

SENATE BILL NO. 183

INTRODUCED BY REGAN

BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

IN THE SENATE

JANUARY 21, 1987	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
FEBRUARY 21, 1987	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 23, 1987	PRINTING REPORT.
FEBRUARY 24, 1987	SECOND READING, DO PASS.
FEBRUARY 25, 1987	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 45; NOES, 5.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

MARCH 3, 1987	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
APRIL 10, 1987	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
APRIL 13, 1987	ON MOTION, RULES SUSPENDED TO PLACE BILL ON SECOND AND THIRD READING THE 83RD LEGISLATIVE DAY.
APRIL 14, 1987	SECOND READING, CONCURRED IN AS AMENDED.
	THIRD READING, CONCURRED IN. AYES, 50; NOES, 48.

APRIL 14, 1987

ON MOTION, RECONSIDER PREVIOUS ACTION.

THIRD READING, CONCURRED IN.
AYES, 50; NOES, 49.

RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

APRIL 16, 1987

RECEIVED FROM HOUSE.

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 17, 1987

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

APRIL 20, 1987

ENROLLING REPORT.

SIGNED BY PRESIDENT.

IN THE HOUSE

APRIL 20, 1987

SIGNED BY SPEAKER.

IN THE SENATE

APRIL 20, 1987

DELIVERED TO GOVERNOR.

APRIL 22, 1987

RETURNED FROM GOVERNOR WITH
RECOMMENDED AMENDMENTS.

APRIL 23, 1987

ON MOTION, GOVERNOR'S RECOM-
MENDED AMENDMENTS PLACED ON
SECOND READING THIS DAY.

SECOND READING, GOVERNOR'S RECOM-
MENDED AMENDMENTS CONCURRED IN.

THIRD READING, GOVERNOR'S RECOM-
MENDED AMENDMENTS CONCURRED IN.

TRANSMITTED TO HOUSE.

IN THE HOUSE

APRIL 23, 1987

SECOND READING, GOVERNOR'S RECOMMENDED AMENDMENTS CONCURRED IN.

THIRD READING, GOVERNOR'S RECOMMENDED AMENDMENTS CONCURRED IN.

RETURNED TO SENATE.

IN THE SENATE

APRIL 24, 1987

RECEIVED FROM HOUSE.

SENT TO ENROLLING.

1 Senate BILL NO. 183
2 INTRODUCED BY [Signature]
3 BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE, THROUGH A
6 STATEWIDE LEVY AND THE NET LOTTERY REVENUE, STATE AID TO
7 ASSIST THE COUNTIES IN EQUALIZING A PORTION OF THE
8 RETIREMENT FUND OBLIGATIONS OF ELEMENTARY AND HIGH SCHOOL
9 DISTRICTS; TO PROVIDE A METHOD FOR DETERMINING THE LEVEL OF
10 STATE AID AND DISTRIBUTING SUCH AID; AMENDING SECTIONS
11 17-7-502, 20-3-106, AND 20-9-501, MCA, AND SECTION 13,
12 CHAPTER 669, LAWS OF 1985; AND PROVIDING A DELAYED EFFECTIVE
13 DATE."
14

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

16 NEW SECTION. Section 1. Purpose -- policy. (1) It is
17 the purpose of [this act] to respond to the provisions of
18 Initiative 105 adopted by the voters on November 4, 1986.

19 (2) [Sections 2 through 4] provide property tax relief
20 for the types of property described in Initiative 105, and
21 for all other property subject to ad valorem taxation in
22 Montana. [Section 3] provides the alternative source of
23 revenue required by Initiative 105.

24 (3) It is the policy of the 50th legislature that the
25 provisions of [this act] meet the requirements set forth in

1 Initiative 105, adopted by the voters of Montana on November
2 4, 1986.

3 NEW SECTION. Section 2. State retirement equalization
4 account. There is a state retirement equalization account in
5 the state special revenue fund. Money from the statewide
6 levy determined in [section 3] must be deposited in the
7 account. The money in the account is statutorily
8 appropriated, as provided in 17-7-502, to the superintendent
9 of public instruction to assist the counties in equalizing a
10 portion of the retirement fund obligations as provided in
11 20-9-501.

12 NEW SECTION. Section 3. Determination of statewide
13 levy for retirement equalization aid. (1) To assist the
14 counties in equalizing a portion of the retirement fund
15 obligations of the elementary and high school districts for
16 the ensuing school fiscal year, the superintendent of public
17 instruction shall:

18 (a) determine the amount of statewide levy funding
19 that is necessary, when combined with the net lottery
20 revenue from the prior fiscal year as determined by [section
21 13, Chapter 669, Laws of 1985] and any surplus revenue from
22 the prior taxable year in the account provided in [section
23 2], to provide a funding amount equal to 63% of the
24 statewide total for retirement fund obligations, as provided
25 in 20-9-501, for the prior school fiscal year; and

(b) report the required amount of statewide levy funding determined in subsection (1)(a) to the director of the department of revenue by August 1 of the current school fiscal year.

(2) The director shall annually set a levy, on all the real property in the state, that will produce the amount reported in subsection (1)(b). The proceeds of the levy must be deposited in the state retirement equalization account established in [section 2].

NEW SECTION. Section 4. Calculation and distribution of retirement equalization aid. (1) The superintendent of public instruction shall administer the distribution of retirement equalization aid by:

(a) determining the estimated revenue available from:

(i) the statewide levy and the net lottery revenue as provided in [section 3]; and

(ii) any surplus revenue as provided in subsection (2);

(b) establishing the estimated dollar amount per average number belonging (ANB) by dividing the amount determined in subsection (1)(a) by the total state ANB for the prior school fiscal year;

(c) notifying each county superintendent by the fourth Monday in July of the estimated retirement equalization aid available to the county, calculated separately for elementary and high school districts and prorated as

specified in 20-9-501 for any joint school district, so that each county superintendent may use the amounts in the manner prescribed in 20-9-501 to calculate the retirement fund levy requirements for elementary and high school districts in the county;

(d) distributing in two payments, by state warrant, the amount of retirement equalization aid for each county. The first payment must be made by December 15 of the school fiscal year. The second payment must be made at the time of the last payment of state equalization aid as provided in 20-9-344; and

(e) keeping a record of the complete data concerning revenue available for retirement equalization aid and the distribution of such aid.

(2) If the actual proceeds available for retirement equalization are not sufficient to finance the estimated dollar amount per ANB provided for in subsection (1)(b), each county will receive a prorated amount.

Section 5. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be

1 effective, a statutory appropriation must comply with both
2 of the following provisions:

3 (a) The law containing the statutory authority must be
4 listed in subsection (3).

5 (b) The law or portion of the law making a statutory
6 appropriation must specifically state that a statutory
7 appropriation is made as provided in this section.

8 (3) The following laws are the only laws containing
9 statutory appropriations:

10 (a) 2-9-202;
11 (b) 2-17-105;
12 (c) 2-18-812;
13 (d) 10-3-203;
14 (e) 10-3-312;
15 (f) 10-3-314;
16 (g) 10-4-301;
17 (h) 13-37-304;
18 (i) 15-31-702;
19 (j) 15-36-112;
20 (k) 15-70-101;
21 (l) 16-1-404;
22 (m) 16-1-410;
23 (n) 16-1-411;
24 (o) 17-3-212;
25 (p) 17-5-404;

1 (q) 17-5-424;
2 (r) 17-5-804;
3 (s) 19-8-504;
4 (t) 19-9-702;
5 (u) 19-9-1007;
6 (v) 19-10-205;
7 (w) 19-10-305;
8 (x) 19-10-506;
9 (y) 19-11-512;
10 (z) 19-11-513;
11 (aa) 19-11-606;
12 (bb) 19-12-301;
13 (cc) 19-13-604;
14 (dd) 20-6-406;
15 (ee) 20-8-111;
16 (ff) 23-5-612;
17 (gg) 37-51-501;
18 (hh) 53-24-206;
19 (ii) 75-1-1101;
20 (jj) 75-7-305;
21 (kk) 80-2-103;
22 (ll) 80-2-228;
23 (mm) 90-3-301;
24 (nn) 90-3-302;
25 (oo) 90-15-103; and

(pp) Sec. 13, HB 861, L. 1985; and

(qq) [section 2].

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for such payments."

Section 6. Section 20-3-106, MCA, is amended to read:

"20-3-106. Supervision of schools -- powers and duties. The superintendent of public instruction has the general supervision of the public schools and districts of the state, and he shall perform the following duties or acts in implementing and enforcing the provisions of this title:

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

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

(3) negotiate reciprocal tuition agreements with other

states in accordance with the provisions of 20-5-314;

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

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

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

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

(8) generally supervise the school budgeting procedures prescribed by law in accordance with the provisions of 20-9-102 and prescribe the school budget format in accordance with the provisions of 20-9-103 and 20-9-506;

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

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

(11) generally supervise the school financial

1 administration provisions as prescribed by 20-9-201(2);
2 (12) prescribe and furnish the annual report forms to
3 enable the districts to report to the county superintendent
4 in accordance with the provisions of 20-9-213(5) and the
5 annual report forms to enable the county superintendents to
6 report to the superintendent of public instruction in
7 accordance with the provisions of 20-3-209;
8 (13) approve, disapprove, or adjust an increase of the
9 average number belonging (ANB) in accordance with the
10 provisions of 20-9-313 and 20-9-314;
11 (14) distribute state equalization aid in support of
12 the foundation program in accordance with the provisions of
13 20-9-342, 20-9-346, and 20-9-347;
14 (15) distribute state impact aid in accordance with the
15 provisions of 20-9-304;
16 (16) provide for the uniform and equal provision of
17 transportation by performing the duties prescribed by the
18 provisions of 20-10-112;
19 (17) approve or disapprove an adult education program
20 for which a district proposes to levy a tax in accordance
21 with the provisions of 20-7-705;
22 (18) request, accept, deposit, and expend federal
23 moneys in accordance with the provisions of 20-9-603;
24 (19) authorize the use of federal moneys for the
25 support of an interlocal cooperative agreement in accordance

1 with the provisions of 20-9-703 and 20-9-704;
2 (20) prescribe the form and contents of and approve or
3 disapprove interstate contracts in accordance with the
4 provisions of 20-9-705;
5 (21) approve or disapprove the conduct of school on a
6 Saturday or on pupil-instruction-related days in accordance
7 with the provisions of 20-1-303 and 20-1-304;
8 (22) recommend standards of accreditation for all
9 schools to the board of public education and evaluate
10 compliance with such standards and recommend accreditation
11 status of every school to the board of public education in
12 accordance with the provisions of 20-7-101 and 20-7-102;
13 (23) collect and maintain a file of curriculum guides
14 and assist schools with instructional programs in accordance
15 with the provisions of 20-7-113 and 20-7-114;
16 (24) establish and maintain a library of visual, aural,
17 and other educational media in accordance with the
18 provisions of 20-7-201;
19 (25) license textbook dealers and initiate prosecution
20 of textbook dealers violating the law in accordance with the
21 provisions of the textbooks part of this title;
22 (26) as the governing agent and executive officer of
23 the state of Montana for vocational education, adopt the
24 policies prescribed by and in accordance with the provisions
25 of 20-7-301;

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

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

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

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

(31) administer the school food services program in accordance with the provisions of 20-10-201, 20-10-202, and 20-10-203;

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

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

(34) administer the distribution of state retirement equalization aid in accordance with [sections 3 and 4]; and

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

Section 7. Section 20-9-501, MCA, is amended to read:

"20-9-501. Retirement fund. (1) The trustees of any district employing personnel who are members of the teachers' retirement system or the public employees' retirement system or who are covered by unemployment insurance or who are covered by any federal social security system requiring employer contributions shall establish a retirement fund for the purposes of budgeting and paying the employer's contributions to such systems. The district's contribution for each employee who is a member of the teachers' retirement system shall be calculated in accordance with Title 19, chapter 4, part 6. The district's contribution for each employee who is a member of the public employees' retirement system shall be calculated in accordance with 19-3-801. The district may levy a special tax to pay its contribution to the public employees' retirement system under the conditions prescribed in 19-3-204. The district's contributions for each employee covered by any federal social security system shall be paid in accordance with federal law and regulation. The district's contribution for each employee who is covered by unemployment insurance shall be paid in accordance with Title 39, chapter 51, part 11.

(2) The trustees of any district required to make a contribution to any such system shall include in the retirement fund of the preliminary budget the estimated

1 amount of the employer's contribution and such additional
2 moneys, within legal limitations, as they may wish to
3 provide for the retirement fund cash reserve. After the
4 final retirement fund budget has been adopted, the trustees
5 shall pay the employer contributions to such systems in
6 accordance with the financial administration provisions of
7 this title.

8 (3) When the final retirement fund budget has been
9 adopted, the county superintendent shall establish the levy
10 requirement by:

11 (a) determining the sum of the moneys available to
12 reduce the retirement fund levy requirement by adding:

13 (i) any anticipated moneys that may be realized in the
14 retirement fund during the ensuing school fiscal year,
15 including anticipated motor vehicle fees and reimbursement
16 under the provisions of 61-3-532 and 61-3-536;

17 (ii) net proceeds taxes for new production, as defined
18 in 15-23-601; and

19 (iii) any cash available for reappropriation as
20 determined by subtracting the amount of the end-of-the-year
21 cash balance earmarked as the retirement fund cash reserve
22 for the ensuing school fiscal year by the trustees from the
23 end-of-the-year cash balance in the retirement fund. The
24 retirement fund cash reserve shall not be more than 35% of
25 the final retirement fund budget for the ensuing school

1 fiscal year and shall be used for the purpose of paying
2 retirement fund warrants issued by the district under the
3 final retirement fund budget.

4 (b) subtracting the total of the moneys available for
5 reduction of the levy requirement as determined in
6 subsection (3)(a) from the budgeted amount for expenditures
7 in the final retirement fund budget.

8 (4) The county superintendent shall:

9 (a) total the net retirement fund levy requirements
10 separately for all elementary school districts, all high
11 school districts, and all community college districts of the
12 county, including any prorated joint district or special
13 education cooperative agreement levy requirements,---and
14 shall;

15 (b) reduce the total retirement fund levy requirements
16 of elementary school districts and high school districts by
17 the amount available in state retirement equalization aid as
18 calculated and distributed under the provisions of [section
19 4]; and

20 (c) report each such levy requirement to the county
21 commissioners on the second Monday of August as the
22 respective county levy requirements for elementary district,
23 high school district, and community college district
24 retirement funds.

25 (5) The county commissioners shall fix and set such

1 county levy in accordance with 20-9-142.

2 {5}(6) The net retirement fund levy requirement for a
3 joint elementary district or a joint high school district
4 shall be prorated to each county in which a part of such
5 district is located in the same proportion as the district
6 ANB of the joint district is distributed by pupil residence
7 in each such county. The county superintendents of the
8 counties affected shall jointly determine the net retirement
9 fund levy requirement for each county as provided in
10 20-9-151.

11 {6}(7) The net retirement fund levy requirement for
12 districts that are members of special education cooperative
13 agreements shall be prorated to each county in which such
14 district is located in the same proportion as the budget for
15 the special education cooperative agreement of the district
16 bears to the total budget of the cooperative. The county
17 superintendents of the counties affected shall jointly
18 determine the net retirement fund levy requirement for each
19 county in the same manner as provided in 20-9-151 and fix
20 and levy the net retirement fund levy for each county in the
21 same manner as provided in 20-9-152."

22 Section 8. Section 13, Chapter 669, Laws of 1985, is
23 amended to read:

24 "Section 13. Disposition of revenue. (1) As near as
25 possible to 45% of the money paid for tickets or chances in

1 each separate state lottery game must be paid out as prize
2 money for the game.

3 (2) Up to 15% of the gross revenue from the state
4 lottery may be used by the director to pay the operating
5 expenses of the state lottery. Commissions paid to lottery
6 ticket or chance sales agents are a state lottery operating
7 expense.

8 (3) That part of all gross revenue not used for the
9 payment of prizes and operating expenses is net revenue and
10 must be paid quarterly from the enterprise fund established
11 by [section 12] to the superintendent of public instruction
12 for distribution as equalization aid to the retirement fund
13 required--by--20-9-501--{the--net--revenue--is--statutorily,
14 appropriated,--as-provided-in-[section-2-of-House-Bill-12].}
15 The-superintendent-of-public-instruction-shall-establish-the
16 dollar-amount-per-ANB-by-dividing-the--net--lottery--revenue
17 for--the--school--year--by--the-total-state-ANB-in-the-prior
18 school-year--He-shall-then-notify-each-county-superintendent
19 by-the-fourth-Monday-of-July-of-the--total--retirement--fund
20 equalization--aid--available--to--the--county,--as-calculated
21 separately--for--elementary--and--high--school--districts--using
22 the--prior--year's--ANB--and--prorated--as--specified--in
23 20-9-501(6)--for--any--joint-school-district--and--each--county
24 superintendent--must--use--such--amounts--to--reduce--the--total
25 retirement--fund--levy--requirement--for--elementary--school

1 ~~districts-and-the-total-retirement-fund-levy-requirement-for~~
2 ~~high---school---districts,---The---superintendent---of---public~~
3 ~~instruction-shall-then-distribute-by-state-warrant-the-total~~
4 ~~amount-of-retirement-fund-equalization-aid-for---each---county~~
5 ~~by--October--1-of-the-school-fiscal-year~~ fund obligations of
6 elementary and high school districts in the manner provided
7 in [section 3]."

8 NEW SECTION. Section 9. Codification instruction.
9 Sections 1 through 4 are intended to be codified as an
10 integral part of Title 20, chapter 9, part 5, and the
11 provisions of Title 20 apply to sections 1 through 4.

12 NEW SECTION. Section 10. Effective date. This act is
13 effective July 1, 1988.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB183, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to provide through a statewide levy and the net lottery revenue, state aid to assist the counties in equalizing a portion of the retirement fund obligations of elementary and high school districts; to provide a method for determining the level of state aid and distributing such aid.

ASSUMPTIONS:

1. The amount raised statewide for teachers' retirement in FY86 was \$47,553,272. For the purposes of this note, assume this amount stays constant through FY89.
2. The lottery revenue available to offset property tax levies for teachers' retirement will be \$7,463,225 in FY88 and \$9,120,500 in FY89.
3. Assume the statewide property valuation will be \$1,997,193,000 in FY88 and \$2,024,661,000 in FY89.

FISCAL IMPACT:

	FY88			FY89		
Revenues:	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
County Retirement Levy	\$40,090,047	\$47,553,272	\$7,463,225	\$38,432,772	\$17,594,711	(\$20,838,061)
Lottery Revenue	7,463,225	0	(7,463,225)	9,120,500	7,463,225	(1,657,275)
Statewide Levy	0	0	0	0	22,495,336	22,495,336
TOTAL AVAILABLE FOR TEACHERS RETIREMENT	\$47,553,272	\$47,553,272	\$ 0	\$47,553,272	\$47,553,272	\$ 0

A statewide levy of approximately 11 mills in FY89 would be required to fulfill the provisions of this proposal.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

As shown in the table above, the local retirement levy will increase over current law in FY88 because the proposal delays the distribution of lottery revenue until FY89. Beginning in FY89, lottery revenue collected in the prior fiscal year will be distributed to reduce local levies for teacher retirement programs.

The implementation of a statewide levy may cause county levies to increase over current level in high valuation counties; retirement levies in low valuation counties may decrease from current level.

David L. Hunter DATE 1/27/89
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

PAT REGAN DATE _____
PAT REGAN, PRIMARY SPONSOR

Fiscal Note for SB183, as introduced.

513 183

APPROVED BY COMMITTEE
ON TAXATION

SENATE BILL NO. 183

INTRODUCED BY REGAN

BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE, THROUGH A STATEWIDE LEVY AND THE NET LOTTERY REVENUE, STATE AID TO ASSIST THE COUNTIES IN EQUALIZING A PORTION OF THE RETIREMENT FUND OBLIGATIONS OF ELEMENTARY AND HIGH SCHOOL DISTRICTS; TO PROVIDE A METHOD FOR DETERMINING THE LEVEL OF STATE AID AND DISTRIBUTING SUCH AID; AMENDING SECTIONS 17-7-502, 20-3-106, AND 20-9-501, MCA, AND SECTION 13, CHAPTER 669, LAWS OF 1985; AND PROVIDING A DELAYED EFFECTIVE DATE."

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

NEW SECTION. Section 1. Purpose -- policy. (1) It is the purpose of [this act] to respond to the provisions of Initiative 105 adopted by the voters on November 4, 1986.

(2) [Sections 2 through 4] provide property tax relief for the types of property described in Initiative 105, and for all other property subject to ad valorem taxation in Montana. [Section 3] provides the alternative source of revenue required by Initiative 105.

(3) It is the policy of the 50th legislature that the provisions of [this act] meet the requirements set forth in

Initiative 105, adopted by the voters of Montana on November 4, 1986.

NEW SECTION. Section 2. State retirement equalization account -- AUTHORIZATION TO APPROPRIATE. There is a state retirement equalization account in the state special revenue fund. Money from the statewide levy determined in [section 3] must be deposited in the account. The LEGISLATURE MAY APPROPRIATE THE money in the account ~~is--statutorily appropriated--as provided in 17-7-502,~~ to the superintendent of public instruction to assist the counties in equalizing a portion of the retirement fund obligations as provided in 20-9-501.

NEW SECTION. Section 3. Determination of statewide levy for retirement equalization aid. (1) To assist the counties in equalizing a portion of the retirement fund obligations of the elementary and high school districts for the ensuing school fiscal year, the superintendent of public instruction shall:

(a) determine the amount of statewide levy funding that is necessary, when combined with the net lottery revenue from the prior fiscal year as determined by [section 13, Chapter 669, Laws of 1985] and any surplus revenue from the prior taxable year in the account provided in [section 2], to provide a funding amount equal to 63% of the statewide total for retirement fund obligations, as provided

in 20-9-501, for the prior school fiscal year; and

(b) report the required amount of statewide levy funding determined in subsection (1)(a) to the director of the department of revenue by August 1 of the current school fiscal year.

(2) The director shall annually set a levy, on all the real property in the state, that will produce the amount reported in subsection (1)(b). The proceeds of the levy must be deposited in the state retirement equalization account established in [section 2].

NEW SECTION. Section 4. Calculation and distribution of retirement equalization aid. (1) The superintendent of public instruction shall administer the distribution of retirement equalization aid by:

(a) determining the estimated revenue available from:

(i) the statewide levy and the net lottery revenue as provided in [section 3]; and

(ii) any surplus revenue as provided in subsection (2);

(b) establishing the estimated dollar amount per average number belonging (ANB) by dividing the amount determined in subsection (1)(a) by the total state ANB for the prior school fiscal year;

(c) notifying each county superintendent by the fourth Monday in July of the estimated retirement equalization aid available to the county, calculated separately for

elementary and high school districts and prorated as specified in 20-9-501 for any joint school district, so that each county superintendent may use the amounts in the manner prescribed in 20-9-501 to calculate the retirement fund levy requirements for elementary and high school districts in the county;

(d) distributing in two payments, by state warrant, the amount of retirement equalization aid for each county. The first payment must be made by December 15 of the school fiscal year. The second payment must be made at the time of the last payment of state equalization aid as provided in 20-9-344; and

(e) keeping a record of the complete data concerning revenue available for retirement equalization aid and the distribution of such aid.

(2) If the actual proceeds available for retirement equalization are not sufficient to finance the estimated dollar amount per ANB provided for in subsection (1)(b), each county will receive a prorated amount.

~~Section 5.---Section 17-7-502, MCA, is amended to read:~~

~~"17-7-502.---Statutory---appropriations-----definition---requisites-for-validity---(1)-A-statutory---appropriation---is an---appropriation---made---by---permanent---law---that-authorizes spending-by-a-state-agency-without-the-need-for---a---biennial legislative-appropriation-or-budget-amendment;~~

1 {2}--Except--as--provided--in--subsection--{4},--to--be
2 effective--a--statutory--appropriation--must--comply--with--both
3 of--the--following--provisions:

4 {a}--The--law--containing--the--statutory--authority--must--be
5 listed--in--subsection--{3}.

6 {b}--The--law--or--portion--of--the--law--making--a--statutory
7 appropriation--must--specifically--state--that--a--statutory
8 appropriation--is--made--as--provided--in--this--section.

9 {3}--The--following--laws--are--the--only--laws--containing
10 statutory--appropriations:

11 {a}--2-9-202;

12 {b}--2-17-105;

13 {c}--2-10-012;

14 {d}--10-3-203;

15 {e}--10-3-312;

16 {f}--10-3-314;

17 {g}--10-4-301;

18 {h}--13-37-304;

19 {i}--15-31-702;

20 {j}--15-36-112;

21 {k}--15-70-101;

22 {l}--16-1-404;

23 {m}--16-1-410;

24 {n}--16-1-411;

25 {o}--17-3-212;

1 {p}--17-5-404;

2 {q}--17-5-424;

3 {r}--17-5-804;

4 {s}--19-8-504;

5 {t}--19-9-702;

6 {u}--19-9-1007;

7 {v}--19-10-205;

8 {w}--19-10-305;

9 {x}--19-10-506;

10 {y}--19-11-512;

11 {z}--19-11-513;

12 {aa}--19-11-606;

13 {bb}--19-12-301;

14 {cc}--19-13-604;

15 {dd}--20-6-406;

16 {ee}--20-8-111;

17 {ff}--23-5-612;

18 {gg}--37-51-501;

19 {hh}--53-24-206;

20 {ii}--75-1-1101;

21 {jj}--75-7-305;

22 {kk}--80-2-103;

23 {ll}--80-2-228;

24 {mm}--90-3-301;

25 {nn}--90-3-302;

~~{00}-90-15-103, and~~

~~{pp}-Sec-13, HB-861, L-1985, and~~

~~{gg}-section-2,~~

~~{4}--There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana,--Agencies--that--have--entered--into--agreements authorized by the laws of Montana--to pay the--state treasurer,--for--deposit in accordance with 17-2-101 through 17-2-107, as determined by the state--treasurer,--an amount sufficient--to pay the principal and interest as due on the bonds or notes have statutory appropriation authority--for such payments."~~

Section 5. Section 20-3-106, MCA, is amended to read:

"20-3-106. Supervision of schools -- powers and duties. The superintendent of public instruction has the general supervision of the public schools and districts of the state, and he shall perform the following duties or acts in implementing and enforcing the provisions of this title:

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

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

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

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

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

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

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

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

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2 administration provisions as prescribed by 20-9-201(2);

3 (12) prescribe and furnish the annual report forms to
4 enable the districts to report to the county superintendent
5 in accordance with the provisions of 20-9-213(5) and the
6 annual report forms to enable the county superintendents to
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9 (13) approve, disapprove, or adjust an increase of the
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12 (14) distribute state equalization aid in support of
13 the foundation program in accordance with the provisions of
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15 (15) distribute state impact aid in accordance with the
16 provisions of 20-9-304;

17 (16) provide for the uniform and equal provision of
18 transportation by performing the duties prescribed by the
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20 (17) approve or disapprove an adult education program
21 for which a district proposes to levy a tax in accordance
22 with the provisions of 20-7-705;

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

25 (19) authorize the use of federal moneys for the

1 support of an interlocal cooperative agreement in accordance
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3 (20) prescribe the form and contents of and approve or
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6 (21) approve or disapprove the conduct of school on a
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9 (22) recommend standards of accreditation for all
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12 status of every school to the board of public education in
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15 and assist schools with instructional programs in accordance
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17 (24) establish and maintain a library of visual, aural,
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20 (25) license textbook dealers and initiate prosecution
21 of textbook dealers violating the law in accordance with the
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23 (26) as the governing agent and executive officer of
24 the state of Montana for vocational education, adopt the
25 policies prescribed by and in accordance with the provisions

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2 (27) consider applications for the designation of a
3 postsecondary vocational-technical center in accordance with
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6 vocational-technical center fees in accordance with the
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8 (29) supervise and coordinate the conduct of special
9 education in the state in accordance with the provisions of
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11 (30) administer the traffic education program in
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13 (31) administer the school food services program in
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16 (32) review school building plans and specifications in
17 accordance with the provisions of 20-6-622;

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

21 (34) administer the distribution of state retirement
22 equalization aid in accordance with [sections 3 and 4]; and

23 ~~{34}~~ (35) perform any other duty prescribed from time to
24 time by this title, any other act of the legislature, or the
25 policies of the board of public education."

1 Section 6. Section 20-9-501, MCA, is amended to read:

2 "20-9-501. Retirement fund. (1) The trustees of any
3 district employing personnel who are members of the
4 teachers' retirement system or the public employees'
5 retirement system or who are covered by unemployment
6 insurance or who are covered by any federal social security
7 system requiring employer contributions shall establish a
8 retirement fund for the purposes of budgeting and paying the
9 employer's contributions to such systems. The district's
10 contribution for each employee who is a member of the
11 teachers' retirement system shall be calculated in
12 accordance with Title 19, chapter 4, part 6. The district's
13 contribution for each employee who is a member of the public
14 employees' retirement system shall be calculated in
15 accordance with 19-3-801. The district may levy a special
16 tax to pay its contribution to the public employees'
17 retirement system under the conditions prescribed in
18 19-3-204. The district's contributions for each employee
19 covered by any federal social security system shall be paid
20 in accordance with federal law and regulation. The
21 district's contribution for each employee who is covered by
22 unemployment insurance shall be paid in accordance with
23 Title 39, chapter 51, part 11.

24 (2) The trustees of any district required to make a
25 contribution to any such system shall include in the

1 retirement fund of the preliminary budget the estimated
 2 amount of the employer's contribution and such additional
 3 moneys, within legal limitations, as they may wish to
 4 provide for the retirement fund cash reserve. After the
 5 final retirement fund budget has been adopted, the trustees
 6 shall pay the employer contributions to such systems in
 7 accordance with the financial administration provisions of
 8 this title.

9 (3) When the final retirement fund budget has been
 10 adopted, the county superintendent shall establish the levy
 11 requirement by:

12 (a) determining the sum of the moneys available to
 13 reduce the retirement fund levy requirement by adding:

14 (i) any anticipated moneys that may be realized in the
 15 retirement fund during the ensuing school fiscal year,
 16 including anticipated motor vehicle fees and reimbursement
 17 under the provisions of 61-3-532 and 61-3-536;

18 (ii) net proceeds taxes for new production, as defined
 19 in 15-23-601; and

20 (iii) any cash available for reappropriation as
 21 determined by subtracting the amount of the end-of-the-year
 22 cash balance earmarked as the retirement fund cash reserve
 23 for the ensuing school fiscal year by the trustees from the
 24 end-of-the-year cash balance in the retirement fund. The
 25 retirement fund cash reserve shall not be more than 35% of

1 the final retirement fund budget for the ensuing school
 2 fiscal year and shall be used for the purpose of paying
 3 retirement fund warrants issued by the district under the
 4 final retirement fund budget.

5 (b) subtracting the total of the moneys available for
 6 reduction of the levy requirement as determined in
 7 subsection (3)(a) from the budgeted amount for expenditures
 8 in the final retirement fund budget.

9 (4) The county superintendent shall:

10 (a) total the net retirement fund levy requirements
 11 separately for all elementary school districts, all high
 12 school districts, and all community college districts of the
 13 county, including any prorated joint district or special
 14 education cooperative agreement levy requirements,---and
 15 shall;

16 (b) reduce the total retirement fund levy requirements
 17 of elementary school districts and high school districts by
 18 the amount available in state retirement equalization aid as
 19 calculated and distributed under the provisions of [section
 20 4]; and

21 (c) report each such levy requirement to the county
 22 commissioners on the second Monday of August as the
 23 respective county levy requirements for elementary district,
 24 high school district, and community college district
 25 retirement funds.

1 (5) The county commissioners shall fix and set such
2 county levy in accordance with 20-9-142.

3 ~~(5)~~(6) The net retirement fund levy requirement for a
4 joint elementary district or a joint high school district
5 shall be prorated to each county in which a part of such
6 district is located in the same proportion as the district
7 ANB of the joint district is distributed by pupil residence
8 in each such county. The county superintendents of the
9 counties affected shall jointly determine the net retirement
10 fund levy requirement for each county as provided in
11 20-9-151.

12 ~~(6)~~(7) The net retirement fund levy requirement for
13 districts that are members of special education cooperative
14 agreements shall be prorated to each county in which such
15 district is located in the same proportion as the budget for
16 the special education cooperative agreement of the district
17 bears to the total budget of the cooperative. The county
18 superintendents of the counties affected shall jointly
19 determine the net retirement fund levy requirement for each
20 county in the same manner as provided in 20-9-151 and fix
21 and levy the net retirement fund levy for each county in the
22 same manner as provided in 20-9-152."

23 Section 7. Section 13, Chapter 669, Laws of 1985, is
24 amended to read:

25 "Section 13. Disposition of revenue. (1) As near as

1 possible to 45% of the money paid for tickets or chances in
2 each separate state lottery game must be paid out as prize
3 money for the game.

4 (2) Up to 15% of the gross revenue from the state
5 lottery may be used by the director to pay the operating
6 expenses of the state lottery. Commissions paid to lottery
7 ticket or chance sales agents are a state lottery operating
8 expense.

9 (3) That part of all gross revenue not used for the
10 payment of prizes and operating expenses is net revenue and
11 must be paid quarterly from the enterprise fund established
12 by [section 12] to the superintendent of public instruction
13 for distribution as equalization aid to the retirement funds
14 ~~required--by--20-9-501--{The--net--revenue--is--statutorily~~
15 ~~appropriated,--as-provided-in-{section-2-of-House-Bill-12}-}~~
16 ~~The-superintendent-of-public-instruction-shall-establish-the~~
17 ~~dollar-amount-per-ANB-by-dividing-the--net--lottery--revenue~~
18 ~~for--the--school--year--by--the-total-state-ANB-in-the-prior~~
19 ~~school-year--He-shall-then-notify-each-county-superintendent~~
20 ~~by-the-fourth-Monday-of-July-of-the--total--retirement--fund~~
21 ~~equalization--aid--available--to--the--county,--as-calculated~~
22 ~~separately-for-elementary-and-high--school--districts--using~~
23 ~~the--prior--year's--ANB--and--prorated--as--specified--in~~
24 ~~20-9-501(6)-for-any-joint-school-district,--and--each--county~~
25 ~~superintendent--must--use--such--amounts-to-reduce-the-total~~

1 retirement--fund--levy--requirement--for--elementary--school
2 districts-and-the-total-retirement-fund-levy-requirement-for
3 high---school---districts.---The--superintendent--of--public
4 instruction-shall-then-distribute-by-state-warrant-the-total
5 amount-of-retirement-fund-equalization-aid-for--each--county
6 by--October--1-of-the-school-fiscal-year fund obligations of
7 elementary and high school districts in the manner provided
8 in [section 3]."

9 NEW SECTION. Section 8. Codification instruction.
10 Sections 1 through 4 are intended to be codified as an
11 integral part of Title 20, chapter 9, part 5, and the
12 provisions of Title 20 apply to sections 1 through 4.

13 NEW SECTION. Section 9. Effective date. This act is
14 effective July 1, 1988.

-End-

SENATE BILL NO. 183

INTRODUCED BY REGAN

BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE, THROUGH A STATEWIDE LEVY AND THE NET LOTTERY REVENUE, STATE AID TO ASSIST THE COUNTIES IN EQUALIZING A PORTION OF THE RETIREMENT FUND OBLIGATIONS OF ELEMENTARY AND HIGH SCHOOL DISTRICTS; TO PROVIDE A METHOD FOR DETERMINING THE LEVEL OF STATE AID AND DISTRIBUTING SUCH AID; AMENDING SECTIONS 17-7-502, 20-3-106, AND 20-9-501, MCA, AND SECTION 13, CHAPTER 669, LAWS OF 1985; AND PROVIDING A DELAYED EFFECTIVE DATE."

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

NEW SECTION. Section 1. Purpose -- policy. (1) It is the purpose of [this act] to respond to the provisions of Initiative 105 adopted by the voters on November 4, 1986.

(2) [Sections 2 through 4] provide property tax relief for the types of property described in Initiative 105, and for all other property subject to ad valorem taxation in Montana. [Section 3] provides the alternative source of revenue required by Initiative 105.

(3) It is the policy of the 50th legislature that the provisions of [this act] meet the requirements set forth in

Initiative 105, adopted by the voters of Montana on November 4, 1986.

NEW SECTION. Section 2. State retirement equalization account -- AUTHORIZATION TO APPROPRIATE. There is a state retirement equalization account in the state special revenue fund. Money from the statewide levy determined in [section 3] must be deposited in the account. The LEGISLATURE MAY APPROPRIATE THE money in the account ~~is--statutorily appropriated, as provided in 17-7-502,~~ to the superintendent of public instruction to assist the counties in equalizing a portion of the retirement fund obligations as provided in 20-9-501.

NEW SECTION. Section 3. Determination of statewide levy for retirement equalization aid. (1) To assist the counties in equalizing a portion of the retirement fund obligations of the elementary and high school districts for the ensuing school fiscal year, the superintendent of public instruction shall:

(a) determine the amount of statewide levy funding that is necessary, when combined with the net lottery revenue from the prior fiscal year as determined by [section 13, Chapter 669, Laws of 1985] and any surplus revenue from the prior taxable year in the account provided in [section 2], to provide a funding amount equal to 63% of the statewide total for retirement fund obligations, as provided

in 20-9-501, for the prior school fiscal year; and

(b) report the required amount of statewide levy funding determined in subsection (1)(a) to the director of the department of revenue by August 1 of the current school fiscal year.

(2) The director shall annually set a levy, on all the real property in the state, that will produce the amount reported in subsection (1)(b). The proceeds of the levy must be deposited in the state retirement equalization account established in [section 2].

NEW SECTION. Section 4. Calculation and distribution of retirement equalization aid. (1) The superintendent of public instruction shall administer the distribution of retirement equalization aid by:

(a) determining the estimated revenue available from:

(i) the statewide levy and the net lottery revenue as provided in [section 3]; and

(ii) any surplus revenue as provided in subsection (2);

(b) establishing the estimated dollar amount per average number belonging (ANB) by dividing the amount determined in subsection (1)(a) by the total state ANB for the prior school fiscal year;

(c) notifying each county superintendent by the fourth Monday in July of the estimated retirement equalization aid available to the county, calculated separately for

elementary and high school districts and prorated as specified in 20-9-501 for any joint school district, so that each county superintendent may use the amounts in the manner prescribed in 20-9-501 to calculate the retirement fund levy requirements for elementary and high school districts in the county;

(d) distributing in two payments, by state warrant, the amount of retirement equalization aid for each county. The first payment must be made by December 15 of the school fiscal year. The second payment must be made at the time of the last payment of state equalization aid as provided in 20-9-344; and

(e) keeping a record of the complete data concerning revenue available for retirement equalization aid and the distribution of such aid.

(2) If the actual proceeds available for retirement equalization are not sufficient to finance the estimated dollar amount per ANB provided for in subsection (1)(b), each county will receive a prorated amount.

~~Section-5--Section-17-7-502--MEA--is-amended-to--read:~~

~~*17-7-502--Statutory--appropriations-----definition--requisites-for-validity--(1)-A-statutory--appropriation--is an--appropriation--made--by--permanent--law--that-authorizes spending-by-a-state-agency-without-the-need-for--a--biennial legislative-appropriation-or-budget-amendment.~~

1 {2}--Except--as--provided--in--subsection--{4},--to--be
 2 effective--a--statutory--appropriation--must--comply--with--both
 3 of--the--following--provisions:
 4 {a}--The--law--containing--the--statutory--authority--must--be
 5 listed--in--subsection--{3},
 6 {b}--The--law--or--portion--of--the--law--making--a--statutory
 7 appropriation--must--specifically--state--that--a--statutory
 8 appropriation--is--made--as--provided--in--this--section:
 9 {3}--The--following--laws--are--the--only--laws--containing
 10 statutory--appropriations:
 11 {a}--2-9-202;
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 24 {mm}--90-3-301;
 25 {nn}--90-3-302;

~~{cc}-98-15-103;-and~~

~~{pp}-Sec.-137-HB-8617-67-1985;-and~~

~~{gg}-{section-2}:-~~

~~{4}--There-is-a--statutory--appropriation--to--pay--the
principal;-interest;-premiums;-and-costs-of-issuing;-paying;
and-securing-all-bonds;-notes;-or-other-obligations;-as-due;
that-have-been-authorized-and-issued-pursuant-to-the-laws-of
Montana;---Agencies---that---have--entered--into--agreements
authorized--by--the--laws--of--Montana--to--pay--the---state
treasurer;-for--deposit-in-accordance-with-17-2-101-through
17-2-107;-as-determined-by-the-state--treasurer;-an-amount
sufficient--to--pay-the-principal-and-interest-as-due-on-the
bonds-or-notes-have-statutory--appropriation--authority--for
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~~(34)~~(35) perform any other duty prescribed from time to time by this title, any other act of the legislature, or the policies of the board of public education."

Section 6. Section 20-9-501, MCA, is amended to read:

"20-9-501. Retirement fund. (1) The trustees of any district employing personnel who are members of the teachers' retirement system or the public employees' retirement system or who are covered by unemployment insurance or who are covered by any federal social security system requiring employer contributions shall establish a retirement fund for the purposes of budgeting and paying the employer's contributions to such systems. The district's contribution for each employee who is a member of the teachers' retirement system shall be calculated in accordance with Title 19, chapter 4, part 6. The district's contribution for each employee who is a member of the public employees' retirement system shall be calculated in accordance with 19-3-801. The district may levy a special tax to pay its contribution to the public employees' retirement system under the conditions prescribed in 19-3-204. The district's contributions for each employee covered by any federal social security system shall be paid in accordance with federal law and regulation. The district's contribution for each employee who is covered by unemployment insurance shall be paid in accordance with Title 19, chapter 51, part 11.

(2) The trustees of any district required to make a contribution to any such system shall include in the

retirement fund of the preliminary budget the estimated amount of the employer's contribution and such additional moneys, within legal limitations, as they may wish to provide for the retirement fund cash reserve. After the final retirement fund budget has been adopted, the trustees shall pay the employer contributions to such systems in accordance with the financial administration provisions of this title.

(3) When the final retirement fund budget has been adopted, the county superintendent shall establish the levy requirement by:

(a) determining the sum of the moneys available to reduce the retirement fund levy requirement by adding:

(i) any anticipated moneys that may be realized in the retirement fund during the ensuing school fiscal year, including anticipated motor vehicle fees and reimbursement under the provisions of 61-3-532 and 61-3-536;

(ii) net proceeds taxes for new production, as defined in 15-23-601; and

(iii) any cash available for reappropriation as determined by subtracting the amount of the end-of-the-year cash balance earmarked as the retirement fund cash reserve for the ensuing school fiscal year by the trustees from the end-of-the-year cash balance in the retirement fund. The retirement fund cash reserve shall not be more than 35% of

the final retirement fund budget for the ensuing school fiscal year and shall be used for the purpose of paying retirement fund warrants issued by the district under the final retirement fund budget.

(b) subtracting the total of the moneys available for reduction of the levy requirement as determined in subsection (3)(a) from the budgeted amount for expenditures in the final retirement fund budget.

(4) The county superintendent shall:

(a) total the net retirement fund levy requirements separately for all elementary school districts, all high school districts, and all community college districts of the county, including any prorated joint district or special education cooperative agreement levy requirements,---and shall;

(b) reduce the total retirement fund levy requirements of elementary school districts and high school districts by the amount available in state retirement equalization aid as calculated and distributed under the provisions of [section 4]; and

(c) report each such levy requirement to the county commissioners on the second Monday of August as the respective county levy requirements for elementary district, high school district, and community college district retirement funds.

(5) The county commissioners shall fix and set such county levy in accordance with 20-9-142.

{5}(6) The net retirement fund levy requirement for a joint elementary district or a joint high school district shall be prorated to each county in which a part of such district is located in the same proportion as the district ANB of the joint district is distributed by pupil residence in each such county. The county superintendents of the counties affected shall jointly determine the net retirement fund levy requirement for each county as provided in 20-9-151.

{6}(7) The net retirement fund levy requirement for districts that are members of special education cooperative agreements shall be prorated to each county in which such district is located in the same proportion as the budget for the special education cooperative agreement of the district bears to the total budget of the cooperative. The county superintendents of the counties affected shall jointly determine the net retirement fund levy requirement for each county in the same manner as provided in 20-9-151 and fix and levy the net retirement fund levy for each county in the same manner as provided in 20-9-152."

Section 7. Section 13, Chapter 669, Laws of 1985, is amended to read:

"Section 13. Disposition of revenue. (1) As near as

possible to 45% of the money paid for tickets or chances in each separate state lottery game must be paid out as prize money for the game.

(2) Up to 15% of the gross revenue from the state lottery may be used by the director to pay the operating expenses of the state lottery. Commissions paid to lottery ticket or chance sales agents are a state lottery operating expense.

(3) That part of all gross revenue not used for the payment of prizes and operating expenses is net revenue and must be paid quarterly from the enterprise fund established by [section 12] to the superintendent of public instruction for distribution as equalization aid to the retirement funds required--by--20-9-501,--{The--net--revenue--is--statutorily appropriated,--as--provided--in--{section-2-of-House-Bill-12},--} The--superintendent--of--public--instruction--shall--establish--the dollar--amount--per--ANB--by--dividing--the--net--lottery--revenue for--the--school--year--by--the--total--state--ANB--in--the--prior school--year. He--shall--then--notify--each--county--superintendent by--the--fourth--Monday--of--July--of--the--total--retirement--fund equalization--aid--available--to--the--county,--as--calculated separately--for--elementary--and--high--school--districts--using the--prior--year's--ANB--and--prorated--as--specified--in 20-9-501{6}--for--any--joint--school--district,--and--each--county superintendent--must--use--such--amounts--to--reduce--the--total

1 retirement--fund--levy--requirement--for--elementary--school
2 districts-and-the-total-retirement-fund-levy-requirement-for
3 high---school---districts,---The--superintendent--of--public
4 instruction-shall-then-distribute-by-state-warrant-the-total
5 amount-of-retirement-fund-equalization-aid-for--each--county
6 by--October--1-of-the-school-fiscal-year fund obligations of
7 elementary and high school districts in the manner provided
8 in [section 3]."

9 NEW SECTION. Section 8. Codification instruction.
10 Sections 1 through 4 are intended to be codified as an
11 integral part of Title 20, chapter 9, part 5, and the
12 provisions of Title 20 apply to sections 1 through 4.

13 NEW SECTION. Section 9. Effective date. This act is
14 effective July 1, 1988.

-End-

SENATE BILL NO. 183

INTRODUCED BY REGAN

BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE, THROUGH A STATEWIDE LEVY AND THE NET LOTTERY REVENUE, STATE AID TO ASSIST THE COUNTIES IN EQUALIZING A PORTION OF THE RETIREMENT FUND OBLIGATIONS OF ELEMENTARY AND HIGH SCHOOL DISTRICTS; TO PROVIDE A METHOD FOR DETERMINING THE LEVEL OF STATE AID AND DISTRIBUTING SUCH AID; AMENDING SECTIONS 17-7-502, 20-3-106, AND 20-9-501, MCA, AND SECTION 13, CHAPTER 669, LAWS OF 1985; AND PROVIDING A DELAYED EFFECTIVE DATE."

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

NEW SECTION. Section 1. Purpose. Policy. (1) It is the purpose of this act to respond to the provisions of initiative 105 adopted by the voters on November 4, 1986.

(2) Sections 2 through 4 provide property tax relief for the types of property described in initiative 105 and for all other property subject to ad valorem taxation in Montana. (3) Section 3 provides the alternative source of revenue required by initiative 105.

(3) It is the policy of the 50th legislature that the provisions of this act meet the requirements set forth in

initiative 105, adopted by the voters of Montana on November 4, 1986.

NEW SECTION. Section 1. State retirement equalization account -- AUTHORIZATION TO APPROPRIATE. There is a state retirement equalization account in the state special revenue fund. Money from the statewide levy determined in [section 3] must be deposited in the account. The LEGISLATURE MAY APPROPRIATE THE money in the account is statutorily appropriated, as provided in 17-7-502, to the superintendent of public instruction to assist the counties in equalizing a portion of the retirement fund obligations as provided in 20-9-501.

NEW SECTION. Section 2. Determination of statewide STATEWIDE levy for retirement equalization aid. (1) To assist the counties in equalizing a portion of the retirement fund obligations of the elementary and high school districts for the ensuing school fiscal year, the superintendent of public instruction shall:

(a) determine the amount of statewide levy funding that is necessary, when combined with the net lottery revenue from the prior fiscal year as determined by [section 13, Chapter 669, laws of 1985] and any surplus revenue from the prior taxable year in the account provided in [section 2], to provide a funding amount equal to 63% of the statewide total for retirement fund obligations, as provided

~~in-20-9-501;--for-the-prior-school-fiscal-year;--and~~

~~(b)--report--the--required--amount--of--statewide--levy
funding--determined--in-subsection-(1)(a)--to-the-director-of
the-department-of-revenue-by-August-1-of-the-current--school
fiscal-year;~~

~~(2)--The director OF THE DEPARTMENT OF REVENUE shall
annually set a 9-MILL levy, on all the real property in the
state;--that--will-produce-the-amount-reported-in-subsection
(1)(b). The proceeds of the levy must be deposited in the
state retirement equalization account established in
[section 2 1].~~

NEW SECTION. Section 3. Calculation and distribution
of retirement equalization aid. (1) The superintendent of
public instruction shall administer the distribution of
retirement equalization aid by:

(a) determining the estimated revenue available from:

(i) the statewide levy PROVIDED FOR IN [SECTION 2] and
the net lottery revenue as provided in ~~{section-3}~~ [SECTION
4 OF HOUSE BILL NO. 374]; and

(ii) any surplus revenue as provided in subsection (2);

(b) establishing the estimated dollar amount per
average number belonging (ANB) by dividing the amount
determined in subsection (1)(a) by the total state ANB for
the prior school fiscal year;

(c) notifying each county superintendent by the fourth

Monday in July of the estimated retirement equalization aid
available to the county, calculated separately for
elementary and high school districts and prorated as
specified in 20-9-501 for any joint school district, so that
each county superintendent may use the amounts in the manner
prescribed in 20-9-501 to calculate the retirement fund levy
requirements for elementary and high school districts in the
county;

(d) distributing in two payments, by state warrant,
the amount of retirement equalization aid for each county.
The first payment must be made by December 15 of the school
fiscal year. The second payment must be made at the time of
the last payment of state equalization aid as provided in
20-9-344; and

(e) keeping a record of the complete data concerning
revenue available for retirement equalization aid and the
distribution of such aid.

(2) If the actual proceeds available for retirement
equalization are not sufficient to finance the estimated
dollar amount per ANB provided for in subsection (1)(b),
each county will receive a prorated amount.

~~Section-5;--Section-17-7-502;--MCA;--is-amended-to--read:~~

~~"17-7-502;--Statutory--appropriations----definition--
requisites-for-validity;--(1)--A-statutory--appropriation--is
an--appropriation--made--by--permanent--law--that-authorizes~~

1 spending-by-a-state-agency-without-the-need-for--a--biennial
2 legislative-appropriation-or-budget-amendment;

3 {2}--Except--as--provided--in--subsection--{4};--to--be
4 effective, a statutory appropriation must comply--with--both
5 of-the-following-provisions:

6 {a}--The-law-containing-the-statutory-authority-must-be
7 listed-in-subsection-{3};

8 {b}--The--law--or-portion-of-the-law-making-a-statutory
9 appropriation--must--specifically--state--that--a--statutory
10 appropriation-is-made-as-provided-in-this-section;

11 {3}--The--following--laws--are-the-only-laws-containing
12 statutory-appropriations:

13 {a}--2-9-202;

14 {b}--2-17-105;

15 {c}--2-10-012;

16 {d}--10-3-203;

17 {e}--10-3-312;

18 {f}--10-3-314;

19 {g}--10-4-301;

20 {h}--13-37-304;

21 {i}--15-31-702;

22 {j}--15-36-112;

23 {k}--15-70-101;

24 {l}--16-1-404;

25 {m}--16-1-410;

1 {n}--16-1-411;

2 {o}--17-3-212;

3 {p}--17-5-404;

4 {q}--17-5-424;

5 {r}--17-5-804;

6 {s}--19-8-504;

7 {t}--19-9-702;

8 {u}--19-9-1007;

9 {v}--19-10-205;

10 {w}--19-10-305;

11 {x}--19-10-506;

12 {y}--19-11-512;

13 {z}--19-11-513;

14 {aa}--19-11-606;

15 {bb}--19-12-301;

16 {cc}--19-13-604;

17 {dd}--20-6-406;

18 {ee}--20-8-111;

19 {ff}--23-5-612;

20 {gg}--37-51-501;

21 {hh}--53-24-206;

22 {ii}--75-1-1101;

23 {jj}--75-7-305;

24 {kk}--80-2-103;

25 {ll}--80-2-220;

1 ~~{mm}-98-3-301;~~
 2 ~~{nn}-98-3-302;~~
 3 ~~{oo}-98-15-103;-and~~
 4 ~~{pp}-Sec--13;-HB-861;-b;-1985;-and~~
 5 ~~{qq}-{section-2}:-~~
 6 ~~{4}--There-is-a--statutory--appropriation--to--pay--the~~
 7 ~~principal;-interest;-premiums;-and-costs-of-issuing;-paying;~~
 8 ~~and-securing-all-bonds;-notes;-or-other-obligations;-as-due;~~
 9 ~~that-have-been-authorized-and-issued-pursuant-to-the-laws-of~~
 10 ~~Montana;---Agencies---that---have--entered--into--agreements~~
 11 ~~authorized--by--the--laws--of--Montana--to--pay--the---state~~
 12 ~~treasurer;-for--deposit-in-accordance-with-17-2-101-through~~
 13 ~~17-2-107;-as-determined-by-the-state--treasurer;-an--amount~~
 14 ~~sufficient--to--pay-the-principal-and-interest-as-due-on-the~~
 15 ~~bonds-or-notes-have-statutory--appropriation--authority--for~~
 16 ~~such-payments-"~~

17 Section 4. Section 20-3-106, MCA, is amended to read:
 18 "20-3-106. Supervision of schools -- powers and
 19 duties. The superintendent of public instruction has the
 20 general supervision of the public schools and districts of
 21 the state, and he shall perform the following duties or acts
 22 in implementing and enforcing the provisions of this title:
 23 (1) resolve any controversy resulting from the
 24 proration of costs by a joint board of trustees under the
 25 provisions of 20-3-362;

1 (2) issue, renew, or deny teacher certification and
 2 emergency authorizations of employment;
 3 (3) negotiate reciprocal tuition agreements with other
 4 states in accordance with the provisions of 20-5-314;
 5 (4) serve on the teachers' retirement board in
 6 accordance with the provisions of 2-15-1010;
 7 (5) approve or disapprove the orders of a high school
 8 boundary commission in accordance with the provisions of
 9 20-6-311;
 10 (6) approve or disapprove the opening or reopening of
 11 a school in accordance with the provisions of 20-6-502,
 12 20-6-503, 20-6-504, or 20-6-505;
 13 (7) approve or disapprove school isolation within the
 14 limitations prescribed by 20-9-302;
 15 (8) generally supervise the school budgeting
 16 procedures prescribed by law in accordance with the
 17 provisions of 20-9-102 and prescribe the school budget
 18 format in accordance with the provisions of 20-9-103 and
 19 20-9-506;
 20 (9) establish a system of communication for
 21 calculating joint district revenues in accordance with the
 22 provisions of 20-9-151;
 23 (10) approve or disapprove the adoption of a district's
 24 emergency budget resolution under the conditions prescribed
 25 in 20-9-163 and publish rules for an application for

1 additional state aid for an emergency budget in accordance
2 with the approval and disbursement provisions of 20-9-166;

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

5 (12) prescribe and furnish the annual report forms to
6 enable the districts to report to the county superintendent
7 in accordance with the provisions of 20-9-213(5) and the
8 annual report forms to enable the county superintendents to
9 report to the superintendent of public instruction in
10 accordance with the provisions of 20-3-209;

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

14 (14) distribute state equalization aid in support of
15 the foundation program in accordance with the provisions of
16 20-9-342, 20-9-346, and 20-9-347;

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

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

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

25 (18) request, accept, deposit, and expend federal

1 moneys in accordance with the provisions of 20-9-603;

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

5 (20) prescribe the form and contents of and approve or
6 disapprove interstate contracts in accordance with the
7 provisions of 20-9-705;

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

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

16 (23) collect and maintain a file of curriculum guides
17 and assist schools with instructional programs in accordance
18 with the provisions of 20-7-113 and 20-7-114;

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

22 (25) license textbook dealers and initiate prosecution
23 of textbook dealers violating the law in accordance with the
24 provisions of the textbooks part of this title;

25 (26) as the governing agent and executive officer of

1 the state of Montana for vocational education, adopt the
2 policies prescribed by and in accordance with the provisions
3 of 20-7-301;

4 (27) consider applications for the designation of a
5 postsecondary vocational-technical center in accordance with
6 the provisions of 20-7-311;

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

10 (29) supervise and coordinate the conduct of special
11 education in the state in accordance with the provisions of
12 20-7-403;

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

15 (31) administer the school food services program in
16 accordance with the provisions of 20-10-201, 20-10-202, and
17 20-10-203;

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

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

23 (34) administer the distribution of state retirement
24 equalization aid in accordance with {sections--3-and-4}
25 {SECTION 3}; and

1 ~~{34}~~(35) perform any other duty prescribed from time to
2 time by this title, any other act of the legislature, or the
3 policies of the board of public education."

4 Section 5. Section 20-9-501, MCA, is amended to read:

5 "20-9-501. Retirement fund. (1) The trustees of any
6 district employing personnel who are members of the
7 teachers' retirement system or the public employees'
8 retirement system or who are covered by unemployment
9 insurance or who are covered by any federal social security
10 system requiring employer contributions shall establish a
11 retirement fund for the purposes of budgeting and paying the
12 employer's contributions to such systems. The district's
13 contribution for each employee who is a member of the
14 teachers' retirement system shall be calculated in
15 accordance with Title 19, chapter 4, part 6. The district's
16 contribution for each employee who is a member of the public
17 employees' retirement system shall be calculated in
18 accordance with 19-3-801. The district may levy a special
19 tax to pay its contribution to the public employees'
20 retirement system under the conditions prescribed in
21 19-3-204. The district's contributions for each employee
22 covered by any federal social security system shall be paid
23 in accordance with federal law and regulation. The
24 district's contribution for each employee who is covered by
25 unemployment insurance shall be paid in accordance with

1 Title 39, chapter 51, part 11.

2 (2) The trustees of any district required to make a
3 contribution to any such system shall include in the
4 retirement fund of the preliminary budget the estimated
5 amount of the employer's contribution and such additional
6 moneys, within legal limitations, as they may wish to
7 provide for the retirement fund cash reserve. After the
8 final retirement fund budget has been adopted, the trustees
9 shall pay the employer contributions to such systems in
10 accordance with the financial administration provisions of
11 this title.

12 (3) When the final retirement fund budget has been
13 adopted, the county superintendent shall establish the levy
14 requirement by:

15 (a) determining the sum of the moneys available to
16 reduce the retirement fund levy requirement by adding:

17 (i) any anticipated moneys that may be realized in the
18 retirement fund during the ensuing school fiscal year,
19 including anticipated motor vehicle fees and reimbursement
20 under the provisions of 61-3-532 and 61-3-536;

21 (ii) net proceeds taxes for new production, as defined
22 in 15-23-601; and

23 (iii) any cash available for reappropriation as
24 determined by subtracting the amount of the end-of-the-year
25 cash balance earmarked as the retirement fund cash reserve

1 for the ensuing school fiscal year by the trustees from the
2 end-of-the-year cash balance in the retirement fund. The
3 retirement fund cash reserve shall not be more than 35% of
4 the final retirement fund budget for the ensuing school
5 fiscal year and shall be used for the purpose of paying
6 retirement fund warrants issued by the district under the
7 final retirement fund budget.

8 (b) subtracting the total of the moneys available for
9 reduction of the levy requirement as determined in
10 subsection (3)(a) from the budgeted amount for expenditures
11 in the final retirement fund budget.

12 (4) The county superintendent shall:

13 (a) total the net retirement fund levy requirements
14 separately for all elementary school districts, all high
15 school districts, and all community college districts of the
16 county, including any prorated joint district or special
17 education cooperative agreement levy requirements;---and
18 shall;

19 (b) reduce the total retirement fund levy requirements
20 of elementary school districts and high school districts by
21 the amount available in state retirement equalization aid as
22 calculated and distributed under the provisions of [section
23 4 3]; and

24 (c) report each such levy requirement to the county
25 commissioners on the second Monday of August as the

1 respective county levy requirements for elementary district,
2 high school district, and community college district
3 retirement funds.

4 (5) The county commissioners shall fix and set such
5 county levy in accordance with 20-9-142.

6 ~~(5)~~(6) The net retirement fund levy requirement for a
7 joint elementary district or a joint high school district
8 shall be prorated to each county in which a part of such
9 district is located in the same proportion as the district
10 ANB of the joint district is distributed by pupil residence
11 in each such county. The county superintendents of the
12 counties affected shall jointly determine the net retirement
13 fund levy requirement for each county as provided in
14 20-9-151.

15 ~~(6)~~(7) The net retirement fund levy requirement for
16 districts that are members of special education cooperative
17 agreements shall be prorated to each county in which such
18 district is located in the same proportion as the budget for
19 the special education cooperative agreement of the district
20 bears to the total budget of the cooperative. The county
21 superintendents of the counties affected shall jointly
22 determine the net retirement fund levy requirement for each
23 county in the same manner as provided in 20-9-151 and fix
24 and levy the net retirement fund levy for each county in the
25 same manner as provided in 20-9-152."

1 Section 6. Section 13, Chapter 669, Laws of 1985, is
2 amended to read:

3 "Section 13. Disposition of revenue. (1) As near as
4 possible to 45% of the money paid for tickets or chances in
5 each separate state lottery game must be paid out as prize
6 money for the game.

7 (2) Up to 15% of the gross revenue from the state
8 lottery may be used by the director to pay the operating
9 expenses of the state lottery. Commissions paid to lottery
10 ticket or chance sales agents are a state lottery operating
11 expense.

12 (3) That part of all gross revenue not used for the
13 payment of prizes and operating expenses is net revenue and
14 must be paid quarterly from the enterprise fund established
15 by [section 12] to the superintendent of public instruction
16 for distribution as equalization aid to the retirement funds
17 required--by--20-9-501--~~{The--net--revenue--is--statutorily~~
18 ~~appropriated,--as-provided-in-[section-2-of-House-Bill-12]-}~~
19 ~~The-superintendent-of-public-instruction-shall-establish-the~~
20 ~~dollar-amount-per-ANB-by-dividing-the--net--lottery--revenue~~
21 ~~for--the--school--year--by--the-total-state-ANB-in-the-prior~~
22 ~~school-year--He-shall-then-notify-each-county-superintendent~~
23 ~~by-the-fourth-Monday-of-July-of-the--total--retirement--fund~~
24 ~~equalization--aid--available--to--the--county,--as-calculated~~
25 ~~separately-for-elementary-and-high-school--districts--using~~

1 the---prior---year's---ANB---and---prorated---as---specified---in
 2 20-9-501(6)-for-any-joint-school-district-and---each---county
 3 superintendent---must---use---such---amounts---to---reduce---the---total
 4 retirement---fund---levy---requirement---for---elementary---school
 5 districts---and---the---total---retirement---fund---levy---requirement---for
 6 high---school---districts.---The---superintendent---of---public
 7 instruction---shall---then---distribute---by---state---warrant---the---total
 8 amount---of---retirement---fund---equalization---aid---for---each---county
 9 by---October---1---of---the---school---fiscal---year fund obligations of
 10 elementary and high school districts in the manner provided
 11 in [section 3 OF SENATE BILL NO. 183]."

12 NEW SECTION. Section 7. Codification instruction.
 13 Sections 1 through 4 3 are intended to be codified as an
 14 integral part of Title 20, chapter 9, part 5, and the
 15 provisions of Title 20 apply to sections 1 through 4 3.

16 NEW SECTION. SECTION 8. COORDINATION INSTRUCTION. IF
 17 THIS BILL IS PASSED AND APPROVED, THE LAST SENTENCE OF
 18 SECTION 13, CHAPTER 669, LAWS OF 1985, AS IT APPEARS IN
 19 SECTION 4 OF HOUSE BILL NO. 374 IS VOID. THE SENTENCE READS:
 20 "THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL THEN
 21 DISTRIBUTE BY STATE WARRANT THE TOTAL AMOUNT OF NET LOTTERY
 22 REVENUE AVAILABLE THAT HAS BEEN DEPOSITED IN THE
 23 SUPERINTENDENT OF PUBLIC INSTRUCTION LOTTERY ACCOUNT FOR
 24 EACH COUNTY BY OCTOBER 1 OF THE SCHOOL FISCAL YEAR."

25 NEW SECTION. Section 9. Effective date. This act is

1 effective July 1, 1988.

-End-

GOVERNOR'S AMENDMENTS
TO SENATE BILL 183
(Reference Copy)
April 22, 1987

1. Title, line 5.
Following: "THROUGH"
Strike: "A"
2. Title, line 6.
Following: line 5
Strike: "STATEWIDE LEVY AND"
3. Title, line 7.
Following: "ASSIST"
Strike: "THE"
Insert: "HIGH LEVY"
Strike: "EQUALIZING"
Insert: "PAYMENT OF"
4. Title, line 9.
Following: "METHOD"
Insert: "OF ESTABLISHING COUNTY ENTITLEMENT AND"
5. Page 2, line 6.
Following: "money"
Strike: "from the statewide levy"
6. Page 2, line 7.
Following: line 6
Strike: "3"
Insert: "2"
7. Page 2, line 13 through page 3, line 11.
Strike: section 2 in its entirety
Renumber: subsequent sections
8. Page 3, line 17.
Following: "available from" on line 16
Strike: ":" on line 16 through "and" on line 17
9. Page 3, lines 19 and 20.
Following: "374;" on line 19
Strike: ";" on line 19 through "2" on line 20
10. Page 3.
Following: line 20
Insert: "(b) establishing a list containing each county that levied in the prior school fiscal year in excess of 9 mills to fund its required contribution for retirement fund obligations;"
Renumber: subsequent subsections

11. Page 3, line 23.
Following: "total"
Strike: "state"
Following: "ANB"
Insert: "of the counties listed pursuant to (1)(b)"
12. Page 3, line 25.
Strike: "each"
Following: "notify"
Insert: "the"
Following: "superintendent"
Insert: "of each county listed in (1)(b)"
13. Page 4, line 9.
Following: "distributing"
Strike: remainder of line 9
Insert: "by October 1"
14. Page 4, line 10.
Following: "county"
Strike: "."
Insert: "listed pursuant to (1)(b)"
15. Page 4, lines 11 through 14.
Following: line 10
Strike: line 11 in its entirety through "20-9-344" on line 14
16. Page 4, line 20.
Following: "subsection"
Strike: "(1)(b)"
Insert: "(1)(c)"
17. Page 4, line 21.
Following: "county"
Strike: "will"
Insert: "listed pursuant to (1)(b) must"
18. Page 11, line 25.
Following: "[section"
Strike: "3"
Insert: "2"
19. Page 14, line 23.
Following: "4"
Strike: "3"
Insert: "2"
20. Page 17, line 11.
Following: "section 3"
Strike: "OF SENATE BILL NO. 183"
Insert: "2"

-END-

STANDING COMMITTEE REPORT

Page 1 of 3

HOUSE

APRIL 10 1987

Mr. Speaker: We, the committee on HOUSE TAXATION

report SENATE BILL NO. 183

☐ do pass ☒ be concurred in ☒ was amended
☐ do not pass ☐ be not concurred in ☐ statement of intent attached

Ramirez
 Representative Jack Ramirez, Chairman

Be amended as follows:

1. Title, line 5.
 Following: "THROUGH"
 Strike: "A"

2. Title, line 6.
 Strike: "STATEWIDE LEVY AND"

3. Title, line 7.
 Strike: "THE COUNTIES IN EQUALIZING"
 Insert: "IN PAYMENT OF"

4. Title, line 8.
 Following "OF"
 Insert: "HIGH LEVY"

5. Title, line 9.
 Following: "METHOD"
 Insert: "OF ESTABLISHING DISTRICT ENTITLEMENT AND"

6. Page 1 line 16 through page 2, line 2.
 Strike: section 1 in its entirety
 Renumber: subsequent sections

7. Page 2, line 7.
 Strike: "3"
 Insert: "2"

8. Page 2, line 14.
 Following: line 13
 Insert: "reference"
 Following: "aid"
 Insert: "calculations"

*Carried by
 Rep. Casay*

THIRD reading copy (BLUE)
 color

SB 183
 April 10, 1987
 Page 2 of 3

9. Page 2, line 18 through page 3, line 10.
 Strike: ":" on page 2, line 18 through "2]." on line 10 of page 3.

Insert: "establish a reference mill levy for calculating retirement fund obligations. The reference mill levy is the number of mills that would be required if the state conducted a statewide mill levy for total retirement fund obligations. If an elementary school district or high school district levies an amount greater than the reference mill levy it is entitled to receive state retirement equalization aid calculated and distributed in accordance with [section 3]."

10. Page 3, line 15.
 Strike: ": (i) the statewide levy and" on line 16

11. Page 3, lines 16.
 Strike: "as" through "(2)" on line 18
 Insert: "from the prior fiscal year as determined by [section 13, Chapter 669, Laws of 1985]"

12. Page 3.
 Following: line 18
 Insert: "(b) establishing affected elementary and high school districts as those that without the state assistance provided in this section would be required to levy a property tax in an amount greater than the reference mill levy established in [section 2]"

Renumber: subsequent subsections

13. Page 3, line 21.
 Strike: "state"
 Following: "ANB"
 Insert: "of affected districts established in subsection (1) (b)"

14. Page 3, line 23.
 Following: "each"
 Insert: "affected"

15. Page 3, line 25.
 Following: "for"
 Insert: "affected"

16. Page 4, line 8.
 Following: "each"
 Insert: "affected"

17. Page 4, line 18.
 Strike: "(1) (b)"
 Insert: "(1) (c)"

Ramirez
 Representative Jack Ramirez,
 Chairman.

.....April 10, 1987 19.....

18. Page 4, line 19.
Following: "each"
Insert: "affected"

19. Page 11, line 22.
Following: "sections"
Insert: "2 and"
Strike: "and 4"

20. Page 14, line 18.
Following: "aid"
Insert: ", if any,"

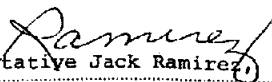
21. Page 14, line 20
Strike: "4"
Insert: "3"

22. Page 17, line 8.
Strike: "3"
Insert: "2"

23. Page 17, line 10.
Strike: "4"
Insert: "3"

24. Page 17, line 12.
Strike: "4"
Insert: "3"

25. Page 17.
Following: line 12
Insert: "NEW SECTION. Section 8. Coordination instruction. If
this bill is passed and approved the last sentence of
Section 13, Chapter 669, Laws of 1985, as it appears in
Section 4, of House Bill 374 is void. The sentence reads:
"The superintendent of public instruction shall then
distribute by state warrant the total amount of net lottery
revenue available that has been deposited in the
superintendent of public instruction lottery account for
each county by October 1 of the school fiscal year."
Renumber: subsequent section


Representative Jack Ramirez
.....
Chairman.

COMMITTEE OF THE WHOLE AMENDMENT

HOUSE

4-13-87

DATE

10:45

TIME

MR. CHAIRMAN: I MOVE TO AMEND SB 183

3rd reading copy (blue) as follows:
Color

AMENDING THE HOUSE TAXATION STANDING COMMITTEE REPORT
DATED APRIL 10, 1987, WHICH AMENDED SB 183.

- 1) Strip the Standing Committee amendments in their entirety

ADOPT

REJECT

4131045T.CW

Dorothy Bradley
Rep. Bradley

COMMITTEE OF THE WHOLE AMENDMENT

4-14-87

DATE

14:30

TIME

MR. CHAIRMAN: I MOVE TO AMEND SB 183

3rd reading copy (blue) as follows:
Color

Page 1, line 16.

Strike: new section 1 in its entirety

Renumber subsequent sections

ADOPT

REJECT

4141430T.CW

Ramirez
Rep. Ramirez

COMMITTEE OF THE WHOLE AMENDMENT Page 1 of 2

4-14-87
DATE
12:00
TIME

MR. CHAIRMAN: I MOVE TO AMEND SB 183

3rd reading copy (blue) as follows:
Color

- 1) Title, lines 9 and 10.
Following: "FOR"
Strike: the remainder of line 9 through "AND" on line 10
- 2) Page 2, line 13.
Strike: "Determination of statewide"
Insert: "Statewide"
- 3) Page 2, line 14.
Strike: "(1)"
- 4) Page 2, lines 17 to page 3, line 6.
Following: "year, the"
Strike: the remainder of line 17 through "(2) The" on page 3, line 6.
- 5) Page 3, line 6.
Following: "director"
Insert: "of the department of revenue"
Following: "set a"
Insert: "9-mill"
Following: "levy"
Strike: ",,"
- 6) Page 3, lines 7 and 8.
Following: "state"
Strike: the remainder of line 7 through "(1) (b)" on line 8
- 7) Page 3, line 16.
Following: "levy"
Insert: "provided for in [section 3]"
- 8) Page 3, line 17.
Strike: "[section 3]"
Insert: "[section 4, Chapter 161, Laws of 1987]"
- 9) Page 11, line 22.
Strike: "[sections 3 and 4]"
Insert: "[section 4]"

CONTINUED

Page 2 of 2

10) Page 17, line 8.
Strike: "[section 3]"
Insert: "[section 4]"

11) Page 17, following line 12.
Insert: "NEW SECTION. Section 9. Coordination instruction. If this bill is passed and approved the last sentence of Section 13, Chapter 669, Laws of 1985, as it appears in Section 4, of House Bill 374 is void. The sentence reads: "The superintendent of public instruction shall then distribute by state warrant the total amount of net lottery revenue available that has been deposited in the superintendent of public instruction lottery account for each county by October 1 of the school fiscal year.""

Renumber subsequent section

Ramirez
Rep. Ramirez

ADOPT
REJECT

Ramirez

SENATE BILL NO. 183

INTRODUCED BY REGAN

BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE, THROUGH A STATEWIDE--LEVY--AND THE NET LOTTERY REVENUE, STATE AID TO ASSIST THE HIGH-LEVY COUNTIES IN EQUALIZING PAYMENT OF A PORTION OF THE RETIREMENT FUND OBLIGATIONS OF ELEMENTARY AND HIGH SCHOOL DISTRICTS; TO PROVIDE A METHOD OF ESTABLISHING COUNTY ENTITLEMENT AND FOR DETERMINING THE--LEVEL--OF--STATE AID--AND DISTRIBUTING SUCH AID; AMENDING SECTIONS 17-7-502, 20-3-106, AND 20-9-501, MCA, AND SECTION 13, CHAPTER 669, LAWS OF 1985; AND PROVIDING A DELAYED EFFECTIVE DATE."

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

NEW-SECTION--Section-1--Purpose---policy:--(1)--It-is the--purpose--of--(this-act)--to-respond-to-the-provisions-of Initiative-105-adopted-by-the-voters-on-November-4-1986--

(2)--(Sections-2-through-4)--provide-property-tax-relief for-the-types-of-property-described-in-Initiative-105--and for--all--other--property--subject-to-ad-valorem-taxation-in Montana--(Section-3)--provides--the--alternative--source--of revenue-required-by-Initiative-105--

(3)--It-is-the-policy-of-the-50th-legislature-that-the provisions-of-(this-act)--meet-the-requirements-set-forth-in

Initiative-105,--adopted-by-the-voters-of-Montana-on-November 4-1986--

NEW SECTION. Section 1. State retirement equalization account -- AUTHORIZATION TO APPROPRIATE. There is a state retirement equalization account in the state special revenue fund. Money from the statewide levy determined in (section 3 2) must be deposited in the account. The LEGISLATURE MAY APPROPRIATE THE money in the account is--statutorily appropriated,--as-provided-in-17-7-502, to the superintendent of public instruction to assist the counties in equalizing a portion of the retirement fund obligations as provided in 20-9-501.

NEW-SECTION--Section-2--Determination---of--statewide STATEWIDE levy--for--retirement--equalization--aid: (1) To assist---the---counties---in--equalizing--a--portion--of--the retirement-fund--obligations--of--the--elementary--and--high school--districts--for--the--ensuing-school-fiscal-year,--the superintendent-of-public-instruction-shall--

(a)--determine-the-amount--of--statewide--levy--funding that--is--necessary,--when--combined--with--the--net-lottery revenue-from-the-prior-fiscal-year--as-determined-by--(section 13, Chapter-669,--laws-of-1985)--and-any-surplus-revenue--from the--prior--taxable-year-in-the-account-provided-in--(section 2),--to--provide--a--funding--amount--equal--to--63%--of--the statewide-total-for-retirement-fund-obligations,--as-provided

in-20-9-501; for the prior school fiscal year; and

(b) report the required amount of statewide levy funding determined in subsection (1)(a) to the director of the department of revenue by August 1 of the current school fiscal year.

(2) The director OF THE DEPARTMENT OF REVENUE shall annually set a 9-MILL levy on all the real property in the state that will produce the amount reported in subsection (1)(b). The proceeds of the levy must be deposited in the state retirement equalization account established in section 2 1.

NEW SECTION. Section 2. Calculation and distribution of retirement equalization aid. (1) The superintendent of public instruction shall administer the distribution of retirement equalization aid by:

(a) determining the estimated revenue available from: (i) the statewide levy PROVIDED FOR IN SECTION 2 and the net lottery revenue as provided in section 3 [SECTION 4 OF HOUSE BILL NO. 374]; and

(ii) any surplus revenue as provided in subsection (2); (B) ESTABLISHING A LIST CONTAINING EACH COUNTY THAT LEVIED IN THE PRIOR SCHOOL FISCAL YEAR IN EXCESS OF 9 MILLS TO FUND ITS REQUIRED CONTRIBUTION FOR RETIREMENT FUND OBLIGATIONS;

(c) establishing the estimated dollar amount per

average number belonging (ANB) by dividing the amount determined in subsection (1)(a) by the total state ANB OF THE COUNTIES LISTED PURSUANT TO SUBSECTION (1)(B) for the prior school fiscal year;

(d) notifying each THE county superintendent OF EACH COUNTY LISTED IN SUBSECTION (1)(B) by the fourth Monday in July of the estimated retirement equalization aid available to the county, calculated separately for elementary and high school districts and prorated as specified in 20-9-501 for any joint school district, so that each county superintendent may use the amounts in the manner prescribed in 20-9-501 to calculate the retirement fund levy requirements for elementary and high school districts in the county;

(e) distributing in two payments, by state warrant, BY OCTOBER 1 the amount of retirement equalization aid for each county. The first payment must be made by December 15 of the school fiscal year. The second payment must be made at the time of the last payment of state equalization aid as provided in 20-9-344 LISTED PURSUANT TO SUBSECTION (1)(B); and

(f) keeping a record of the complete data concerning revenue available for retirement equalization aid and the distribution of such aid.

(2) If the actual proceeds available for retirement

1 equalization are not sufficient to finance the estimated
 2 dollar amount per ANB provided for in subsection (1)(b)
 3 (1)(C), each county with LISTED PURSUANT TO SUBSECTION
 4 (1)(B) MUST receive a prorated amount.

5 Section 5---Section 17-7-502-MCA-is-amended-to-read:

6 "17-7-502---Statutory-appropriations----definition---
 7 requisites-for-validity---(1)-A-statutory-appropriation-is
 8 an-appropriation-made-by-permanent-law-that-authorizes
 9 spending-by-a-state-agency-without-the-need-for-a-biennial
 10 legislative-appropriation-or-budget-amendment;

11 (2)---Except-as-provided-in-subsection-(4),-to-be
 12 effective,-a-statutory-appropriation-must-comply-with-both
 13 of-the-following-provisions:

14 (a)---The-law-containing-the-statutory-authority-must-be
 15 listed-in-subsection-(3);

16 (b)---The-law-or-portion-of-the-law-making-a-statutory
 17 appropriation-must-specifically-state-that-a-statutory
 18 appropriation-is-made-as-provided-in-this-section;

19 (3)---The-following-laws-are-the-only-laws-containing
 20 statutory-appropriations:

21 (a)---2-9-202;

22 (b)---2-17-105;

23 (c)---2-18-012;

24 (d)---10-3-203;

25 (e)---10-3-312;

1 (f)---10-3-314;
 2 (g)---10-4-301;
 3 (h)---13-37-304;
 4 (i)---15-31-702;
 5 (j)---15-36-112;
 6 (k)---15-70-101;
 7 (l)---16-1-404;
 8 (m)---16-1-410;
 9 (n)---16-1-411;
 10 (o)---17-3-212;
 11 (p)---17-5-404;
 12 (q)---17-5-424;
 13 (r)---17-5-804;
 14 (s)---19-8-504;
 15 (t)---19-9-702;
 16 (u)---19-9-1007;
 17 (v)---19-10-205;
 18 (w)---19-10-305;
 19 (x)---19-10-506;
 20 (y)---19-11-512;
 21 (z)---19-11-513;
 22 (aa)---19-11-606;
 23 (bb)---19-12-301;
 24 (cc)---19-13-604;
 25 (dd)---20-6-406;

(ee)-20-0-1117

(ff)-23-5-6127

(gg)-37-51-5017

(hh)-53-24-2067

(ii)-75-1-11017

(jj)-75-7-3057

(kk)-80-2-1037

(ll)-80-2-2207

(mm)-90-3-3017

(nn)-90-3-3027

(oo)-90-15-1037-and

(pp)-Secr-137-HB-0617-67-19857-and

(qq)-(section-2)7

(4)--There-is-a--statutory--appropriation--to--pay--the principal7-interest7-premiums7-and-costs-of-issuing7-paying7 and-securing-all-bonds7-notes7-or-other-obligations7-as-due7 that-have-been-authorized-and-issued-pursuant-to-the-laws-of Montana7---Agencies---that---have--entered--into--agreements authorized--by--the--laws--of--Montana--to--pay--the---state treasurer7--for--deposit-in-accordance-with-17-2-101-through 17-2-1077-as-determined-by-the-state--treasurer7--an-amount sufficient--to--pay-the-principal-and-interest-as-due-on-the bonds-or-notes-have-statutory--appropriation--authority--for such-payments."

Section 3. Section 20-3-106, MCA, is amended to read:

"20-3-106. Supervision of schools -- powers and duties. The superintendent of public instruction has the general supervision of the public schools and districts of the state, and he shall perform the following duties or acts in implementing and enforcing the provisions of this title:

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

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

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

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

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

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

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

(8) generally supervise the school budgeting procedures prescribed by law in accordance with the provisions of 20-9-102 and prescribe the school budget

1 format in accordance with the provisions of 20-9-103 and
2 20-9-506;

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

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

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

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

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

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

25 (15) distribute state impact aid in accordance with the

1 provisions of 20-9-304;

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

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

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

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

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

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

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

24 (23) collect and maintain a file of curriculum guides
25 and assist schools with instructional programs in accordance

1 with the provisions of 20-7-113 and 20-7-114;
 2 (24) establish and maintain a library of visual, aural,
 3 and other educational media in accordance with the
 4 provisions of 20-7-201;
 5 (25) license textbook dealers and initiate prosecution
 6 of textbook dealers violating the law in accordance with the
 7 provisions of the textbooks part of this title;
 8 (26) as the governing agent and executive officer of
 9 the state of Montana for vocational education, adopt the
 10 policies prescribed by and in accordance with the provisions
 11 of 20-7-301;
 12 (27) consider applications for the designation of a
 13 postsecondary vocational-technical center in accordance with
 14 the provisions of 20-7-311;
 15 (28) establish a fund for the handling of postsecondary
 16 vocational-technical center fees in accordance with the
 17 provisions of 20-7-333;
 18 (29) supervise and coordinate the conduct of special
 19 education in the state in accordance with the provisions of
 20 20-7-403;
 21 (30) administer the traffic education program in
 22 accordance with the provisions of 20-7-502;
 23 (31) administer the school food services program in
 24 accordance with the provisions of 20-10-201, 20-10-202, and
 25 20-10-203;

1 (32) review school building plans and specifications in
 2 accordance with the provisions of 20-6-622;
 3 (33) prescribe the method of identification and signals
 4 to be used by school safety patrols in accordance with the
 5 provisions of 20-1-408; and
 6 (34) administer the distribution of state retirement
 7 equalization aid in accordance with ~~{sections--3-and-4}~~
 8 [SECTION 3 2]; 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 4. Section 20-9-501, MCA, is amended to read:
 13 "20-9-501. Retirement fund. (1) The trustees of any
 14 district employing personnel who are members of the
 15 teachers' retirement system or the public employees'
 16 retirement system or who are covered by unemployment
 17 insurance or who are covered by any federal social security
 18 system requiring employer contributions shall establish a
 19 retirement fund for the purposes of budgeting and paying the
 20 employer's contributions to such systems. The district's
 21 contribution for each employee who is a member of the
 22 teachers' retirement system shall be calculated in
 23 accordance with Title 19, chapter 4, part 6. The district's
 24 contribution for each employee who is a member of the public
 25 employees' retirement system shall be calculated in

1 accordance with 19-3-801. The district may levy a special
 2 tax to pay its contribution to the public employees'
 3 retirement system under the conditions prescribed in
 4 19-3-204. The district's contributions for each employee
 5 covered by any federal social security system shall be paid
 6 in accordance with federal law and regulation. The
 7 district's contribution for each employee who is covered by
 8 unemployment insurance shall be paid in accordance with
 9 Title 39, chapter 51, part 11.

10 (2) The trustees of any district required to make a
 11 contribution to any such system shall include in the
 12 retirement fund of the preliminary budget the estimated
 13 amount of the employer's contribution and such additional
 14 moneys, within legal limitations, as they may wish to
 15 provide for the retirement fund cash reserve. After the
 16 final retirement fund budget has been adopted, the trustees
 17 shall pay the employer contributions to such systems in
 18 accordance with the financial administration provisions of
 19 this title.

20 (3) When the final retirement fund budget has been
 21 adopted, the county superintendent shall establish the levy
 22 requirement by:

23 (a) determining the sum of the moneys available to
 24 reduce the retirement fund levy requirement by adding:

25 (i) any anticipated moneys that may be realized in the

1 retirement fund during the ensuing school fiscal year,
 2 including anticipated motor vehicle fees and reimbursement
 3 under the provisions of 61-3-532 and 61-3-536;

4 (ii) net proceeds taxes for new production, as defined
 5 in 15-23-601; and

6 (iii) any cash available for reappropriation as
 7 determined by subtracting the amount of the end-of-the-year
 8 cash balance earmarked as the retirement fund cash reserve
 9 for the ensuing school fiscal year by the trustees from the
 10 end-of-the-year cash balance in the retirement fund. The
 11 retirement fund cash reserve shall not be more than 35% of
 12 the final retirement fund budget for the ensuing school
 13 fiscal year and shall be used for the purpose of paying
 14 retirement fund warrants issued by the district under the
 15 final retirement fund budget.

16 (b) subtracting the total of the moneys available for
 17 reduction of the levy requirement as determined in
 18 subsection (3)(a) from the budgeted amount for expenditures
 19 in the final retirement fund budget.

20 (4) The county superintendent shall:

21 (a) total the net retirement fund levy requirements
 22 separately for all elementary school districts, all high
 23 school districts, and all community college districts of the
 24 county, including any prorated joint district or special
 25 education cooperative agreement levy requirements,---and

1 ~~shall;~~

2 (b) reduce the total retirement fund levy requirements
3 of elementary school districts and high school districts by
4 the amount available in state retirement equalization aid as
5 calculated and distributed under the provisions of [section
6 4 3 2]; and

7 (c) report each such levy requirement to the county
8 commissioners on the second Monday of August as the
9 respective county levy requirements for elementary district,
10 high school district, and community college district
11 retirement funds.

12 (5) The county commissioners shall fix and set such
13 county levy in accordance with 20-9-142.

14 ~~(5)~~(6) The net retirement fund levy requirement for a
15 joint elementary district or a joint high school district
16 shall be prorated to each county in which a part of such
17 district is located in the same proportion as the district
18 ANB of the joint district is distributed by pupil residence
19 in each such county. The county superintendents of the
20 counties affected shall jointly determine the net retirement
21 fund levy requirement for each county as provided in
22 20-9-151.

23 ~~(6)~~(7) The net retirement fund levy requirement for
24 districts that are members of special education cooperative
25 agreements shall be prorated to each county in which such

1 district is located in the same proportion as the budget for
2 the special education cooperative agreement of the district
3 bears to the total budget of the cooperative. The county
4 superintendents of the counties affected shall jointly
5 determine the net retirement fund levy requirement for each
6 county in the same manner as provided in 20-9-151 and fix
7 and levy the net retirement fund levy for each county in the
8 same manner as provided in 20-9-152."

9 Section 5. Section 13, Chapter 669, Laws of 1985, is
10 amended to read:

11 "Section 13. Disposition of revenue. (1) As near as
12 possible to 45% of the money paid for tickets or chances in
13 each separate state lottery game must be paid out as prize
14 money for the game.

15 (2) Up to 15% of the gross revenue from the state
16 lottery may be used by the director to pay the operating
17 expenses of the state lottery. Commissions paid to lottery
18 ticket or chance sales agents are a state lottery operating
19 expense.

20 (3) That part of all gross revenue not used for the
21 payment of prizes and operating expenses is net revenue and
22 must be paid quarterly from the enterprise fund established
23 by [section 12] to the superintendent of public instruction
24 for distribution as equalization aid to the retirement funds
25 ~~required--by--20-9-501;--{The--net--revenue--is--statutorily~~

1 appropriated,--as-provided-in-(section-2-of-House-Bill-1277)
 2 The-superintendent-of-public-instruction-shall-establish-the
 3 dollar-amount-per-ANB-by-dividing-the--net--lottery--revenue
 4 for--the--school--year--by--the-total-state-ANB-in-the-prior
 5 school-year--He-shall-then-notify-each-county-superintendent
 6 by-the-fourth-Monday-of-July-of-the--total--retirement--fund
 7 equalization--aid--available--to--the--county,--as-calculated
 8 separately-for-elementary-and-high--school--districts--using
 9 the---prior---year's---ANB--and--prorated--as--specified--in
 10 20-9-501(6)--for-any-joint-school-district,--and--each--county
 11 superintendent--must--use--such--amounts-to-reduce-the-total
 12 retirement--fund--levy--requirement--for--elementary--school
 13 districts-and-the-total-retirement-fund-levy-requirement-for
 14 high--school---districts---The-superintendent--of--public
 15 instruction-shall-then-distribute-by-state-warrant-the-total
 16 amount-of-retirement-fund-equalization-aid-for--each--county
 17 by--October--1-of-the-school-fiscal-year fund obligations of
 18 elementary and high school districts in the manner provided
 19 in [section 3 6P-SENATE-Bills-NO.-183 2]."

20 NEW SECTION. Section 6. Codification instruction.
 21 Sections 1 through 4 3 AND 2 are intended to be codified as
 22 an integral part of Title 20, chapter 9, part 5, and the
 23 provisions of Title 20 apply to sections 1 through 4 3 AND
 24 2.

25 NEW SECTION. SECTION 7. COORDINATION INSTRUCTION. IF

1 THIS BILL IS PASSED AND APPROVED, THE LAST SENTENCE OF
 2 SECTION 13, CHAPTER 669, LAWS OF 1985, AS IT APPEARS IN
 3 SECTION 4 OF HOUSE BILL NO. 374 IS VOID. THE SENTENCE READS:
 4 "THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL THEN
 5 DISTRIBUTE BY STATE WARRANT THE TOTAL AMOUNT OF NET LOTTERY
 6 REVENUE AVAILABLE THAT HAS BEEN DEPOSITED IN THE
 7 SUPERINTENDENT OF PUBLIC INSTRUCTION LOTTERY ACCOUNT FOR
 8 EACH COUNTY BY OCTOBER 1 OF THE SCHOOL FISCAL YEAR."
 9 NEW SECTION. Section 8. Effective date. This act is
 10 effective July 1, 1988.

-End-