to generate revenue, through the  
12 additional voted levy, for school general fund budget needs  
13 beyond foundation and permissive program support; and

14 WHEREAS, there is a wide disparity in the property  
15 wealth available to Montana school districts; and

16 WHEREAS, this disparity in property wealth has resulted  
17 in inequities in taxpayer burdens and per-student  
18 expenditures among districts; and

19 WHEREAS, there is clear evidence that districts with  
20 more property wealth have lower tax rates and higher  
21 expenditures per student than do districts with low property  
22 wealth; and

23 WHEREAS, Article X, section 1, of the Montana  
24 Constitution reflects the concern of Montana citizens for  
25 equality of educational opportunity for students; and

1 WHEREAS, Article X, section 8, of the Montana  
2 Constitution reflects a desire for local control of  
3 elementary and secondary schools and this desire extends to  
4 approval of locally determined general fund budget needs  
5 through the additional voted levy process.

6 THEREFORE, it is the intent of this act to provide more  
7 equality of educational opportunity in the financing of  
8 school general fund budget needs beyond the foundation and  
9 permissive program support by providing for recapture of a  
10 portion of the additional levy funding of a district that  
11 has per-student expenditures in excess of the state median  
12 expenditure per student for that size school district and by  
13 allowing a district that spends under the state median to  
14 propose a recapture-free additional levy.

15  
16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

17 NEW SECTION. Section 1. Recapture on additional levy.

- 18 (1) An additional levy amount proposed by the trustees of a  
19 district under 20-9-353 is subject to the recapture  
20 provisions in subsection (4) if the proposed general fund  
21 budget amount per ANB of the school district exceeds both:  
22 (a) the median expenditure amount per ANB; and  
23 (b) the district's general fund budget amount per ANB  
24 for school fiscal year 1987.

- 25 (2) An additional levy proposed by the trustees of a



1 district under 20-9-353 is not subject to the recapture  
2 provisions in subsection (4) if the proposed general fund  
3 budget amount per ANB of the district does not exceed  
4 either:

- 5 (a) the median expenditure amount per ANB; or
- 6 (b) the district's general fund budget amount per ANB  
7 for school fiscal year 1987.

8 (3) For the purposes of this section, "median  
9 expenditure amount per ANB" means the median expenditure  
10 amount per ANB for each school size provided for in the  
11 schedules in 20-9-316 through 20-9-319, as calculated from  
12 the statewide total of the general fund budgets for that  
13 size school for school fiscal year 1987 by the  
14 superintendent of public instruction.

15 (4) The recapture amount on an additional levy under  
16 the provisions of subsection (1) is 10% of the amount of the  
17 financing requested in the additional levy. This amount must  
18 be included in the additional levy proposal in the manner  
19 provided in 20-9-353.

20 (5) If the proposition on the additional levy is  
21 approved, the county treasurer shall remit the amount  
22 required in subsection (4) to the state treasurer for  
23 deposit to the state special revenue fund for state  
24 equalization aid in 20-9-343 by June 30 of the ensuing  
25 school fiscal year.

1 Section 2. Section 20-3-106, MCA, is amended to read:  
2 "20-3-106. Supervision of schools -- powers and  
3 duties. The superintendent of public instruction has the  
4 general supervision of the public schools and districts of  
5 the state, and he shall perform the following duties or acts  
6 in implementing and enforcing the provisions of this title:

7 (1) resolve any controversy resulting from the  
8 proration of costs by a joint board of trustees under the  
9 provisions of 20-3-362;

10 (2) issue, renew, or deny teacher certification and  
11 emergency authorizations of employment;

12 (3) negotiate reciprocal tuition agreements with other  
13 states in accordance with the provisions of 20-5-314;

14 (4) serve on the teachers' retirement board in  
15 accordance with the provisions of 2-15-1010;

16 (5) approve or disapprove the orders of a high school  
17 boundary commission in accordance with the provisions of  
18 20-6-311;

19 (6) approve or disapprove the opening or reopening of  
20 a school in accordance with the provisions of 20-6-502,  
21 20-6-503, 20-6-504, or 20-6-505;

22 (7) approve or disapprove school isolation within the  
23 limitations prescribed by 20-9-302;

24 (8) generally supervise the school budgeting  
25 procedures prescribed by law in accordance with the

1 provisions of 20-9-102 and prescribe the school budget  
2 format in accordance with the provisions of 20-9-103 and  
3 20-9-506;

4 (9) establish a system of communication for  
5 calculating joint district revenues in accordance with the  
6 provisions of 20-9-151;

7 (10) approve or disapprove the adoption of a district's  
8 emergency budget resolution under the conditions prescribed  
9 in 20-9-163 and publish rules for an application for  
10 additional state aid for an emergency budget in accordance  
11 with the approval and disbursement provisions of 20-9-166;

12 (11) generally supervise the school financial  
13 administration provisions as prescribed by 20-9-201(2);

14 (12) prescribe and furnish the annual report forms to  
15 enable the districts to report to the county superintendent  
16 in accordance with the provisions of 20-9-213(5) and the  
17 annual report forms to enable the county superintendents to  
18 report to the superintendent of public instruction in  
19 accordance with the provisions of 20-3-209;

20 (13) approve, disapprove, or adjust an increase of the  
21 average number belonging (ANB) in accordance with the  
22 provisions of 20-9-313 and 20-9-314;

23 (14) distribute state equalization aid in support of  
24 the foundation program in accordance with the provisions of  
25 20-9-342, 20-9-346, and 20-9-347;

1 (15) distribute state impact aid in accordance with the  
2 provisions of 20-9-304;

3 (16) provide for the uniform and equal provision of  
4 transportation by performing the duties prescribed by the  
5 provisions of 20-10-112;

6 (17) approve or disapprove an adult education program  
7 for which a district proposes to levy a tax in accordance  
8 with the provisions of 20-7-705;

9 (18) request, accept, deposit, and expend federal  
10 moneys in accordance with the provisions of 20-9-603;

11 (19) authorize the use of federal moneys for the  
12 support of an interlocal cooperative agreement in accordance  
13 with the provisions of 20-9-703 and 20-9-704;

14 (20) prescribe the form and contents of and approve or  
15 disapprove interstate contracts in accordance with the  
16 provisions of 20-9-705;

17 (21) approve or disapprove the conduct of school on a  
18 Saturday or on pupil-instruction-related days in accordance  
19 with the provisions of 20-1-303 and 20-1-304;

20 (22) recommend standards of accreditation for all  
21 schools to the board of public education and evaluate  
22 compliance with such standards and recommend accreditation  
23 status of every school to the board of public education in  
24 accordance with the provisions of 20-7-101 and 20-7-102;

25 (23) collect and maintain a file of curriculum guides

1 and assist schools with instructional programs in accordance  
2 with the provisions of 20-7-113 and 20-7-114;

3 (24) establish and maintain a library of visual, aural,  
4 and other educational media in accordance with the  
5 provisions of 20-7-201;

6 (25) license textbook dealers and initiate prosecution  
7 of textbook dealers violating the law in accordance with the  
8 provisions of the textbooks part of this title;

9 (26) as the governing agent and executive officer of  
10 the state of Montana for vocational education, adopt the  
11 policies prescribed by and in accordance with the provisions  
12 of 20-7-301;

13 (27) consider applications for the designation of a  
14 postsecondary vocational-technical center in accordance with  
15 the provisions of 20-7-311;

16 (28) establish a fund for the handling of postsecondary  
17 vocational-technical center fees in accordance with the  
18 provisions of 20-7-333;

19 (29) supervise and coordinate the conduct of special  
20 education in the state in accordance with the provisions of  
21 20-7-403;

22 (30) administer the traffic education program in  
23 accordance with the provisions of 20-7-502;

24 (31) administer the school food services program in  
25 accordance with the provisions of 20-10-201, 20-10-202, and

1 20-10-203;

2 (32) review school building plans and specifications in  
3 accordance with the provisions of 20-6-622;

4 (33) prescribe the method of identification and signals  
5 to be used by school safety patrols in accordance with the  
6 provisions of 20-1-408; and

7 (34) calculate the median expenditure amount per ANB by  
8 school size as required in [section 1]; and

9 ~~(34)~~(35) perform any other duty prescribed from time to  
10 time by this title, any other act of the legislature, or the  
11 policies of the board of public education."

12 Section 3. Section 20-9-343, MCA, is amended to read:  
13 "20-9-343. Definition of and revenue for state  
14 equalization aid. (1) As used in this title, the term "state  
15 equalization aid" means those moneys deposited in the state  
16 special revenue fund as required in this section plus any  
17 legislative appropriation of moneys from other sources for  
18 distribution to the public schools for the purpose of  
19 equalization of the foundation program.

20 (2) The legislative appropriation for state  
21 equalization aid shall be made in a single sum for the  
22 biennium. The superintendent of public instruction has  
23 authority to spend such appropriation, together with the  
24 earmarked revenues provided in subsection (3), as required  
25 for foundation program purposes throughout the biennium.

1 (3) The following shall be paid into the state special  
2 revenue fund for state equalization aid to public schools of  
3 the state:

4 (a) 25% of all moneys received from the collection of  
5 income taxes under chapter 30 of Title 15;

6 (b) 25% of all moneys, except as provided in  
7 15-31-702, received from the collection of corporation  
8 license taxes under chapter 31 of Title 15, as provided by  
9 15-1-501;

10 (c) 10% of the moneys received from the collection of  
11 the severance tax on coal under chapter 35 of Title 15;

12 (d) 100% of the moneys received from the treasurer of  
13 the United States as the state's shares of oil, gas, and  
14 other mineral royalties under the federal Mineral Lands  
15 Leasing Act, as amended;

16 (e) interest and income moneys described in 20-9-341  
17 and 20-9-342;

18 (f) income from the local impact and education trust  
19 fund account; and

20 (g) in addition to these revenues, the recapture  
21 amounts on additional levies as provided in [section 1] and  
22 the surplus revenues collected by the counties for  
23 foundation program support according to 20-9-331 and  
24 20-9-333 shall be paid into the same state special revenue  
25 fund.

1 (4) Any surplus revenue in the state equalization aid  
2 account in the second year of a biennium may be used to  
3 reduce the appropriation required for the next succeeding  
4 biennium [or may be transferred to the state permissive  
5 account if revenues in that fund are insufficient to meet  
6 the state's permissive amount obligation]."

7 NEW SECTION. Section 4. Codification instruction.  
8 Section 1 is intended to be codified as an integral part of  
9 Title 20, chapter 9, part 3, and the provisions of Title 20  
10 apply to section 1.

-End-