

HOUSE BILL 35

Introduced by Cobb

6/20 Introduced
 Died in Process

1 House BILL NO. 35
2 INTRODUCED BY WBB

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REALLOCATE STATE
5 LOTTERY REVENUE FROM EQUALIZATION OF SCHOOL RETIREMENT FUNDS
6 TO STATE EQUALIZATION AID FOR PUBLIC SCHOOLS; AMENDING
7 SECTIONS 20-3-106, 20-9-343, 20-9-501, AND 23-5-1027, MCA;
8 REPEALING SECTIONS 20-9-531 AND 20-9-532, MCA; AND PROVIDING
9 A DELAYED EFFECTIVE DATE."

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

12 **Section 1.** Section 20-9-343, MCA, is amended to read:

13 "20-9-343. Definition of and revenue for state
14 equalization aid. (1) As used in this title, the term "state
15 equalization aid" means ~~those moneys~~ the money deposited in
16 the state special revenue fund as required in this section
17 plus any legislative appropriation of money from other
18 sources for distribution to the public schools for the
19 purpose purposes of equalization of the foundation program
20 and reimbursement of retirement fund expenditures of public
21 school districts.

22 (2) The ~~legislative--appropriation~~ legislature shall
23 biennially appropriate money for state equalization aid
24 ~~shall--be--made--in--a--single--sum--for--the--biennium.~~ The
25 superintendent of public instruction ~~has--authority--to~~ may

1 spend ~~such~~ the appropriation, together with the earmarked
2 revenues provided in subsection (3), as required for
3 foundation program and retirement reimbursement purposes
4 throughout the biennium.

5 (3) The following ~~shall~~ must be paid into the state
6 special revenue fund for state equalization aid to public
7 schools of the state:

8 (a) 31.8% of all money received from the collection of
9 income taxes under chapter 30 of Title 15;

10 (b) 25% of all money, except as provided in 15-31-702,
11 received from the collection of corporation license and
12 income taxes under chapter 31 of Title 15, as provided by
13 15-1-501;

14 (c) 100% of the money allocated to state equalization
15 from the collection of the severance tax on coal;

16 (d) 100% of the money received from the treasurer of
17 the United States as the state's shares of oil, gas, and
18 other mineral royalties under the federal Mineral Lands
19 Leasing Act, as amended;

20 (e) interest and income money described in 20-9-341
21 and 20-9-342;

22 (f) income from the education trust fund account; and

23 (g) income from the state lottery, as provided in
24 23-5-1027; and

25 (g)(h) in addition to these revenues, the surplus

1 revenues collected by the counties for foundation program
2 support according to 20-9-331 and 20-9-333.

3 (4) Any surplus revenue in the state equalization aid
4 account in the second year of a biennium may be used to
5 reduce the appropriation required for the next succeeding
6 biennium."

7 **Section 2.** Section 23-5-1027, MCA, is amended to read:

8 "23-5-1027. Disposition of revenue. (1) A minimum of
9 45% of the money paid for tickets or chances must be paid
10 out as prize money. The prize money is statutorily
11 appropriated, as provided in 17-7-502, to the lottery.

12 (2) Commissions paid to lottery ticket or chance sales
13 agents are not a state lottery operating expense.

14 (3) That part of all gross revenue not used for the
15 payment of prizes, commissions, and operating expenses,
16 together with the interest earned on the gross revenue while
17 the gross revenue is in the enterprise fund, is net revenue
18 and must be paid quarterly from the enterprise fund
19 established by 23-5-1026 to the superintendent of public
20 instruction for distribution as state equalization aid to
21 ~~the--retirement--fund--obligations--of--elementary--and-high~~
22 ~~school--districts--in--the--manner~~ to public schools, as
23 provided in ~~20-9-532~~ 20-9-343. The net revenue is
24 statutorily appropriated, as provided in 17-7-502, to the
25 superintendent of public instruction.

1 (4) The spending authority of the lottery may be
2 increased in accordance with this section upon review and
3 approval of a revised operation plan by the budget office."

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

5 "20-3-106. Supervision of schools -- powers and
6 duties. The superintendent of public instruction has the
7 general supervision of the public schools and districts of
8 the state, and he shall perform the following duties or acts
9 in implementing and enforcing the provisions of this title:

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

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

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

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

19 (5) approve or disapprove the orders of a high school
20 boundary commission in accordance with the provisions of
21 20-6-311;

22 (6) approve or disapprove the opening or reopening of
23 a school in accordance with the provisions of 20-6-502,
24 20-6-503, 20-6-504, or 20-6-505;

25 (7) approve or disapprove school isolation within the

1 limitations prescribed by 20-9-302;

2 (8) generally supervise the school budgeting

3 procedures prescribed by law in accordance with the

4 provisions of 20-9-102 and prescribe the school budget

5 format in accordance with the provisions of 20-9-103 and

6 20-9-506;

7 (9) establish a system of communication for

8 calculating joint district revenues in accordance with the

9 provisions of 20-9-151;

10 (10) approve or disapprove the adoption of a district's

11 emergency budget resolution under the conditions prescribed

12 in 20-9-163 and publish rules for an application for

13 additional state aid for an emergency budget in accordance

14 with the approval and disbursement provisions of 20-9-166;

15 (11) generally supervise the school financial

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

17 (12) prescribe and furnish the annual report forms to

18 enable the districts to report to the county superintendent

19 in accordance with the provisions of 20-9-213(5) and the

20 annual report forms to enable the county superintendents to

21 report to the superintendent of public instruction in

22 accordance with the provisions of 20-3-209;

23 (13) approve, disapprove, or adjust an increase of the

24 average number belonging (ANB) in accordance with the

25 provisions of 20-9-313 and 20-9-314;

1 (14) distribute state equalization aid in support of

2 the foundation program in accordance with the provisions of

3 20-9-342, 20-9-346, and 20-9-347;

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

5 provisions of 20-9-304;

6 (16) provide for the uniform and equal provision of

7 transportation by performing the duties prescribed by the

8 provisions of 20-10-112;

9 (17) approve or disapprove an adult education program

10 for which a district proposes to levy a tax in accordance

11 with the provisions of 20-7-705;

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

13 ~~moneys~~ money in accordance with the provisions of 20-9-603;

14 (19) authorize the use of federal ~~moneys~~ money for the

15 support of an interlocal cooperative agreement in accordance

16 with the provisions of 20-9-703 and 20-9-704;

17 (20) prescribe the form and contents of and approve or

18 disapprove interstate contracts in accordance with the

19 provisions of 20-9-705;

20 (21) approve or disapprove the conduct of school on a

21 Saturday or on pupil-instruction-related days in accordance

22 with the provisions of 20-1-303 and 20-1-304;

23 (22) recommend standards of accreditation for all

24 schools to the board of public education and evaluate

25 compliance with ~~such~~ the standards and recommend

1 accreditation status of every school to the board of public
2 education in accordance with the provisions of 20-7-101 and
3 20-7-102;

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

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

10 (25) license textbook dealers and initiate prosecution
11 of textbook dealers violating the law in accordance with the
12 provisions of the textbooks part of this title;

13 (26) as the governing agent and executive officer of
14 the state of Montana for K-12 vocational education, adopt
15 the policies prescribed by and in accordance with the
16 provisions of 20-7-301;

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

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

22 (29) administer the school food services program in
23 accordance with the provisions of 20-10-201, 20-10-202, and
24 20-10-203;

25 (30) review school building plans and specifications in

1 accordance with the provisions of 20-6-622;

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

5 (32) provide schools with information and technical
6 assistance for compliance with the student assessment rules
7 provided for in 20-2-121 and collect and summarize the
8 results of such the student assessment for the board of
9 public education and the legislature; and

10 ~~(33) administer the distribution of state retirement~~
11 ~~equalization aid in accordance with 20-9-532; and~~

12 ~~(34) (33)~~ perform any other duty prescribed from time to
13 time by this title, any other act of the legislature, or the
14 policies of the board of public education."

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

16 **"20-9-501. Retirement fund.** (1) The trustees of any
17 district employing personnel who are members of the
18 teachers' retirement system or the public employees'
19 retirement system or who are covered by unemployment
20 insurance or who are covered by any federal social security
21 system requiring employer contributions shall establish a
22 retirement fund for the purposes of budgeting and paying the
23 employer's contributions to such systems. The district's
24 contribution for each employee who is a member of the
25 teachers' retirement system shall must be calculated in

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

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

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

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

3 (i) any anticipated moneys money that may be realized
 4 in the retirement fund during the ensuing school fiscal
 5 year, including anticipated revenue from vehicle property
 6 taxes imposed under 61-3-504(2) and 61-3-537;

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

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

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

23 (4) The county superintendent shall:

24 (a) total the net retirement fund levy requirements
 25 separately for all elementary school districts, all high

1 school districts, and all community college districts of the
2 county, including any prorated joint district or special
3 education cooperative agreement levy requirements; and

4 ~~(b)--reduce-the-total-retirement-fund-levy-requirements~~
5 ~~of-elementary-school-districts-and-high-school-districts--by~~
6 ~~the-amount-available-in-state-retirement-equalization-aid-as~~
7 ~~calculated-and-distributed-under-the-provisions-of-20-9-532;~~
8 ~~and~~

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

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

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

25 (7) The net retirement fund levy requirement for

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

11 NEW SECTION. Section 5. Repealer. Sections 20-9-531
12 and 20-9-532, MCA, are repealed.

13 NEW SECTION. Section 6. Effective date. [This act] is
14 effective July 1, 1990.

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