

HOUSE BILL 91

Introduced by J. Johnson

12/29	Introduced
12/30	Referred to Education & Cultural Resources
1/04	First Reading
1/04	Fiscal Note Requested
1/08	Fiscal Note Received
1/09	Fiscal Note Printed
1/15	Hearing
1/22	Tabled in Committee

HOUSE BILL NO. 91

INTRODUCED BY J. JOHNSON

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A SCHOOL DISTRICT TO APPLY ANY REAPPROPRIATED GENERAL FUND BALANCE TO THE FUNDING FOR EITHER THE ADDITIONAL GENERAL FUND BUDGET AMOUNT OR THE PERMISSIVE AMOUNT ADOPTED BY THE TRUSTEES OF THE DISTRICT; AMENDING SECTION 20-9-141, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 20-9-141, MCA, is amended to read:

"20-9-141. Computation of general fund net levy requirement by county superintendent. (1) The county superintendent shall compute the levy requirement for each district's general fund on the basis of the following procedure:

(a) Determine the funding required for the district's final general fund budget less the amount established by the schedules in 20-9-316 through 20-9-321 by totaling:

(i) the district's nonisolated school foundation program requirement to be met by a district levy as provided in 20-9-303; and

(ii) any additional general fund budget amount adopted by the trustees of the district under the provisions of

20-9-145 and 20-9-353, including any additional levies authorized by the electors of the district.

(b) Determine the money available for the reduction of the property tax on the district for the general fund by totaling:

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

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

(iii) general fund balance 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;

(v) anticipated or reappropriated revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204;

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

(vii) anticipated revenue from local government severance taxes as provided in 15-36-112;

(viii) anticipated revenue from coal gross proceeds under 15-23-703;

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

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

(xi) any other revenue anticipated by the trustees to be received during the ensuing school fiscal year that may be used to finance the general fund, excluding any guaranteed tax base aid.

(c) Notwithstanding the provisions of subsection (2), subtract the money available to reduce the property tax required to finance the general fund that has been determined in subsection (1)(b) from any additional general fund budget amount adopted by the trustees of the district as the permissive amount under the provisions of 20-9-145 to determine the general fund permissive net levy requirement, except that any general fund balance reappropriated as provided in subsection (1)(b)(iii) may be subtracted under the provisions of subsection (1)(d).

(d) Subtract any amount remaining after the determination in subsection (1)(c) from any additional funding requirement to be met by a district levy as provided in 20-9-303 and 20-9-353 to determine the additional general fund levy requirement.

(2) The county superintendent shall calculate the number of mills to be levied on the taxable property in the district to finance the general fund permissive net levy requirement by dividing the amount determined in subsection (1)(c) by the sum of:

(a) the amount of guaranteed tax base aid that the district will receive for each mill levied, as certified by the superintendent of public instruction; and

(b) the taxable valuation of the district divided by 1,000.

(3) The net general fund levy requirement determined in subsections (1)(c) and (1)(d) must be reported to the county commissioners on the second Monday of August by the county superintendent as the general fund permissive net levy requirement and the additional general fund levy requirement for the district, and a levy must be set by the county commissioners in accordance with 20-9-142."

NEW SECTION. Section 2. Effective date. [This act] is effective July 1, 1993.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0091, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act allowing a school district to apply any reappropriated general fund balance to the funding for either the additional general fund budget amount or the permissive amount adopted by the trustees of the district. Amending section 20-9-141, MCA and providing an effective date.

ASSUMPTIONS:

1. District GTB subsidy per mill remains constant at FY93 levels.
2. Cash reappropriated remains constant at FY92 levels.
3. All cash reappropriated used in the permissive portion of the FY92 general fund budget will now be used to fund the voted portion.

FISCAL IMPACT:

	<u>FY '94</u>			<u>FY '95</u>		
<u>Expenditures:</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
Guaranteed Tax Base	32,703,688	41,503,688	8,800,000	33,039,716	41,839,716	8,800,000
<u>Funding:</u>						
General fund	32,703,688	41,503,688	8,800,000	33,039,716	41,839,716	8,800,000

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The bill will result in lower property tax levies in districts receiving GTB, as permissive mills will be subsidized and cash reappropriated will be used to reduce unsubsidized voted levies.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

The bill may create an incentive for districts to underestimate revenues from other non-levy sources resulting in increased GTB to support increases in budgeted permissive mills. Districts will then have year end cash balances that may be used to offset voted levy requirements in the subsequent year.

Dave Lewis 1-8-93
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

John Johnson 1/9/92
JOHN JOHNSON, PRIMARY SPONSOR DATE

Fiscal Note for HB0091, as introduced

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