

HOUSE BILL 30

Introduced by Cobb

6/20 Introduced
 Died in Process

1 HOUSE BILL NO. 30
2 INTRODUCED BY Cobb
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO LIMIT THE GENERAL
5 FUND CASH RESERVE OF CERTAIN SCHOOL DISTRICTS ACCORDING TO
6 THE AMOUNT OF STATE EQUALIZATION AID RECEIVED BY EACH
7 DISTRICT DURING THE FISCAL YEAR; AMENDING SECTION 20-9-104,
8 MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

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

11 **Section 1.** Section 20-9-104, MCA, is amended to read:
12 "20-9-104. General fund cash reserve -- limitations --
13 exceptions. (1) At the end of each school fiscal year, the
14 trustees of each district shall designate what a portion of
15 the general fund end-of-the-year cash balance shall that is
16 to be earmarked as a cash reserve for the purpose of paying
17 general fund warrants issued by the district from July 1 to
18 November 30 of the ensuing school fiscal year. The amount of
19 the general fund cash balance that is earmarked as a cash
20 reserve shall may not exceed 35% the following percentages
21 of the final general fund budget for the ensuing school
22 fiscal year and shall:

- 23 (a) 35% for a district that did not receive state
24 equalization aid during the current school fiscal year;
25 (b) 30% for a district that received state

1 equalization aid equal to 25% or less of its foundation
2 program schedule entitlement in the current school fiscal
3 year; and
4 (c) 20% for a district that received state
5 equalization aid equal to more than 25% of its foundation
6 program schedule entitlement in the current school fiscal
7 year.

8 (2) The amount held as a cash reserve may not be used
9 for property tax reduction in the manner permitted by
10 20-9-141(1)(b) for other receipts. Any portion of the
11 general fund end-of-the-year cash balance that is not
12 earmarked for cash reserve purposes shall--be is cash
13 reappropriated which shall and must be used for property tax
14 reduction as provided in 20-9-141(1)(b)(iii).

15 (3) The limitation in subsection (1) does not apply if
16 the amount of the cash reserve in excess of the limitation
17 is equal to or less than any amount received during the
18 current school fiscal year:

19 (a) under Act of Sept. 30, 1950, Public Law 81-874 (20
20 U.S.C. 236, et seq.), as amended; or

21 (b) from the settlement of protested taxes owed for
22 taxable years before or after [the effective date of this
23 act] if payment of the taxes was first protested prior to
24 [the effective date of this act] and was continuously
25 protested each year thereafter until settlement."

LC 0066/01

1 NEW SECTION. **Section 2.** **Extension of authority.** Any
2 existing authority to make rules on the subject of the
3 provisions of [this act] is extended to the provisions of
4 [this act].

5 NEW SECTION. **Section 3.** **Effective date.** [This act] is
6 effective July 1, 1990.

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