# HOUSE BILL 1

# Introduced by Cobb

6/15	Introduced
6/16	Fiscal Note Requested
6/19	Referred to Education & Cultural
	Resources
6/20	Hearing
	Died in Committee

51st Legislature Special Session 6/89 LC 0053/01

HOUSE BILL NO. 1 1 INTRODUCED BY COBB 2 3 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING 4 SCHOOL FUNDING: REPEALING THE ELEMENTARY AND HIGH SCHOOL 5 6 PERMISSIVE LEVIES FOR COUNTY EQUALIZATION OF THE SCHOOL 7 FOUNDATION PROGRAM: INCREASING THE MANDATORY ELEMENTARY AND HIGH SCHOOL LEVIES FROM 45 TO 55 MILLS; PROVIDING THAT THE 8 9 FOUNDATION PROGRAM WILL FUND 100 PERCENT OF THE FOUNDATION PROGRAM SCHEDULES FOR ELEMENTARY AND HIGH SCHOOLS; AMENDING 10 11 SECTIONS 15-10-402, 20-3-324, 20-5-305, 20-5-312, 20-6-506, 12 20-6-603, 20-7-414, 20-7-422, 20-7-431, 20-9-141, 20-9-301, 13 20-9-303, 20-9-312, 20-9-315 THROUGH 20-9-321, 20-9-331, 14 20-9-333, AND 90-6-309, MCA; REPEALING SECTION 20-9-352, 15 MCA: AND PROVIDING A DELAYED EFFECTIVE DATE." 16

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

18 Section 1. Section 15-10-402, MCA, is amended to read: 19 "15-10-402. Property tax limited to 1986 levels. (1) 20 Except as provided in subsections (2) and (3), the amount of 21 taxes levied on property described in 15-6-133, 15-6-134, 22 15-6-136, 15-6-139, 15-6-142, and 15-6-144 may not, for any 23 taxing jurisdiction, exceed the amount levied for taxable 24 year 1986.

(2) The limitation contained in subsection (1) does

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1 not apply to levies for rural improvement districts, Title 7, chapter 12, part 21; special improvement districts, Title 2 7, chapter 12, part 41; elementary and high school county 3 4 equalization, 20-9-331 and 20-9-333; or bonded indebtedness. 5 (3) New construction or improvements to or deletions 6 from property described in subsection (1) are subject to 7 taxation at 1986 levels. 8 (4) As used in this section, the "amount of taxes 9 levied" and the "amount levied" mean the actual dollar amount of taxes imposed on an individual piece of property, 10 11 notwithstanding an increase or decrease in value due to inflation, reappraisal, adjustments in the percentage 12

13 multiplier used to convert appraised value to taxable value, 14 changes in the number of mills levied, or increase or 15 decrease in the value of a mill."

Section 2. Section 20-3-324, MCA, is amended to read:
 "20-3-324. Powers and duties. As prescribed elsewhere
 in this title, the trustees of each district shall:

(1) employ or dismiss a teacher, principal, or other assistant upon the recommendation of the district superintendent, the county high school principal, or other principal as the board considers necessary, accepting or rejecting any recommendation as the trustees in their sole discretion determine, in accordance with the provisions of Title 20, chapter 4;

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(2) employ and dismiss administrative personnel,
 clerks, secretaries, teacher aides, custodians, maintenance
 personnel, school bus drivers, food service personnel,
 nurses, and any other personnel considered necessary to
 carry out the various services of the district;

6 (3) administer the attendance and tuition provisions
7 and otherwise govern the pupils of the district in
8 accordance with the provisions of the pupils chapter of this
9 title;

10 (4) call, conduct, and certify the elections of the 11 district in accordance with the provisions of the school 12 elections chapter of this title;

13 (5) participate in the teachers' retirement system of
14 the state of Montana in accordance with the provisions of
15 the teachers' retirement system chapter of Title 19;

16 (6) participate in district boundary change actions in
17 accordance with the provisions of the districts chapter of
18 this title;

(7) organize, open, close, or acquire isolation status
for the schools of the district in accordance with the
provisions of the school organization part of this title;

(8) adopt and administer the annual budget or an
emergency budget of the district in accordance with the
provisions of the school budget system part of this title;
(9) conduct the fiscal business of the district in

1 accordance with the provisions of the school financial 2 administration part of this title;

3 (10) establish the ANB, foundation program, permissive
4 levy, additional levy, cash reserve, and state impact aid
5 amount for the general fund of the district in accordance
6 with the provisions of the general fund part of this title;
7 (11) establish, maintain, budget, and finance the
8 transportation program of the district in accordance with
9 the provisions of the transportation parts of this title;

10 (12) issue, refund, sell, budget, and redeem the bonds
11 of the district in accordance with the provisions of the
12 bonds parts of this title;

13 (13) when applicable, establish, financially 14 administer, and budget for the tuition fund, retirement 15 fund, building reserve fund, adult education fund, nonoperating fund, school food services fund, miscellaneous 16 17 federal programs fund, building fund, lease or rental 18 agreement fund, traffic education fund, and interlocal 19 cooperative agreement fund in accordance with the provisions 20 of the other school funds parts of this title;

(14) when applicable, administer any interlocal
cooperative agreement, gifts, legacies, or devises in
accordance with the provisions of the miscellaneous
financial parts of this title;

25 (15) hold in trust, acquire, and dispose of the real

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and personal property of the district in accordance with the
 provisions of the school sites and facilities part of this
 title;

4 (16) operate the schools of the district in accordance 5 with the provisions of the school calendar part of this 6 title;

7 (17) establish and maintain the instructional services
8 of the schools of the district in accordance with the
9 provisions of the instructional services, textbooks,
10 vocational education, and special education parts of this
11 title;

12 (18) establish and maintain the school food services of 13 the district in accordance with the provisions of the school 14 food services parts of this title;

15 (19) make reports from time to time as the county 16 superintendent, superintendent of public instruction, and 17 board of public education may require;

18 (20) retain, when considered advisable, a physician or 19 registered nurse to inspect the sanitary conditions of the 20 school or the general health conditions of each pupil and, 21 upon request, make available to any parent or guardian any 22 medical reports or health records maintained by the district 23 pertaining to his child;

24 (21) for each member of the trustees, visit each school25 of the district not less than once each school fiscal year

to examine its management, conditions, and needs, except
 trustees from a first-class school district may share the
 responsibility for visiting each school in the district;

4 (22) procure and display outside daily in suitable 5 weather at each school of the district an American flag that 6 measures not less than 4 feet by 6 feet;

7 (23) adopt and administer a district policy on 8 assessment for placement of any child who enrolls in a 9 school of the district from a nonpublic school that is not 10 accredited, as required in 20-5-110; and

(24) perform any other duty and enforce any other 11 12 requirements for the government of the schools prescribed by this title, the policies of the board of public education, 13 14 or the rules of the superintendent of public instruction." 15 Section 3. Section 20-5-305, MCA, is amended to read: \*20-5-305. Elementary tuition rates. (1) Whenever a 16 pupil of an elementary district has been granted approval to 17 18 attend a school outside of the district in which he resides, 19 under the provisions of 20-5-301 or 20-5-302, such the 20 district of residence shall pay tuition to the elementary 21 district where the pupil attends school. Except as provided in subsection (2), the basis of the rate of tuition shall be 22 23 determined by the attended district. The rate of tuition shall must be determined by: 24

25 (a) totaling the actual expenditures from the district

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and the second of the second second

general fund, the debt service fund, and, if the pupil is a
 resident of another county, the retirement fund;

3 (b) dividing the amount determined in subsection
4 (l)(a) by the ANB of the district for the current fiscal
5 year, as determined under the provisions of 20-9-311; and

6 (c) subtracting the---total---of <u>from the amount</u> 7 <u>determined in subsection (1)(b)</u> the per-ANB amount allowed 8 by 20-9-316-through-20-9-321-that-represents the foundation 9 program as-prescribed-by-20-9-303-plus--the--per-ANB--amount 10 determined--by--dividing-the-state-financing-of-the-district 11 permissive-levy-by-the-ANB-of-the-district7-from-the--amount 12 determined-in-subsection-(1)(b) schedules.

13 (2) The tuition for a full-time elementary special 14 education pupil must be determined under rules adopted by 15 the superintendent of public instruction for the calculation 16 of elementary tuition for full-time elementary special 17 education pupils as designated in 20-9-311 for funding 18 purposes."

19 Section 4. Section 20-5-312, MCA, is amended to read:
20 "20-5-312. Reporting, budgeting, and payment for high
21 school tuition. (1) Except as provided in subsection (2), at
22 the close of the school term of each school fiscal year, the
23 trustees of each high school district shall determine the
24 rate of tuition for the current school fiscal year by:

25 (a) totaling the actual expenditures from the district

general fund, the debt service fund, and, if the pupil is a
 resident of another county, the retirement fund;

3 (b) dividing the amount determined in subsection
4 (1)(a) above by the ANB of the district as determined under
5 the provisions of 20-9-311; and

6 (c) subtracting the---total---of <u>from the amount</u> 7 <u>determined in subsection (1)(b)</u> the per-ANB amount allowed 8 by 20-9-316-through-20-9-321-that-represents the foundation 9 program as-prescribed-by-20-9-303-plus--the--per-ANB--amount 10 determined--by--dividing-the-state-financing-of-the-district 11 permissive-levy-by-the-ANB-of-the-district;-from-the--amount 12 determined-in-subsection-flif(b) schedules.

13 (2) The tuition for a full-time high school special
14 education pupil must be determined under rules adopted by
15 the superintendent of public instruction for the calculation
16 of tuition for full-time high school special education
17 pupils as designated in 20-9-311 for funding purposes.

18 (3) Before July 15, the trustees shall report to the
19 county superintendent of the county in which the district is
20 located:

(a) the names, addresses, and resident districts of
the pupils attending the schools of the district under an
approved tuition agreement;

24 (b) the number of days of school attended by each 25 pupil;

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1 (c) the amount, if any, of each pupil's tuition 2 payment that the trustees, in their discretion, have the 3 authority to waive; and

4 (d) the rate of current school fiscal year tuition, as
5 determined under the provisions of this section.

6 (4) When the county superintendent receives a tuition 7 report from a district, he shall immediately send the 8 reported information to the superintendent of each district 9 in which the reported pupils reside.

(5) When the district superintendent receives a 10 11 tuition report or reports for high school pupils residing in his district and attending an out-of-district high school 12 13 under approved tuition agreements, he shall determine the 14 total amount of tuition due such the out-of-district high 15 schools on the basis of the following per-pupil schedule: the rate of tuition, number of pupils attending under an 16 17 approved tuition agreement, and other information provided by each high school district where resident district pupils 18 19 have attended school.

20 (6) The total amount of the high school tuition, with 21 consideration of any tuition waivers, for pupils attending a 22 high school outside the county of residence must be financed 23 by the county basic special tax for high schools as provided 24 in 20-9-334. In December, the county superintendent shall 25 cause the payment by county warrant of at least one-half of

1 the high school tuition obligations established under this section out of the first money proceeds realized from the 2 3 county basic special tax for high schools. The remaining obligations must be paid by June 15 of the school fiscal 4 5 year. The payments must be made to the county treasurer of the county where each high school entitled to tuition is 6 7 located. The county treasurer shall credit tuition receipts 8 to the general fund of the applicable high school district, and the tuition receipts must be used in accordance with the 9 10 provisions of 20-9-141.

11 (7) For pupils attending a high school outside their 12 district of residence but within the county of residence, 13 the total amount of the tuition, with consideration of any 14 tuition waivers, must be paid during the ensuing school 15 fiscal year. The trustees of the sending high school 16 district shall include the tuition amount in the tuition 17 fund of the preliminary and final budgets. This budgeted tuition amount is not subject to the budget adjustment 18 19 provisions of 20-9-132. The county superintendent shall 20 report the net tuition fund levy requirement for each high 21 school district to the county commissioners on the second 22 Monday of August, and a levy on the district must be made by 23 the county commissioners in accordance with 20-9-142. The levy requirement must be calculated by subtracting from the 24 total expenditure amount authorized in the final tuition 25

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1 fund budget the sum of the cash balance in the tuition fund 2 at the end of the immediately preceding school fiscal year plus any other anticipated money that may be realized in the 3 4 tuition fund. The trustees shall pay by warrants drawn on the tuition fund the tuition amounts owed to each district 5 6 included in the county superintendent's notification. 7 Payments must be made whenever there is a sufficient amount of cash available in the tuition fund but no later than the 8 9 end of the school fiscal year for which the budget is 10 adopted. However, if the trustees of either the sending or receiving high school district feel the transfer privilege 11 12 provided by this subsection is being abused, they may appeal to the county superintendent of schools, who shall hold a 13 hearing and either approve or disapprove the transfer." 14

15 Section 5. Section 20-9-141, MCA, is amended to read: 16 "20-9-141. Computation of general fund net levy 17 requirement by county superintendent. (1) The county 18 superintendent shall compute the levy requirement for each 19 district's general fund on the basis of the following 20 procedure:

(a) Determine the total-of-the funding required for
the district's final general fund budget less the amount
established by the <u>foundation program</u> schedules in-20-9-316
through-20-9-321 by totaling:

25 (i) the district's nonisolated school foundation

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program requirement to be met by a district levy as provided

2 in 20-9-303;

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3 (ii)-the-district\*s-permissive-levy-amount-as--provided 4 in-20-9-352; and

5 (iii) any additional general fund budget amount 6 adopted by the trustees of the district under the provisions 7 of 20-9-353, including any additional levies authorized by 8 the electors of the district.

9 (b) Determine the total-of-the-moneys money available
10 for the reduction of the property tax on the district for
11 the general fund by totaling:

12 (i) anticipated federal moneys money received under 13 the provisions of Title I of Public Law 81-874 or other 14 anticipated federal moneys money received in lieu of such 15 federal that act;

16 (ii) anticipated tuition payments for out-of-district
17 pupils under the provisions of 20-5-303, 20-5-307, 20-5-312,
18 and 20-5-313;

(iii) general fund cash reappropriated, as established
under the provisions of 20-9-104;

(iv) anticipated or reappropriated state impact aid
 received under the provisions of 20-9-304;

23 (v) anticipated or reappropriated revenue from vehicle

24 property taxes and fees imposed under 23-2-517, 23-2-803,

25 61-3-504(2), 61-3-521, and 61-3-537, and 67-3-204;

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

3 (vii) anticipated interest to be earned or
4 reappropriated interest earned by the investment of general
5 fund cash in accordance with the provisions of 20-9-213(4);
6 and

7 (viii) anticipated revenue from corporation license
 8 taxes collected from financial institutions under the
 9 provisions of 15-31-702; and

10  $(\forall i i i)$  (ix) any other revenue anticipated by the 11 trustees to be received during the ensuing school fiscal 12 year which may be used to finance the general fund.

13 (c) Subtract the total-of-the-moneys money available
14 to reduce the property tax required to finance the general
15 fund that has been determined in subsection (1)(b) from the
16 total requirement determined in subsection (1)(a).

17 (2) The net general fund levy requirement determined 18 in subsection (1)(c) shall must be reported to the county 19 commissioners on the second Monday of August by the county 20 superintendent as the general fund levy requirement for the 21 district, and a levy shall must be made by the county 22 commissioners in accordance with 20-9-142."

23 Section 6. Section 20-6-506, MCA, is amended to read:
24 "20-6-506. Budgeting and cost sharing when junior high
25 school operated by elementary district and high school

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1 district operating a county high school. (1) Whenever the 2 opening of a junior high school is approved for the ensuing school fiscal year under 20-6-505, the county superintendent 3 shall estimate the average number belonging (ANB) after 4 investigating the probable enrollment for the junior high 5 school. The ANB determined by the county superintendent and 6 the ANB actually realized in subsequent school fiscal years 7 shall must be applied under 20-9-320 to prorate the 8 maximum-general-fund-budget-without-a-voted-levy foundation 9 program schedule amount between the elementary and high 10 11 school districts. Each district shall adopt its general fund 12 budget on the basis of the prorated amount and shall finance its proportionate share of the cost of operating the junior 13 high school. 14

15 (2) The cost of operating the junior high school shall 16 <u>must</u> be prorated between the elementary district and the 17 high school district on the basis of the ratio that the 18 number of pupils of their district is to the total 19 enrollment of the junior high school."

20 Section 7. Section 20-6-603, MCA, is amended to read: 21 "20-6-603. Trustees' authority to acquire or dispose 22 of sites and buildings -- when election required. (1) The 23 trustees of any district shall-have--the--authority--to may 24 purchase, build, exchange, or otherwise acquire, or sell, or 25 otherwise dispose of sites and buildings of the district.

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Such-action-shall Action may not be taken by the trustees
 without the approval of the qualified electors of the
 district at an election called for such the purpose of
 approval unless:

5 (a) a bond issue has been authorized for the purpose
6 of constructing, purchasing, or acquiring the site or
7 building;

8 (b) an additional levy under the provisions of
9 20-9-353 has been approved for the purpose of constructing,
10 purchasing, or acquiring the site or building;

11 (c) the cost of constructing, purchasing, or acquiring 12 the site or building is financed without exceeding the 13 maximum-general-fund-budget-without-a-vote-amount-prescribed 14 in-20-9-316-through--20-9-321 foundation program schedule 15 amount provided in 20-9-303(2)(a), and 7 in the case of a 16 site purchase, the site has been approved under the 17 provisions of 20-6-621; or

18 (d) moneys--are money is otherwise available under the
19 provisions of this title and the ballot for the site
20 approval for such the building incorporated a description of
21 the building to be located on the site.

(2) When an election is conducted under the provisions
of this section, it shall must be called under the
provisions of 20-20-201 and shall must be conducted in the
manner prescribed by this title for school elections. An

elector qualified to vote under the provisions of 20-20-301
shall--be--permitted--to may vote in such the election. If a
majority of those electors voting at the election approve
the proposed action, the trustees may take the proposed
action."

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Section 8. Section 20-7-414, MCA, is amended to read: 6 \*20-7-414. Determination of children in need and type 7 of special education needed -- approval of classes and 8 programs by superintendent. (1) The determination of the 9 children requiring special education and the type of special 10 education needed by these children shall-be is the 11 responsibility of the trustees, and such the determination 12 shall must be made in compliance with the procedures 13 established in the rules of the superintendent of public 14 instruction. Whenever the trustees of a school district or 15 the governing authority of an institution learn of a 16 handicapped child in their jurisdiction who is in need of 17 special education, they shall determine whether the child is 18 in need of a surrogate parent by determining whether the 19 parents or guardian is unknown or unavailable or if the 20 child is a ward of the state. The determination must be made 21 within 10 days of the date on which the trustees of a school 22 district or the governing authority of an institution 23 learned of the presence of the child in the district. If the 24 child is in need of a surrogate parent, the trustees of a 25

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school district or the governing authority of an institution
 must nominate a surrogate parent for the child as provided
 in 20-7-461.

4 (2) Whenever the trustees of any district intend to 5 establish a special education class or program, they shall 6 apply for approval and funding of the class or program by the superintendent of public instruction. The superintendent 7 8 of public instruction shall approve or disapprove the 9 application for the special education class or program on 10 the basis of its compliance with the laws of the state of 11 Montana, the special education policies adopted by the board 12 of public education, and the rules of the superintendent of 13 public instruction. No special education class may be 14 operated by the trustees without the approval of the 15 superintendent of public instruction. Each special education 16 class or program must be approved annually to be funded as 17 part of the maximum-budget-without-a-vote foundation program 18 for special education."

19 Section 9. Section 20-7-422, MCA, is amended to read:
20 "20-7-422. Out-of-state tuition for special education
21 children. (1) If the trustees of any district recommend to
22 the superintendent of public instruction the attendance of
23 a child in need of special education in a special education
24 program offered outside of the state of Montana, such the
25 arrangements shall are not be subject to the out-of-state

attendance provisions of the laws governing the attendance
 of pupils in schools outside the state of Montana.

3 (2) Whenever the attendance of a child at an 4 out-of-state special education program is approved by the 5 superintendent of public instruction, it--shall--be--the 6 responsibility--of the superintendent of public instruction 7 shall, in cooperation with the department of family 8 services, to negotiate the program for the child and the amount and manner of payment of tuition. The amount of 9 tuition shall must be included as a contracted service in 10 11 20-7-431(1)(a)(iii)(A) in the maximum-budget-without-a-vote foundation program amount for special education." 12

13 Section 10. Section 20-7-431, MCA, is amended to read: 14 "20-7-431. Allowable cost schedule for special programs -- superintendent to make rules 15 -annual 16 accounting. (1) For the purpose of determining the 17 maximum-budget-without-a-vote foundation program amount for special education as defined in 20-9-321, the following 18 19 schedule of allowable costs shall must be followed by the school district in preparation of its special education 20 21 budget for state aid request purposes and by the superintendent of public instruction in his review and 22 23 approval of the budget (for the purposes of determining the amount of the maximum-budget-without-a-vote foundation 24 25 program for special education for the district, and as used

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in this schedule, "full-time special pupil" and "regular
 ANB" are to be determined in accordance with 20-9-311 and
 20-9-313):

4 (a) instruction: salaries, benefits, supplies,
5 textbooks, and other expenses including:

6 (i) salaries and benefits of special program teachers, regular program teachers, teacher aides, special education 7 8 audiologists, and speech and hearing supervisors, 9 clinicians--the entire cost if employed full time in the 10 special program; if such personnel are shared between special and regular programs--a portion of the entire cost 11 12 corresponding to the entire working time which each such 13 person devotes to the special program;

14 (ii) teaching supplies and textbooks if used 15 exclusively for special programs--the actual total cost;

(iii) other expenses:

16

17 (A) contracted services, including fees paid for
18 professional advice and consultation regarding special
19 students or the special program, and the delivery of special
20 education services by public or private agencies--the actual
21 total cost;

(B) transportation costs for special education
personnel who must travel on an itinerant basis from school
to school or district to district or to in-state child study
team meetings or in-state individualized education program

meetings--the actual cost to the district calculated on the
 same mileage rate used by the district for other travel
 reimbursement purposes;

(b) supportive services, including:

4

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(i) salaries and benefits of professional supportive 5 6 personnel--the entire cost if employed full time in the special program; if such personnel are shared between 7 special and regular programs--a portion of the entire cost 8 corresponding to the entire working time which each such 9 person devotes to the special program. Professional 10 supportive personnel may include counselors, social workers, 11 psychologists, psychometrists, physicians, nurses. 12 and physical and occupational therapists. 13

(ii) salaries and benefits of clerical personnel for 14 supportive who assist professional personnel in 15 services--the entire cost if employed full time in the 16 17 special program; if such personnel are shared between special and regular programs--a portion of the entire cost 18 corresponding to the entire working time which each such 19 person devotes to the special program; 20

21 (c) equipment:

(i) equipment--the actual total cost;

23 (ii) special equipment for district-owned school buses
24 necessary to accommodate special students--the actual total
25 cost;

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(iii) special equipment for school buses contracted to
 transport special students--that portion of the contract
 price attributable to the cost of special equipment or
 personnel required to accommodate special students--the
 actual special cost;

6 (iv) repair and maintenance of equipment--the actual7 total cost;

8 (d) room and board costs when the special pupil has to 9 attend a program at such a distance from his home that 10 commuting is undesirable as determined by the superintendent 11 of public instruction.

12 (2) The superintendent of public instruction shall<sub>7</sub>
13 prior-to-September--17--19777--revise--the adopt rules in
14 accordance with the policies of the board of public
15 education for:

16 (a) keeping necessary records for supportive and
17 administrative personnel and any personnel shared between
18 special and regular programs;

19 (b) defining the total special program caseload that 20 shall <u>must</u> be assigned to specific support persons and the 21 kinds of professional specialties to be considered relevant 22 to the program before the district may count an allowable 23 cost under subsection (1)(b) of this section; and

24 (c) defining the kinds or types of equipment whose25 costs may be counted under subsection (1)(c)(i) of this

1 section.

2 (3) An annual accounting of all expenditures of school 3 district general fund moneys money for special education 4 shall must be made by the district trustees on forms 5 furnished by the superintendent of public instruction. The 6 superintendent of public instruction shall make rules for 7 such the accounting.

8 (4) If a board of trustees chooses to exceed the 9 budget approved by the superintendent of public instruction, 10 costs in excess of the approved budget may not be reimbursed 11 under the maximum-budget-without-a-vote foundation program 12 for special education.

13 (5) Allowable costs prescribed in this section do not 14 include the costs of the teachers' retirement system, the 15 public employees' retirement system, the federal social 16 security system, or the costs for unemployment compensation 17 insurance.

18 (6) (a) Notwithstanding other provisions of the law, 19 the superintendent of public instruction shall may not 20 approve a maximum-budget-without-a-vote foundation program 21 amount for special education which that exceeds legislative 22 appropriations; however, any unexpended balance from the first year of a biennial appropriation may be spent in the 23 24 second year of the biennium in addition to the second year appropriation. 25

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1 (b) If the total allowable cost of the special 2 education budgets exceeds legislative appropriations 3 available for special education, each district shall receive a pro rata share of the available appropriations based upon 4 prioritized budget items as established 5 the bv 6 superintendent of public instruction. The amount of the 7 approved budgets in excess of the available appropriations 8 may not be reimbursed under the 9 maximum-budget-without-a-vote foundation program for special 10 education and is the responsibility of the school district." 11 Section 11. Section 20-9-301, MCA, is amended to read: 12 "20-9-301. Purpose and---definition of foundation 13 program and definition of general fund budget. (1) A uniform 14 system of free public schools sufficient for the education 15 of and open to all school age children of the state shall must be established and maintained throughout the state of 16 17 Montana. The state shall aid in the support of its several school districts on the basis of their financial need as 18 19 measured by the foundation program and in the manner 20 established in this title.

(2) The principal budgetary vehicle for achieving the
minimum financing as established by the foundation program
shall--be is the general fund budget of the district. The
purpose of the general fund shall-be budget is to finance
those general maintenance and operational costs of a

district not financed by other funds established for special
 purposes in this title.

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3 (3) The amount of the general fund budget for each 4 school fiscal year shall may not exceed the financing 5 limitations established by this title but shall--be--no may not be less than the amount established by law as the 6 7 foundation program. The general fund budget shall must be 8 financed by the foundation program revenues revenue and may 9 be supplemented by the-permissive--levy--and an additional 10 voted levies levy in the manner provided by law."

11 Section 12. Section 20-9-303, MCA, is amended to read: 12 "20-9-303. Definition of foundation program and-its proportion-of-the--maximum-general-fund-without-a-voted-levy 13 14 schedule--amount -- nonisolated school foundation program financing -- special education funds. (1) As used in this 15 title, the term "foundation program" shall-mean means the 16 17 minimum operating expenditures, as established herein, that 18 are sufficient to provide for the educational program of a school. The foundation program relates only to those 19 expenditures authorized by a district's general fund budget 20 21 and shall may not include expenditures from any other fund. 22 It shall-be is financed by:

23 (a) county equalization moneys; and money, as provided

24 in 20-9-331 and 20-9-333;

25 (b) state equalization aid, as provided in 20-9-343;

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(c) appropriations for special education; and
(d) a district levy as provided in subsection (3) for
support of a school not approved as an isolated school under
the provisions of 20-9-302.
(2) Thedollar-amount-of-the-foundation-program-shall
beofthe
maximum-general-fund-budget-without-a-voted-levylimitation
as-set-forth-in-the-schedules-in-20-9-316-through20-9-321.
The foundation program of-an includes:
(a) amounts in support of general education programs
as provided in the schedules in 20-9-316 through 20-9-320;
and
(b) payments in support of special education programs
under 20-9-321.
<u>under 20-9-321.</u> <u>{3} An</u> elementary school having an ANB of nine or
(3) An elementary school having an ANB of nine or
<u>(3) An</u> elementary school having an ANB of nine or fewer pupils for 2 consecutive years which is not approved
(3) An elementary school having an ANB of nine or fewer pupils for 2 consecutive years which is not approved as an isolated school under the provisions of 20-9-302 shall
(3) An elementary school having an ANB of nine or fewer pupils for 2 consecutive years which is not approved as an isolated school under the provisions of 20-9-302 shall be-00%-of may budget and spend the schedule amount, but the
(3) An elementary school having an ANB of nine or fewer pupils for 2 consecutive years which is not approved as an isolated school under the provisions of 20-9-302 shall be-00%-of may budget and spend the schedule amount, but the county and state shall participate in financing one-half of
(3) An elementary school having an ANB of nine or fewer pupils for 2 consecutive years which is not approved as an isolated school under the provisions of 20-9-302 shall be-00%-of may budget and spend the schedule amount, but the county and state shall participate in financing one-half of the foundation program, and the district shall finance the
(3) An elementary school having an ANB of nine or fewer pupils for 2 consecutive years which is not approved as an isolated school under the provisions of 20-9-302 shall be-00%-of may budget and spend the schedule amount, but the county and state shall participate in financing one-half of the foundation program, and the district shall finance the remaining one-half by a tax levied on the property of the
(3) An elementary school having an ANB of nine or fewer pupils for 2 consecutive years which is not approved as an isolated school under the provisions of 20-9-302 shall be-00%-of may budget and spend the schedule amount, but the county and state shall participate in financing one-half of the foundation program, and the district shall finance the remaining one-half by a tax levied on the property of the district. When a school of nine or fewer pupils is approved

(3)(4) Funds provided to support the special education 1 accounting budget may be expended only for special education 2 purposes as approved by the superintendent of public 3 instruction in accordance with the special education 4 budgeting provisions of this title. Expenditures for special 5 education shall must be accounted for separately from the 6 balance of the school district general fund. Transfers 7 between items within the special education budget for 8 9 accounting purposes may be made at the discretion of the board of trustees in accordance with the financial 10 administration part of this title. The unexpended balance of 11 12 the special education accounting budget shall-carry carries 13 over to the next year to reduce the amount of funding required to finance the district's ensuing year's 14 15 maximum-budget-without-a-vote foundation program amount for special education." 16

17 Section 13. Section 20-9-312, MCA, is amended to read: \*20-9-312. Maximum--general--fund--budget Foundation 18 19 program schedule for grades seven and eight. The ANB calculated for grades 7 and 8 shall must be funded at the 20 21 high school rate, provided that the school meets the 22 standards for accreditation of a middle school. When such 23 the pupils are actually enrolled in an elementary school, 24 the foundation program schedule amount of-the--general--fund 25 budget per ANB is determined from the high school schedule

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using the total ANB of the elementary school. To determine
 the total ANB of such-an the elementary school, the 7th and
 8th grade pupils shall must be included in such the total."
 Section 14. Section 20-9-315, MCA, is amended to read:
 "20-9-315. Maximum general fund budget and exceptions.

6 The total amount of the general fund budget of any district 7 shall may not be greater than the general-fund-budget-amount 8 specified-in-20-9-316-through-20-9-321 district's foundation 9 program as provided in 20-9-303, except when a district has 10 adopted an emergency general fund budget under the 11 provisions of 20-9-165 or when a district satisfies the 12 requirements of 20-9-353."

Section 15. Section 20-9-316, MCA, is amended to read:
"20-9-316. Blementary school maximum-budget foundation
program schedule for 1985-86. For school year 1985-86, the
elementary school foundation program is as follows:

17 (1) For each elementary school having an ANB of nine or
18 fewer pupils, the maximum shall-be is \$19,959 if said the
19 school is approved as an isolated school.

20 (2) For schools with an ANB of 10 pupils but less than
21 18 pupils, the maximum shall-be is \$19,959 plus \$834.10 per
22 pupil on the basis of the average number belonging over
23 nine.

24 (3) For schools with an ANB of at least 14 pupils but25 less than 18 pupils that gualify for instructional aide

funding under 20-9-322, the maximum shall-be is \$32,714 plus
 \$834.10 per pupil on the basis of the average number
 belonging over 14.

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4 (4) For schools with an ANB of 18 pupils and employing 5 one teacher, the maximum shall-be is \$27,466 plus \$834.10 6 per pupil on the basis of the average number belonging over 7 18, not to exceed an ANB of 25.

8 (5) For schools with an ANB of 18 pupils and employing
9 two full-time teachers, the maximum shall-be is \$43,851 plus
10 \$522.40 per pupil on the basis of the average number
11 belonging over 18, not to exceed an ANB of 50.

12 (6) For schools having an ANB in excess of 40, the
13 maximum, on the basis of the total pupils (ANB) in the
14 district for-elementary-pupils-will-be, is as follows:

15 (a) For a school having an ANB of more than 40 and
16 employing a minimum of three teachers, the maximum of \$1,938
17 shall--be is decreased at the rate of \$1.88 for each
18 additional pupil until the total number (ANB) shall--have
19 reached reaches a total of 100 pupils.

(b) For a school having an ANB of more than 100
pupils, the maximum of \$1,825 shall-be is decreased at the
rate of \$1.72 for each additional pupil until the ANB shall
have-reached reaches 300 pupils.

24 (c) For a school having an ANB of more than 300
25 pupils, the maximum shall may not exceed \$1,481 for each

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1 pupil.

2 (7) The maximum per pupil for all pupils (ANB) and for 3 all elementary schools shall <u>must</u> be computed on the basis 4 of the amount allowed herein <u>in this section</u> on account of 5 the last eligible pupil (ANB). All elementary schools 6 operated within the incorporated limits of a city or town 7 shall <u>must</u> be treated as one school for the purpose of this 8 schedule."

9 Section 16. Section 20-9-317, MCA, is amended to read:
10 "20-9-317. High school maximum---budget foundation
11 program schedule for 1985-86. For school year 1985-86, the
12 high school foundation program schedule is as follows:

13 (1) For each high school having an ANB of 24 or fewer
14 pupils, the maximum shall-be is \$113,708.

(2) For a secondary <u>high</u> school having an ANB of more
than 24 pupils, the maximum of \$4,738 shall-be is decreased
at the rate of \$25.84 for each additional pupil until the
ANB shall-have-reached reaches a total of 40 such pupils.

(3) For a school having an ANB of more than 40 pupils,
the maximum of \$4,324 shall-be is decreased at the rate of
\$25.84 for each additional pupil until the ANB shall-have
reached reaches 100 pupils.

23 (4) For a school having an ANB of more than 100
24 pupils, a the maximum of \$2,774 shall-be is decreased at the
25 rate of \$4.32 for each additional pupil until the ANB shall

1 have-reached reaches 200 pupils.

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2 (5) For a school having an ANB of more than 200
3 pupils, the maximum of \$2,342 shall-be is decreased by \$2.38
4 for each additional pupil until the ANB shall-have-reached
5 reaches 300 pupils.

6 (6) For a school having an ANB of more than 300 7 pupils, the maximum of \$2,104 shall-be is decreased at the 8 rate of 44 cents for each additional pupil until the ANB 9 shall-have-reached reaches 600 pupils.

(7) For a school having an ANB over of more than 600 10 11 pupils, the maximum shall may not exceed \$1,973 per pupil. (8) The maximum per pupil for all pupils (ANB) and for 12 all high schools shall must be computed on the basis of the 13 amount allowed herein in this section on account of the last 14 eligible pupil (ANB). All high schools and junior high 15 16 schools which have been approved and accredited as junior 17 high schools, operated within the incorporated limits of a city or town, shall must be treated as one school for the 18 purpose of this schedule." 19

Section 17. Section 20-9-318, MCA, is amended to read:
 "20-9-318. Elementary school maximum-budget foundation
 program schedule for 1987-88 and succeeding years. For
 1987-88 and succeeding school years, the elementary school
 maximum-budget foundation program schedule is as follows:

For each elementary school having an ANB of nine

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or fewer pupils, the maximum shall-be is \$20,158 if said the
 school is approved as an isolated school.

3 (2) For schools with an ANB of 10 pupils but less than
4 18 pupils, the maximum shall-be is \$20,158 plus \$842.50 per
5 pupil on the basis of the average number belonging over
6 nine.

7 (3) For schools with an ANB of at least 14 pupils but 8 less than 18 pupils that qualify for instructional aide 9 funding under 20-9-322, the maximum shall-be is \$33,042 plus 10 \$842.50 per pupil on the basis of the average number 11 belonging over 14.

12 (4) For schools with an ANB of 18 pupils and employing
13 one teacher, the maximum shall-be is \$27,741 plus \$842.50
14 per pupil on the basis of the average number belonging over
15 18, not to exceed an ANB of 25.

16 (5) For schools with an ANB of 18 pupils and employing
17 two full-time teachers, the maximum shall-be is \$44,290 plus
18 \$527.60 per pupil on the basis of the average number
19 belonging over 18, not to exceed an ANB of 50.

20 (6) For schools having an ANB in excess of 40, the
21 maximum, on the basis of the total pupils (ANB) in the
22 district for-elementary-pupils-will-be, is as follows:

23 (a) For a school having an ANB of more than 40 and
24 employing a minimum of three teachers, the maximum of \$1,957
25 shall-be is decreased at the rate of \$1.90 for each

1 additional pupil until the total number (ANB) shall--have 2 reached-a-total-of reaches 100 pupils.

3 (b) For a school having an ANB of more than 100 4 pupils, the maximum of \$1,843 shall-be is decreased at the 5 rate of \$1.74 for each additional pupil until the ANB shall 6 have-reached reaches 300 pupils.

7 (c) For a school having an ANB of more than 300
8 pupils, the maximum shall may not exceed \$1,496 for each
9 pupil.

10 (7) The maximum per pupil for all pupils (ANB) and for 11 all elementary schools shall <u>must</u> be computed on the basis 12 of the amount allowed herein <u>in this section</u> on account of 13 the last eligible pupil (ANB). All elementary schools 14 operated within the incorporated limits of a city or town 15 shall <u>must</u> be treated as one school for the purpose of this 16 schedule."

Section 18. Section 20-9-319, MCA, is amended to read:
"20-9-319. High school maximum--budget foundation
program schedule for 1987-88 and succeeding years. For
1987-88 and succeeding school years, the high school maximum
budget foundation program schedule is as follows:

22 (1) For each high school having an ANB of 24 or fewer
23 pupils, the maximum shall-be is \$114,845.

24 (2) For a secondary <u>high</u> school having an ANB of more
25 than 24 pupils, the maximum of \$4,785 shall-be is decreased

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at the rate of \$26.10 for each additional pupil until the
 ANB shall-have-reached reaches a total of 40 such pupils.

3 (3) For a school having an ANB of more than 40 pupils,
4 the maximum of \$4,368 shall-be is decreased at the rate of
5 \$26.10 for each additional pupil until the ANB shall--have
6 reached reaches 100 pupils.

7 (4) For a school having an ANB of more than 100 8 pupils, a <u>the</u> maximum of \$2,802 shall-be is decreased at the 9 rate of \$4.37 for each additional pupil until the ANB shall 10 have-reached reaches 200 pupils.

11 (5) For a school having an ANB of more than 200 12 pupils, the maximum of \$2,365 shall-be is decreased by \$2.40 13 for each additional pupil until the ANB shall--have--reached 14 reaches 300 pupils.

15 (6) For a school having an ANB of more than 300 pupils, the maximum of \$2,125 shall-be is decreased at the 17 rate of 44 cents for each additional pupil until the ANB 18 shall-have-reached reaches 600 pupils.

19 (7) For a school having an ANB ever of more than 600
20 pupils, the maximum shall may not exceed \$1,993 per pupil.

(8) The maximum per pupil for all pupils (ANB) and for
all high schools shall must be computed on the basis of the
amount allowed herein in this section on account of the last
eligible pupil (ANB). All high schools and junior high
schools which have been approved and accredited as junior

high schools, operated within the incorporated limits of a
 city or town, shall <u>must</u> be treated as one school for the
 purpose of this schedule."

Section 19. Section 20-9-320, MCA, is amended to read: 4 "20-9-320. Maximum---general--fund--budget Foundation 5 program schedule amount for junior high school. (1) The 6 general--fund--budget foundation program schedule amount for 7 8 an approved and accredited junior high school shall must be 9 prorated between the elementary district general-fund-budget foundation program schedule amount and the high school 10 district general-fund--budget foundation program schedule 11 amount in the following manner: 12

(a) determine the per-ANB schedule amount for the
school, as defined by 20-9-317 and 20-9-319, from the high
school schedule;

16 (b) calculate the ANB for the regularly enrolled 17 full-time pupils enrolled in the 7th and 8th grades of the 18 junior high school;

19 (c) multiply the per-ANB schedule amount determined in 20 subsection (1)(a) by the ANB calculated in subsection (1)(b) 21 to determine the authorized general-fund-budget amount which 22 shall--be available for the elementary district general-fund 23 budget foundation program; and

24 (d) subtract the amount determined in subsection25 (l)(c) from the total authorized general-fund-budget amount

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for the school to determine the authorized general--fund
 budget amount which-shall-be available for the high school
 district general-fund-budget foundation program.

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4 (2) The general-fund-budget amount determined for each 5 school of a district under the schedules provided in 6 20-9-316 through 20-9-319 shall must be totaled to determine 7 the maximum-general-fund-budget-without-a-voted-levy 8 foundation program schedule amount for such the district." Section 20. Section 20-9-321, MCA, is amended to read: 9 \*2D-9-321. Maximum---general--fund--budget Foundation 10 program and contingency funds for special education. (1) For 11 12 o£ the the purpose establishing maximum-budget-without-a-vote foundation program amount for 13 a current year special education program for a school 14 district, the superintendent of public instruction will 15 16 shall determine the total estimated cost of the special 17 education program for the school district on the basis of a 18 special education program budget submitted by the district. The budget will must be prepared on forms provided by the 19 20 superintendent of public instruction and will must set out 21 for each program:

(a) the estimated allowable costs associated with
operating the program where allowable costs are as defined
in 20-7-431;

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(b) the number of pupils expected to be enrolled in

1 the program; and

2 (c) any other data required by the superintendent of
3 public instruction for budget justification purposes and to
4 administer the provisions of 20-9-315 through 20-9-321.

5 (2) The total amount of allowable costs approved by 6 the superintendent of public instruction shall-be is the special education maximum-budget-without-a-vote foundation 7 8 program amount for current year special education program 9 purposes. The total amount of allowable costs that are 10 approved for the special education budget shall may not, condition. less 11 under anv he than the 12 maximum-budget-without-a-vote foundation program amount for 13 one regular ANB for each special full-time special pupil in 14 the school district.

(3) If a special education program is implemented or 15 16 expanded during a given school term too late to be included determination of district 17 in the the maximum-budget-without-a-vote foundation program for the 18 19 school year as prescribed in this part, allowable costs approved under the budgeting provisions of subsections (1) 20 and (2) for the operation of the program during the given 21 22 year must be funded from any legislative appropriation for 23 contingency financing for special education. Contingency 24 funds granted under this subsection must be deposited in a 25 separate account of the miscellaneous programs fund of the

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district as provided in 20-9-507. However, if contingency 1 2 funds are not available, then subject to the approval of the 3 program by the superintendent under the emergency budget provisions of 20-9-161(5), allowable costs for the given ۵ year may be added to the maximum-budget-without-a-vote 5 foundation program amount for special education for the 6 subsequent school year. Such The allowable costs must be 7 recorded as previous year special education expenses in the 8 school district budget for the subsequent school year. 9

10 (4) The sum of the previous year special education 11 expenses as defined in subsection (3) above and the 12 maximum-budget-without-a-vote foundation program amount for 13 current year special education as defined in subsections (1) 14 and (2) shall--be is the special education budget for 15 accounting purposes.

16 (5) The maximum-budget-without-a-vote foundation 17 program amount for special education will must be added to 18 the maximum-budget-without-a-vote foundation program amount 19 of the regular program ANB defined in 20-9-311 and 20-9-313 20 to obtain the total maximum-budget-without-a-vote foundation 21 program amount for the district."

Section 21. Section 20-9-331, MCA, is amended to read:
 "20-9-331. Basic county tax and other revenues for
 county equalization of the elementary district foundation
 program. (1) it--shall--be--the--duty--of--the The county

commissioners of each county to shall levy an annual basic 1 tax of 20 34 mills on the dollars dollar of the taxable 2 3 value of all taxable property within the county, except for vehicles--subject--to--taxation--under--61-3-504(2) property 4 subject to a tax or fee under 23-2-517, 23-2-803, 5 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204, for the 6 purposes of local and state foundation program support. The 7 revenue to--be collected from this levy shall must be 8 apportioned to the support of the foundation programs of the 9 elementary school districts in the county and to the state 10 special revenue fund, state equalization aid account, in the 11 12 following manner:

(a) In order to determine the amount of revenue raised
by this levy which is retained by the county, the sum of the
estimated revenues revenue identified in subsection (2)
below-shall must be subtracted from the sum-of--the--county
elementary--transportation--obligation--and-the total of the
foundation programs of all elementary districts of the
county.

(b) If the basic levy prescribed by this section
produces more revenue than is required to finance the
difference determined above in subsection (1)(a), the county
treasurer shall remit the surplus funds to the state
treasurer for deposit to the state special revenue fund,
state equalization aid account, immediately upon occurrence

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of a surplus balance and each subsequent month thereafter. 1 2 with any final remittance due no later than June 20 of the 3 fiscal year for which the levy has been set.

4 (2) The proceeds revenue realized from the county's 5 portion of the levy prescribed by this section and the revenues revenue from the following sources shall must be 6 7 used for the equalization of the elementary district foundation programs of the county as prescribed in 20-9-334, 8 and a separate accounting shall must be kept of such 9 10 proceeds-and-revenues the revenue by the county treasurer in 11 accordance with 20-9-212(1):

12 (a) the portion of the federal Taylor Grazing Act funds distributed to a county and designated for the common 13 14 school fund under the provisions of 17-3-222;

15 (b) the portion of the federal flood control act funds distributed to a county and designated for expenditure for 16 17 the benefit of the county common schools under the 18 provisions of 17-3-232:

19 (c) all money paid into the county treasury as a result of fines for violations of law, except money paid to 20 a justice's court, and the use of which is not otherwise 21 specified by law; 22

23 (d) any money remaining at the end of the immediately 24 preceding school fiscal year in the county treasurer's 25 account accounts for the various sources of revenue

established or referred to in this section; (e) any federal or state money distributed to the 2 county as payment in lieu of the property taxation 3 established--by--the--county--levy-required-by-this-section\_ 4 including federal forest reserve funds allocated under the 5 provisions of 17-3-213; 6 (f) net proceeds taxes for interim production and new 7 production, as defined in 15-23-601; and 8 9 (q) anticipated revenue from vehicle property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504(2), 10 11 61-3-521, and 61-3-537, and 67-3-204." Section 22. Section 20-9-333, MCA, is amended to read: 12 13 "20-9-333. Basic special levy and other revenues for county equalization of high school district foundation 14 15 program. (1) ft--shall--be--the--duty--of--the The county commissioners of each county to shall levy an annual basic 16 17 special tax for high schools of 17 21 mills on the dollar of the taxable value of all taxable property within the county, 18 except for vehicles-subject-to--taxation--under--61-3-504(2) 19 property subject to a tax or fee under 23-2-517, 23-2-803, 20 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204, for the 21 purposes of local and state foundation program support. The 22 revenue to--be collected from this levy shall must be 23

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apportioned to the support of the foundation programs of 24 25 high school districts in the county and to the state special

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1 revenue fund, state equalization aid account, in the 2 following manner:

3 (a) In order to determine the amount of revenue raised 4 by this levy which is retained by the county, the <u>sum of the</u> 5 estimated revenues revenue identified in subsections-(2)(a) 6 and-(2)(b)-below-shall <u>subsection (2)</u> must be subtracted 7 from the sum of the county's high school tuition obligation 8 and the total of the foundation programs of all high school 9 districts of the county.

(b) If the basic levy prescribed by this section 10 produces more revenue than is required to finance the 11 difference determined above in subsection (1)(a), the county 12 treasurer shall remit the surplus to the state treasurer for 13 deposit to the state special revenue fund, state 14 equalization aid account, immediately upon occurrence of a 15 surplus balance and each subsequent month thereafter, with 16 any final remittance due no later than June 20 of the fiscal 17 18 year for which the levy has been set.

19 (2) The proceeds revenue realized from the county's 20 portion of the levy prescribed in this section and the 21 revenues revenue from the following sources shall must be 22 used for the equalization of the high school district 23 foundation programs of the county as prescribed in 20-9-334, 24 and a separate accounting shall must be kept of these 25 proceeds the revenue by the county treasurer in accordance 1 with 20-9-212(1):

2 (a) any money remaining at the end of the immediately
3 preceding school fiscal year in the county treasurer's
4 accounts for the various sources of revenue established in
5 this section;

(b) any federal or state moneys money distributed to 6 the county as a payment in lieu of the property taxation 7 established--by--the--county--levy-required-by-this-section, 8 including federal forest reserve funds allocated under the 9 10 provisions of 17-3-213; 11 (c) net proceeds taxes for interim production and new 12 production, as defined in 15-23-601; and (d) anticipated revenue from vehicle property taxes 13 and fees imposed under 23-2-517, 23-2-803, 61-3-504(2), 14

15 <u>61-3-521</u>, and 61-3-537, and 67-3-204."

Section 23. Section 90-6-309, MCA, is amended to read: 16 \*90-6-309. Tax prepayment -- large-scale mineral 17 development. (1) After permission to commence operation is 18 19 granted by the appropriate governmental agency, and upon request of the governing body of a county in which a 20 21 facility is to be located, a person intending to construct 22 or locate a large-scale mineral development in this state shall prepay property taxes as specified in the impact plan. 23 24 This prepayment shall exclude the 6-mill university levy 25 established under 20-25-423 and may exclude the mandatory

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county levies for the school foundation program of--45
mills established in 20-9-331 and 20-9-333.

3 (2) The person who is to prepay under this section 4 shall is not be obligated to prepay the entire amount 5 established in subsection (1) at one time. Upon request of 6 the governing body of an affected local government unit, the 7 person shall prepay the amount shown to be needed from time 8 to time as determined by the board.

9 (3) The person who is to prepay shall guarantee to the 10 hard-rock mining impact board, through an appropriate 11 financial institution, as may be required by the board, that 12 property tax prepayments will be paid as needed for 13 expenditures created by the impacts of the large-scale 14 mineral development.

(4) When the mineral development facilities are 15 completed and assessed by the department of revenue, they 16 17 shall-be are subject during the first 3 years and thereafter to taxation as all other property similarly situated, except 18 19 that in each year after the start of production, the local government unit that received a property tax prepayment 20 21 shall provide for repayment of prepaid property taxes in 22 accordance with subsection (5).

(5) A local government unit that received all or a
portion of the property tax prepayment under this section
shall provide for tax crediting as specified in the impact

plan. The tax credit allowed in any year may not, however,
 exceed the tax obligation of the developer for that year,
 and the time period for tax crediting is limited to the
 productive life of the mining operation."

5 NEW SECTION. Section 24. Repealer. Section 20-9-352,

6 MCA, is repealed.

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7 NEW SECTION. Section 25. Effective date. [This act]

8 is effective July 1, 1990.

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