

SENATE BILL NO. 178
INTRODUCED BY B. BROWN

IN THE SENATE

JANUARY 18, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON EDUCATION & CULTURAL RESOURCES.
	FIRST READING.
FEBRUARY 15, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 16, 1993	PRINTING REPORT.
FEBRUARY 17, 1993	SECOND READING, DO PASS AS AMENDED.
FEBRUARY 18, 1993	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 48; NOES, 0.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 23, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON EDUCATION & CULTURAL RESOURCES.
	FIRST READING.
MARCH 4, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 6, 1993	SECOND READING, CONCURRED IN.
MARCH 9, 1993	THIRD READING, CONCURRED IN. AYES, 98; NOES, 0.
MARCH 10, 1993	RETURNED TO SENATE.

IN THE SENATE

MARCH 11, 1993	RECEIVED FROM HOUSE.
	SENT TO ENROLLING.
	REPORTED CORRECTLY ENROLLED.

1 Senate BILL NO. 178
2 INTRODUCED BY Bob Brown
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT EXTENDING CERTAIN
5 BUDGET REPORTING PERIODS FOR SCHOOL TRUSTEES AND COUNTY
6 SUPERINTENDENTS; REVISING PAYMENT OF SCHOOL DISTRICT
7 WARRANTS BY A COUNTY TREASURER; AMENDING SECTIONS 20-9-131,
8 20-9-211, 20-9-212, 20-9-213, AND 20-9-222, MCA; AND
9 PROVIDING AN EFFECTIVE DATE."

10

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

12 **Section 1.** Section 20-9-131, MCA, is amended to read:

13 "20-9-131. Final budget meeting. (1) On the fourth
14 second Monday in July August, at the time and place noticed
15 pursuant to 20-9-115, the trustees of each district shall
16 meet to consider the preliminary budget submitted to or
17 prepared by the county superintendent, including all
18 information and any attachments required by law.

19 (2) The trustees may continue the meeting from day to
20 day but shall adopt the final budget for the district and
21 determine the amounts to be raised by tax levies for the
22 district not later than the second fourth Monday in August
23 and before the fixing of the tax levies for each district.
24 Any taxpayer in the district may attend any portion of the
25 trustees' meeting and be heard on the budget of such the

1 district or on any item or amount contained in such the
2 budget."

3 **Section 2.** Section 20-9-211, MCA, is amended to read:

4 "20-9-211. Annual financial report of county
5 superintendent. No later than the second Monday in September
6 1 of each school fiscal year, the county superintendent
7 shall report to the superintendent of public instruction the
8 financial activity during the preceding school fiscal year
9 of each district of the county in accordance with the
10 reporting requirements prescribed by the superintendent of
11 public instruction. Such The reports shall must be prepared
12 on forms provided by the superintendent of public
13 instruction."

14 **Section 3.** Section 20-9-212, MCA, is amended to read:

15 "20-9-212. Duties of county treasurer. The county
16 treasurer of each county shall:

17 (1) receive and hold all school money subject to
18 apportionment and keep a separate accounting of its
19 apportionment to the several districts which are entitled to
20 a portion of the money according to the apportionments
21 ordered by the county superintendent. A separate accounting
22 must be maintained for each county fund supported by a
23 countywide levy for a specific, authorized purpose,
24 including:

25 (a) the basic county tax in support of the elementary

1 foundation programs;

2 (b) the basic special tax for high schools in support

3 of the high school foundation programs;

4 (c) the county tax in support of the transportation

5 schedules;

6 (d) the county tax in support of the elementary and

7 high school district retirement obligations; and

8 (e) any other county tax for schools, including the

9 community colleges, which may be authorized by law and

10 levied by the county commissioners.

11 (2) whenever requested, notify the county

12 superintendent and the superintendent of public instruction

13 of the amount of county school money on deposit in each of

14 the funds enumerated in subsection (1) of this section and

15 the amount of any other school money subject to

16 apportionment and apportion the county and other school

17 money to the districts in accordance with the apportionment

18 ordered by the county superintendent;

19 (3) keep a separate accounting of the expenditures for

20 each budgeted fund included in the final budget of each

21 district;

22 (4) keep a separate accounting of the receipts,

23 expenditures, and cash balances for each budgeted fund

24 ~~included in the final budget of each district and for each~~

25 ~~nonbudgeted fund~~ established by each district;

1 (5) except as otherwise limited by law, pay all

2 warrants properly drawn on the county or district school

3 money and properly endorsed by their holders;

4 (6) receive all revenue collected by and for each

5 district and deposit these receipts in the fund designated

6 by law or by the district if ~~no~~ a fund is not designated by

7 law. Interest and penalties on delinquent school taxes ~~shall~~

8 must be credited to the same fund and district for which the

9 original taxes were levied.

10 (7) send all revenue received for a joint district,

11 part of which is situated in ~~his~~ that county, to the county

12 treasurer designated as the custodian of the revenue, no

13 later than December 15 of each year and every 3 months

14 ~~thereafter~~ after that date until the end of the school

15 fiscal year;

16 (8) at the direction of the trustees of a district,

17 assist the district in the issuance and sale of tax and

18 revenue anticipation notes as provided in Title 7, chapter

19 6, part 11;

20 (9) register district warrants drawn on a budgeted fund

21 in accordance with 7-6-2604 when there is insufficient money.

22 available in all funds of the district to make payment of

23 the warrant. Redemption of registered warrants must be made

24 in accordance with 7-6-2116, 7-6-2605, and 7-6-2606.

25 (10) invest the money of any district as directed by the

1 trustees of the district within 3 working days of the
2 direction;

3 (11) each month give to the trustees of each district an
4 itemized report for each fund maintained by the district,
5 showing the paid warrants, outstanding warrants, registered
6 warrants, amounts and types of revenue received, and the
7 cash balance;

8 (12) remit promptly to the state treasurer receipts for
9 the county tax for a vocational-technical center when levied
10 by the board of county commissioners under the provisions of
11 20-16-202;

12 (13) invest the money received from the basic county tax
13 in support of the elementary foundation programs and the
14 basic special tax in support of the high school foundation
15 programs within 3 working days of receipt. The money must be
16 invested until the working day before it is required to be
17 distributed to school districts within the county or
18 remitted to the state. Permissible investments are specified
19 in 20-9-213(4). All investment income must be deposited, and
20 credited proportionately, in the funds established to
21 account for the taxes received for the purposes specified in
22 subsections (1)(a) and (1)(b).

23 (14) remit on a monthly basis to the state treasurer, in
24 accordance with the provisions of 15-1-504, all county
25 equalization revenue received under the provisions of

1 20-9-331 and 20-9-333 for elementary and high school
2 district foundation program support, including all interest
3 earned and excluding any amount required for high school
4 out-of-county tuition under the provisions of 20-9-334, in
5 repayment of the state advance for county equalization
6 prescribed in 20-9-347. Any funds in excess of a state
7 advance must be used as required in 20-9-331(1)(b) and
8 20-9-333(1)(b)."

9 **Section 4.** Section 20-9-213, MCA, is amended to read:

10 "20-9-213. Duties of trustees. The trustees of each
11 district shall have the sole power and authority to transact
12 all fiscal business and execute all contracts in the name of
13 the district. No A person other than the trustees acting as
14 a governing board may not expend money of the district. In
15 conducting the fiscal business of the district, the trustees
16 shall:

17 (1) cause the keeping of an accurate, detailed
18 accounting of all receipts and expenditures of school money
19 for each fund maintained by the district in accordance with
20 generally accepted accounting principles and the rules
21 prescribed by the superintendent of public instruction. The
22 record of the accounting must be open to public inspection
23 at any meeting of the trustees.

24 (2) authorize all expenditures of district money and
25 cause warrants to be issued for the payment of lawful

obligations;

(3) issue warrants on any budgeted fund in anticipation of budgeted revenues, except that the expenditures may not exceed the amount budgeted for the fund;

(4) invest any money of the district, whenever in the judgment of the trustees the investment would be advantageous to the district, by directing the county treasurer to invest any money of the district in direct obligations of the United States government; in savings or time deposits in a state or national bank, building or loan association, savings and loan association, or credit union insured by the FDIC, FSLIC, or NCUA located in the state; or in a repurchase agreement as authorized in 7-6-213. All interest collected on the deposits or investments must be credited to the fund from which the money was withdrawn, except that interest earned on account of the investment of money realized from the sale of bonds must be credited to the debt service fund or the building fund, at the discretion of the board of trustees. The placement of the investment by the county treasurer is not subject to ratable distribution laws and must be done in accordance with the directive from the board of trustees. A district may invest money under the state unified investment program established in Title 17, chapter 6.

(5) cause the district to record every transaction in

the appropriate account before the accounts are closed at the end of the fiscal year in order to properly report the receipt, use, and disposition of all money and property for which the district is accountable;

(6) report annually to the county superintendent, not later than August 15, the financial activities of each fund maintained by the district during the last completed school fiscal year, on the forms prescribed and furnished by the superintendent of public instruction. Annual fiscal reports for joint school districts must be submitted not later than September 1 to the county superintendent of each county in which part of the joint district is situated.

(7) whenever requested, report any other fiscal activities to the county superintendent, superintendent of public instruction, or board of public education;

(8) cause the accounting records of the district to be audited as required by 2-7-503; and

(9) perform, in the manner permitted by law, other fiscal duties that are in the best interests of the district."

Section 5. Section 20-9-222, MCA, is amended to read:

"20-9-222. Recording-and-payment Payment of warrants by county treasurer. ~~{ }--immediately--after--receiving--a duplicate-warrant-or-a-warrant-listing-from-a-district--the county--treasurer--shall-enter-the-amount-and-number-of-such~~

warrant on his accounting records under the fund identified on such warrant or listing. The recording of the warrants shall allow for the computation of the unexpended amount of a budgeted fund from the accounting records.

(2) Whenever it appears to the county treasurer that a budgeted fund is so nearly exhausted that the issuance of another warrant will cause the overexpenditure of such budget, the county treasurer shall immediately notify the appropriate district of the expended condition of the budget and the district shall not issue another warrant against such fund that would overexpend the budget.

(3) After receiving a duplicate warrant or warrant listing that contains a warrant which will exceed the unexpended balance of a budgeted fund, the county treasurer shall immediately notify the district of such overdraft. If the district has not corrected the overdraft before the presentation of the warrant for payment, the county treasurer shall refuse to pay or register such warrant and shall endorse across the face of such warrant "Payment and Registration Refused, Insufficient Budget" and return the warrant to the person presenting it for payment.

(4) Whenever a warrant will overexpend the cash balance of a budgeted or nonbudgeted fund, the county treasurer shall refuse to pay or register such the warrant if the district has sufficient cash in all other budgeted or

nonbudgeted funds. If the total cash balance of all other budgeted and nonbudgeted funds is not sufficient to pay the warrant, the county treasurer shall refuse to pay or register the warrant and shall endorse across the face of such the warrant "Payment and Registration Refused, Insufficient Funds" and return the warrant to the person presenting it for payment. The county treasurer shall immediately notify the district of such the refusal to pay or register the warrant drawn on a nonbudgeted fund."

NEW SECTION. Section 6. Effective date. [This act] is effective July 1, 1993.

-End-

APPROVED BY COMM. ON EDUCATION
AND CULTURAL RESOURCES

SENATE BILL NO. 178

INTRODUCED BY B. BROWN

A BILL FOR AN ACT ENTITLED: "AN ACT EXTENDING CERTAIN BUDGET REPORTING PERIODS FOR SCHOOL TRUSTEES AND COUNTY SUPERINTENDENTS; REVISING PAYMENT OF SCHOOL DISTRICT WARRANTS BY A COUNTY TREASURER; AMENDING SECTIONS 7-6-4407, 20-5-307, 20-5-312, 20-6-412, 20-7-705, 20-9-131, 20-9-141, 20-9-142, 20-9-211, 20-9-212, 20-9-213, ANB--20-9-222, 20-9-439, 20-9-501, 20-9-503, 20-9-506, 20-10-144, 20-10-146, AND 20-10-147, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 20-9-131, MCA, is amended to read:

"20-9-131. Final budget meeting. (1) On the fourth second Monday in July August, at the time and place noticed pursuant to 20-9-115, the trustees of each district shall meet to consider the preliminary budget submitted to or prepared by the county superintendent, including all information and any attachments required by law.

(2) The trustees may continue the meeting from day to day but shall adopt the final budget for the district and determine the amounts to be raised by tax levies for the district not later than the second fourth Monday in August

and before the filing of the tax levies for each district. Any taxpayer in the district may attend any portion of the trustees' meeting and be heard on the budget of such the district or on any item or amount contained in such the budget."

SECTION 2. SECTION 20-5-307, MCA, IS AMENDED TO READ:

"20-5-307. Budgeting, levy requirement, and paying elementary tuition. (1) The tuition amount that has been established in 20-5-305 must be paid during the ensuing school fiscal year. The trustees of the elementary district shall include the amount in the tuition fund of the preliminary budget. If the trustees should fail to include the amount or any portion of it in the preliminary budget, they shall adjust the budgeted amount in adopting the final budget to provide for the total tuition amount that is due during the ensuing school fiscal year. The adjustment is not subject to the budget adjustment provisions of 20-9-132.

(2) The county superintendent shall report the net tuition fund levy requirement for each elementary district to the county commissioners on the second fourth Monday of August, and a levy on the district must be made by the county commissioners in accordance with 20-9-142. The levy requirement must be calculated by subtracting from the total expenditure amount authorized in the final tuition fund budget the sum of the fund balance in the tuition fund at

the end of the immediately preceding school fiscal year plus any other anticipated money that may be realized in the tuition fund.

(3) The trustees shall pay by warrants drawn on the tuition fund the tuition amounts owed to each district included in the county superintendent's notification provided under the provisions of 20-5-306. At least one-half of the payments must be made in December, and the remaining payments must be made by June 15 of the fiscal year.

(4) Any unanticipated tuition receipts received under the provisions of chapter 7, part 4, or this part for the current school fiscal year must be deposited in a separate account of the district miscellaneous programs fund and may be used for that year in the manner provided for in that fund. For the ensuing school fiscal year, the receipts must be credited to the district general fund budget."

SECTION 3. SECTION 20-5-312, MCA, IS AMENDED TO READ:

"20-5-312. Reporting, budgeting, and payment for high school tuition. (1) Except as provided in subsection (2), on March 15, the trustees of each high school district shall determine the rate of tuition for the current school fiscal year by:

(a) totaling the previous school fiscal year's expenditures from the district general fund, the debt service fund, and, if the pupil is a resident of another

county, the retirement fund;

(b) dividing the amount determined in subsection (1)(a) above by the October 1 enrollment of the district for the previous school fiscal year, as reported to the office of public instruction for purposes of accreditation pursuant to 20-7-102 and 20-9-344; and

(c) subtracting from the amount determined in subsection (1)(b) the per-ANB amount allowed by the foundation program schedules and the per-ANB amount that is the ANB value per mill calculated pursuant to 20-9-366, multiplied by the number of permissive and retirement mills levied.

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

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

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

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

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

10 (5) When the district superintendent receives a tuition
11 report or reports for high school pupils residing in his
12 district and attending an out-of-district high school under
13 approved tuition agreements, he shall determine the total
14 amount of tuition due the out-of-district high schools on
15 the basis of the following per-pupil schedule: the rate of
16 tuition, number of pupils attending under an approved
17 tuition agreement, and other information provided by each
18 high school district where resident district pupils have
19 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
2 section out of the first money realized from the county
3 basic special tax for high schools. The remaining
4 obligations must be paid by June 15 of the school fiscal
5 year. The payments must be made to the county treasurer of
6 the county where each high school entitled to tuition is
7 located. Except as provided in subsection (8), the county
8 treasurer shall credit tuition receipts to the general fund
9 of the applicable high school district, and the tuition
10 receipts must be used in accordance with the provisions of
11 20-9-141.

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

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

(8) Any unanticipated tuition receipts received under the provisions of chapter 7, part 4, or this part for the current school fiscal year must be deposited in a separate account of the district miscellaneous programs fund and may be used for that year in the manner provided for in that fund. For the ensuing school fiscal year, the receipts must be credited to the district general fund budget."

SECTION 4. SECTION 20-6-412, MCA, IS AMENDED TO READ:

"20-6-412. Property tax valuation after district

boundary change. The property tax valuation used under the provisions of 20-9-142 for the purposes of fixing the tax levies, except the debt service fund tax levy, for a district that has had a boundary change at any time before the second fourth Monday in August shall include the property tax valuation of any territory added to the district by such boundary change or exclude the property tax valuation of any territory detached from the district by such boundary change."

SECTION 5. SECTION 20-7-705, MCA, IS AMENDED TO READ:

"20-7-705. Adult education fund. (1) A separate adult education fund must be established when an adult education program is operated by a district or community college district. The financial administration of the fund must comply with the budgeting, financing, and expenditure provisions of the laws governing the schools.

(2) Whenever the trustees of a district establish an adult education program under the provisions of 20-7-702, they shall establish an adult education fund under the provisions of this section. The adult education fund is the depository for all district money received by the district in support of the adult education program. Federal and state adult education program money must be deposited in the miscellaneous programs fund.

(3) The trustees of a district may authorize the levy

1 of a tax of not more than 1 mill on the district, except
 2 that trustees of a county high school district that is not
 3 unified with an elementary district or of a K-12 school
 4 district formed under the provisions of 20-6-701 may
 5 authorize a levy of not more than 2 mills on the district,
 6 for the operation of an adult education program when the
 7 superintendent of public instruction has approved the
 8 educational program to be supported by the levy. The
 9 trustees shall obtain the approval of the superintendent of
 10 public instruction before the fourth Monday of June in order
 11 to include the expenditures to be financed by the levy in
 12 the preliminary budget. The superintendent of public
 13 instruction shall promulgate rules and forms for the
 14 approval.

15 (4) Whenever the trustees of a district decide to offer
 16 an adult education program during the ensuing school fiscal
 17 year, they shall budget for the cost of the program in the
 18 adult education fund of the preliminary budget. Any
 19 expenditures in support of the adult education program under
 20 the final adult education budget must be made in accordance
 21 with the financial administration provisions of this title
 22 for a budgeted fund.

23 (5) When a tax levy for an adult education program that
 24 has been approved by the superintendent of public
 25 instruction is included as a revenue item on the final adult

1 education budget, the county superintendent shall report the
 2 levy requirement to the county commissioners on the **second**
 3 **fourth** Monday of August and a levy on the district must be
 4 made by the county commissioners in accordance with
 5 20-9-142."

6 **SECTION 6. SECTION 20-9-141, MCA, IS AMENDED TO READ:**

7 "20-9-141. **Computation of general fund net levy**
 8 **requirement by county superintendent.** (1) The county
 9 superintendent shall compute the levy requirement for each
 10 district's general fund on the basis of the following
 11 procedure:

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

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

18 (ii) any additional general fund budget amount adopted
 19 by the trustees of the district under the provisions of
 20 20-9-145 and 20-9-353, including any additional levies
 21 authorized by the electors of the district.

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

25 (i) anticipated federal money received under the

1 provisions of Title I of Public Law 81-874 or other
2 anticipated federal money received in lieu of that federal
3 act;

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

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

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

11 (v) anticipated or reappropriated revenue from property
12 taxes and fees imposed under 23-2-517, 23-2-803,
13 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204;

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

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

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

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

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

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

5 (c) Notwithstanding the provisions of subsection (2),
6 subtract the money available to reduce the property tax
7 required to finance the general fund that has been
8 determined in subsection (1)(b) from any additional general
9 fund budget amount adopted by the trustees of the district
10 as the permissive amount under the provisions of 20-9-145 to
11 determine the general fund permissive net levy requirement.

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

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

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

25 (b) the taxable valuation of the district divided by

1 1,000.

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

9 **SECTION 7. SECTION 20-9-142, MCA, IS AMENDED TO READ:**

10 "20-9-142. Fixing and levying taxes by board of county
11 commissioners. On the second fourth Monday in August, the
12 county superintendent shall place before the board of county
13 commissioners the final adopted budget of the district. It
14 is the duty of the board of county commissioners to fix and
15 levy on all the taxable value of all the real and personal
16 property within the district all district and county
17 taxation required to finance, within the limitations
18 provided by law, the final budget."

19 **SECTION 8. SECTION 20-9-439, MCA, IS AMENDED TO READ:**

20 "20-9-439. Computation of net levy requirement --
21 procedure when levy inadequate. (1) The county
22 superintendent shall compute the levy requirement for each
23 school district's debt service fund on the basis of the
24 following procedure:

25 (a) determine the total money available in the debt

1 service fund for the reduction of the property tax on the
2 district by totaling:

3 (i) the end-of-the-year fund balance in the debt
4 service fund, less any limited operating reserve as provided
5 in 20-9-438;

6 (ii) anticipated interest to be earned by the investment
7 of debt service cash in accordance with the provisions of
8 20-9-213(4) or by the investment of bond proceeds under the
9 provisions of 20-9-435; and

10 (iii) any other money anticipated by the trustees to be
11 available in the debt service fund during the ensuing school
12 fiscal year from such sources as legally authorized money
13 transfers into the debt service fund or from rental income;

14 (b) the total amount available to reduce the property
15 tax, determined in subsection (1)(a), must be subtracted
16 from the final budget expenditure amount for the debt
17 service fund as established in 20-9-438;

18 (c) the net debt service fund levy requirement
19 determined in subsection (1)(b) must be reported to the
20 county commissioners on the second fourth Monday of August
21 by the county superintendent as the net debt service fund
22 levy requirement for the district, and a levy must be made
23 by the county commissioners in accordance with 20-9-142.

24 (2) If the board of county commissioners fails in any
25 school fiscal year to make a levy for any issue or series of

1 bonds of a school district sufficient to raise the money
 2 necessary for payment of interest and principal becoming due
 3 during the next ensuing school fiscal year, in any amounts
 4 established under the provisions of this section, the holder
 5 of any bond of the issue or series or any taxpayer of the
 6 district may apply to the district court of the county in
 7 which the school district is located for a writ of mandate
 8 to compel the board of county commissioners of the county to
 9 make a sufficient levy for such purposes. If, upon the
 10 hearing of the application, it appears to the satisfaction
 11 of the court that the board of county commissioners of the
 12 county has failed to make a levy or has made a levy that is
 13 insufficient to raise the amount required to be raised as
 14 established in the manner provided in this section, the
 15 court shall determine the amount of the deficiency and shall
 16 issue a writ of mandate directed to and requiring the board
 17 of county commissioners, at the next meeting for the purpose
 18 of fixing tax levies for county purposes, to fix and make a
 19 levy against all taxable property in the school district
 20 that is sufficient to raise the amount of the deficiency.
 21 The levy is in addition to any levy required to be made at
 22 that time for the ensuing school fiscal year. Any costs that
 23 may be allowed or awarded the petitioner in the proceeding
 24 must be paid by the members of the board of county
 25 commissioners and may not be a charge against the school

1 district or the county."

2 **SECTION 9. SECTION 20-9-501, MCA, IS AMENDED TO READ:**

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

22 (2) The trustees of a district required to make a
 23 contribution to a system referred to in subsection (1) shall
 24 include in the retirement fund of the preliminary budget the
 25 estimated amount of the employer's contribution. After the

1 final retirement fund budget has been adopted, the trustees
2 shall pay the employer contributions to the systems in
3 accordance with the financial administration provisions of
4 this title.

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

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

10 (i) any anticipated money that may be realized in the
11 retirement fund during the ensuing school fiscal year,
12 including anticipated revenue from property taxes and fees
13 imposed under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521,
14 61-3-537, and 67-3-204;

15 (ii) net proceeds taxes and local government severance
16 taxes on any other oil and gas production occurring after
17 December 31, 1988;

18 (iii) coal gross proceeds taxes under 15-23-703;

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

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

4 (v) any other revenue anticipated that may be realized
5 in the retirement fund during the ensuing school fiscal
6 year, excluding any guaranteed tax base aid.

7 (b) notwithstanding the provisions of subsection (8),
8 subtracting the money available for reduction of the levy
9 requirement, as determined in subsection (3)(a), from the
10 budgeted amount for expenditures in the final retirement
11 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 (b) report each levy requirement to the county
19 commissioners on the second fourth Monday of August as the
20 respective county levy requirements for elementary district,
21 high school district, and community college district
22 retirement funds.

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

25 (6) The net retirement fund levy requirement for a

joint elementary district or a joint high school district must be prorated to each county in which a part of the district is located in the same proportion as the district ANB of the joint district is distributed by pupil residence in each 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.

(7) The net retirement fund levy requirement for districts that are members of special education cooperative agreements must be prorated to each county in which the district is located in the same proportion as the special education cooperative budget is prorated to the member school districts. 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 the county commissioners shall fix and levy the net retirement fund levy for each county in the same manner as provided in 20-9-152.

(8) The county superintendent shall calculate the number of mills to be levied on the taxable property in the county to finance the retirement fund net levy requirement by dividing the amount determined in subsection (4)(a) by the sum of:

(a) the amount of guaranteed tax base aid that the county 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."

SECTION 10. SECTION 20-9-503, MCA, IS AMENDED TO READ:

"20-9-503. Budgeting, tax levy, and use of the building reserve fund. (1) Whenever an annual building reserve authorization to budget is available to a district, the trustees shall include such authorized amount in the building reserve fund of the preliminary budget. The county superintendent shall report such amount as the building reserve fund levy requirement to the county commissioners on the ~~second~~ fourth Monday of August, and a levy on the district shall be made by the county commissioners in accordance with 20-9-142.

(2) The trustees of any district maintaining a building reserve fund shall have the authority to expend moneys from such fund for the purpose or purposes for which it was authorized without such specific expenditures being included in the final budget when, in their discretion, there is a sufficient amount of money to commence the authorized projects. Such expenditures shall not invalidate the district's authority to continue the annual imposition of the building reserve taxation authorized by the electors of the district.

(3) Whenever there is money credited to the building

1 reserve fund for which there is no immediate need, the
2 trustees may invest such money in accordance with
3 20-9-213(4). The interest earned from the investment shall
4 be credited to the building reserve fund or the debt service
5 fund, at the discretion of the trustees, and expended for
6 any purpose authorized by law for such fund."

7 **SECTION 11. SECTION 20-9-506, MCA, IS AMENDED TO READ:**

8 "20-9-506. Budgeting and net levy requirement for
9 nonoperating fund. (1) The trustees of any district which
10 does not operate a school or will not operate a school
11 during the ensuing school fiscal year shall adopt a
12 nonoperating school district budget in accordance with the
13 school budgeting provisions of this title. Such nonoperating
14 budget shall contain the nonoperating fund and, when
15 appropriate, a debt service fund. The nonoperating budget
16 form shall be promulgated and distributed by the
17 superintendent of public instruction under the provisions of
18 20-9-103.

19 (2) After the adoption of a final budget for the
20 nonoperating fund, the county superintendent shall compute
21 the net levy requirement for such fund by subtracting from
22 the amount authorized by such budget the sum of:

23 (a) the end-of-the-year cash balance of the
24 nonoperating fund or, if it is the first year of
25 nonoperation, the cash balance determined under the transfer

1 provisions of 20-9-505;

2 (b) the estimated state and county transportation
3 reimbursements; and

4 (c) any other moneys that may become available during
5 the ensuing school fiscal year.

6 (3) The county superintendent shall report the net
7 nonoperating fund levy requirement and any net debt service
8 fund levy requirement determined under the provisions of
9 20-9-439 to the county commissioners on the second fourth
10 Monday of August, and such levies shall be made on the
11 district by the county commissioners in accordance with
12 20-9-142."

13 **SECTION 12. SECTION 20-10-144, MCA, IS AMENDED TO READ:**

14 "20-10-144. Computation of revenues and net tax levy
15 requirements for district transportation fund budget. Before
16 the fourth Monday of July and in accordance with 20-9-123,
17 the county superintendent shall compute the revenue
18 available to finance the transportation fund budget of each
19 district. The county superintendent shall compute the
20 revenue for each district on the following basis:

21 (1) The "schedule amount" of the preliminary budget
22 expenditures that is derived from the rate schedules in
23 20-10-141 and 20-10-142 must be determined by adding the
24 following amounts:

25 (a) the sum of the maximum reimbursable expenditures

1 for all approved school bus routes maintained by the
 2 district (to determine the maximum reimbursable expenditure,
 3 multiply the applicable rate per bus mile by the total
 4 number of miles to be traveled during the ensuing school
 5 fiscal year on each bus route approved by the county
 6 transportation committee and maintained by such district);
 7 plus

8 (b) the total of all individual transportation per diem
 9 reimbursement rates for the district as determined from the
 10 contracts submitted by the district multiplied by the number
 11 of pupil-instruction days scheduled for the ensuing school
 12 attendance year; plus

13 (c) any estimated costs for supervised home study or
 14 supervised correspondence study for the ensuing school
 15 fiscal year; plus

16 (d) the amount budgeted on the preliminary budget for
 17 the contingency amount permitted in 20-10-143, except if the
 18 amount exceeds 10% of the total of subsections (1)(a),
 19 (1)(b), and (1)(c) or \$100, whichever is larger, the
 20 contingency amount on the preliminary budget must be reduced
 21 to the limitation amount and used in this determination of
 22 the schedule amount.

23 (2) (a) The schedule amount determined in subsection
 24 (1) or the total preliminary transportation fund budget,
 25 whichever is smaller, is divided by 2 and is used to

1 determine the available state and county revenue to be
 2 budgeted on the following basis:

3 (i) one-half is the budgeted state transportation
 4 reimbursement, except that the state transportation
 5 reimbursement for the transportation of special education
 6 pupils under the provisions of 20-7-442 must be 50% of the
 7 schedule amount attributed to the transportation of special
 8 education pupils; and

9 (ii) one-half is the budgeted county transportation fund
 10 reimbursement and must be financed in the manner provided in
 11 20-10-146.

12 (b) When the district has a sufficient amount of cash
 13 for reappropriation and other sources of district revenue,
 14 as determined in subsection (3), to reduce the total
 15 district obligation for financing to zero, any remaining
 16 amount of district revenue and cash reappropriated must be
 17 used to reduce the county financing obligation in subsection
 18 (2)(a)(ii) and, if the county financing obligations are
 19 reduced to zero, to reduce the state financial obligation in
 20 subsection (2)(a)(i).

21 (c) The county revenue requirement for a joint
 22 district, after the application of any district money under
 23 subsection (2)(b), must be prorated to each county
 24 incorporated by the joint district in the same proportion as
 25 the ANB of the joint district is distributed by pupil

1 residence in each county.

2 (3) The total of the money available for the reduction
3 of property tax on the district for the transportation fund
4 must be determined by totaling:

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

9 (b) anticipated payments from other districts for
10 providing school bus transportation services for the
11 district;

12 (c) anticipated payments from a parent or guardian for
13 providing school bus transportation services for his child;

14 (d) anticipated or reappropriated interest to be earned
15 by the investment of transportation fund cash in accordance
16 with the provisions of 20-9-213(4);

17 (e) anticipated or reappropriated revenue from property
18 taxes and fees imposed under 23-2-517, 23-2-803,
19 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204;

20 (f) anticipated revenue from coal gross proceeds under
21 15-23-703;

22 (g) anticipated net proceeds taxes for new production,
23 as defined in 15-23-601, and local government severance
24 taxes on any other production occurring after December 31,
25 1988;

1 (h) any other revenue anticipated by the trustees to be
2 earned during the ensuing school fiscal year that may be
3 used to finance the transportation fund; and

4 (i) any fund balance available for reappropriation as
5 determined by subtracting the amount of the end-of-the-year
6 fund balance earmarked as the transportation fund operating
7 reserve for the ensuing school fiscal year by the trustees
8 from the end-of-the-year fund balance in the transportation
9 fund. The operating reserve may not be more than 20% of the
10 final transportation fund budget for the ensuing school
11 fiscal year and is for the purpose of paying transportation
12 fund warrants issued by the district under the final
13 transportation fund budget.

14 (4) The district levy requirement for each district's
15 transportation fund must be computed by:

16 (a) subtracting the schedule amount calculated in
17 subsection (1) from the total preliminary transportation
18 budget amount; and

19 (b) subtracting the amount of money available to reduce
20 the property tax on the district, as determined in
21 subsection (3), from the amount determined in subsection
22 (4)(a).

23 (5) The transportation fund levy requirements
24 determined in subsection (4) for each district must be
25 reported to the county commissioners on the second fourth

Monday of August by the county superintendent as the transportation fund levy requirements for the district, and the levy must be made by the county commissioners in accordance with 20-9-142."

SECTION 13. SECTION 20-10-146, MCA, IS AMENDED TO READ:

"20-10-146. County transportation reimbursement. (1)

The apportionment of the county transportation reimbursement by the county superintendent for school bus transportation or individual transportation that is actually rendered by a district in accordance with this title, board of public education transportation policy, and the transportation rules of the superintendent of public instruction must be the same as the state transportation reimbursement payment except that:

(a) if any cash was used to reduce the budgeted county transportation reimbursement under the provisions of 20-10-144(2)(b), the annual apportionment is limited to the budget amount; and

(b) when the county transportation reimbursement for a school bus has been prorated between two or more counties because the school bus is conveying pupils of more than one district located in the counties, the apportionment of the county transportation reimbursement must be adjusted to pay the amount computed under the proration.

(2) The county transportation net levy requirement for

the financing of the county transportation fund reimbursements to districts is computed by:

(a) totaling the net requirement for all districts of the county, including reimbursements to a special education cooperative or prorated reimbursements to joint districts;

(b) determining the sum of the money available to reduce the county transportation net levy requirement by adding:

(i) anticipated money that may be realized in the county transportation fund during the ensuing school fiscal year, including anticipated 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;

(ii) net proceeds taxes and local government severance taxes on other oil and gas production occurring after December 31, 1988;

(iii) coal gross proceeds taxes under 15-23-703;

(iv) any fund balance available for reappropriation from the end-of-the-year fund balance in the county transportation fund. The county transportation fund operating reserve may not be more than 35% of the final county transportation fund budget for the ensuing school fiscal year and must be used for the purpose of paying transportation fund warrants under the county transportation fund budget.

(v) federal forest reserve funds allocated under the provisions of 17-3-213; and

(vi) other revenue anticipated that may be realized in the county transportation fund during the ensuing school fiscal year; and

(c) notwithstanding the provisions of subsection (3), subtracting the money available as determined in subsection (2)(b) to reduce the levy requirement from the county transportation net levy requirement.

(3) The net levy requirement determined in subsection (2)(c) must be reported to the county commissioners on the second fourth Monday of August by the county superintendent and a levy must be set by the county commissioners in accordance with 20-9-142.

(4) The county superintendent shall apportion the county transportation reimbursement from the proceeds of the county transportation fund. The county superintendent shall order the county treasurer to make the apportionments in accordance with 20-9-212(2) and after the receipt of the semiannual state transportation reimbursement payments."

SECTION 14. SECTION 20-10-147, MCA, IS AMENDED TO READ:

"20-10-147. Bus depreciation reserve. (1) The trustees of a district owning a bus or a two-way radio used for purposes of transportation, as defined in 20-10-101, or for purposes of conveying pupils to and from school functions or

activities may establish a bus depreciation reserve fund to be used for the conversion, remodeling, or rebuilding of a bus or for the replacement of a bus or radio.

(2) Whenever a bus depreciation reserve fund is established, the trustees may include in the district's budget, in accordance with the school budgeting provisions of this title, an amount each year that does not exceed 20% of the original cost of a bus or a two-way radio. The amount budgeted may not, over time, exceed 150% of the original cost of a bus or two-way radio. The annual revenue requirement for each district's bus depreciation reserve fund, determined within the limitations of this section, must be reported by the county superintendent to the county commissioners on the second fourth Monday of August as the bus depreciation reserve fund levy requirement for that district, and a levy must be made by the county commissioners in accordance with 20-9-142.

(3) Any expenditure of bus depreciation reserve fund money must be within the limitations of the district's final bus depreciation reserve fund budget and the school financial administration provisions of this title and may be made only to convert, remodel, or rebuild buses or to replace the buses or radios for which the bus depreciation reserve fund was created.

(4) Whenever the trustees of a district maintaining a

1 bus depreciation reserve fund consider it to be in the best
 2 interest of the district to transfer any portion or all of
 3 the bus depreciation reserve fund balance to any other fund
 4 maintained by the district, the trustees shall submit the
 5 proposition to the electors of the district. The electors
 6 qualified to vote at the election shall qualify under
 7 20-20-301, and the election must be called and conducted in
 8 the manner prescribed by this title for school elections. If
 9 a majority of those electors voting at the election approve
 10 the proposed transfer from the bus depreciation reserve
 11 fund, the transfer is approved and the trustees shall
 12 immediately order the county treasurer to make the approved
 13 transfer."

14 **SECTION 15. SECTION 7-6-4407, MCA, IS AMENDED TO READ:**

15 "7-6-4407. Resolution to fix annual tax levy. (1) The
 16 council must:

17 (a) on or before the second Monday of August of each
 18 year, by resolution determine the amount of the city or town
 19 taxes for all purposes to be levied and assessed on the
 20 taxable property in the city or town for the current fiscal
 21 year; and

22 (b) on or before the fourth Monday of August of each
 23 year, by resolution determine the amount of school district
 24 taxes for all purposes to be levied and assessed on the
 25 taxable property in the city or town for the current fiscal

1 year.

2 (2) (a) Except as provided in subsection (2)(b), the
 3 city or town clerk must at once certify to the county clerk
 4 a copy of such the resolution, and the county treasurer must
 5 collect said the taxes as provided in this part.

6 (b) In cities where the council has provided by
 7 ordinance for the collection of such the taxes by the city
 8 treasurer, the city clerk must certify a copy of such the
 9 resolution to said the city treasurer."

10 **Section 16.** Section 20-9-211, MCA, is amended to read:

11 "20-9-211. Annual financial report of county
 12 superintendent. No later than the second Monday in September
 13 ± of each school fiscal year, the county superintendent
 14 shall report to the superintendent of public instruction the
 15 financial activity during the preceding school fiscal year
 16 of each district of the county in accordance with the
 17 reporting requirements prescribed by the superintendent of
 18 public instruction. Such The reports shall must be prepared
 19 on forms provided by the superintendent of public
 20 instruction."

21 **Section 17.** Section 20-9-212, MCA, is amended to read:

22 "20-9-212. Duties of county treasurer. The county
 23 treasurer of each county shall:

24 (1) receive and hold all school money subject to
 25 apportionment and keep a separate accounting of its

1 apportionment to the several districts which are entitled to
 2 a portion of the money according to the apportionments
 3 ordered by the county superintendent. A separate accounting
 4 must be maintained for each county fund supported by a
 5 countywide levy for a specific, authorized purpose,
 6 including:

7 (a) the basic county tax in support of the elementary
 8 foundation programs;

9 (b) the basic special tax for high schools in support
 10 of the high school foundation programs;

11 (c) the county tax in support of the transportation
 12 schedules;

13 (d) the county tax in support of the elementary and
 14 high school district retirement obligations; and

15 (e) any other county tax for schools, including the
 16 community colleges, which may be authorized by law and
 17 levied by the county commissioners.

18 (2) whenever requested, notify the county
 19 superintendent and the superintendent of public instruction
 20 of the amount of county school money on deposit in each of
 21 the funds enumerated in subsection (1) of this section and
 22 the amount of any other school money subject to
 23 apportionment and apportion the county and other school
 24 money to the districts in accordance with the apportionment
 25 ordered by the county superintendent;

1 (3) keep a separate accounting of the expenditures for
 2 each budgeted fund included in the final budget of each
 3 district;

4 (4) keep a separate accounting of the receipts,
 5 expenditures, and cash balances for each budgeted fund
 6 ~~included in the final budget of each district and for each~~
 7 ~~nonbudgeted fund~~ established by each district;

8 (5) except as otherwise limited by law, pay all
 9 warrants properly drawn on the county or district school
 10 money and properly endorsed by their holders;

11 (6) receive all revenue collected by and for each
 12 district and deposit these receipts in the fund designated
 13 by law or by the district if no a fund is not designated by
 14 law. Interest and penalties on delinquent school taxes ~~shall~~
 15 must be credited to the same fund and district for which the
 16 original taxes were levied.

17 (7) send all revenue received for a joint district,
 18 part of which is situated in ~~his~~ that county, to the county
 19 treasurer designated as the custodian of the revenue, no
 20 later than December 15 of each year and every 3 months
 21 ~~thereafter~~ after that date until the end of the school
 22 fiscal year;

23 (8) at the direction of the trustees of a district,
 24 assist the district in the issuance and sale of tax and
 25 revenue anticipation notes as provided in Title 7, chapter

6, part 11;

(9) register district warrants drawn on a budgeted fund in accordance with 7-6-2604 when there is insufficient money available in all funds of the district to make payment of the warrant. Redemption of registered warrants must be made in accordance with 7-6-2116, 7-6-2605, and 7-6-2606.

(10) invest the money of any district as directed by the trustees of the district within 3 working days of the direction;

(11) each month give to the trustees of each district an itemized report for each fund maintained by the district, showing the paid warrants, outstanding warrants, registered warrants, amounts and types of revenue received, and the cash balance;

(12) remit promptly to the state treasurer receipts for the county tax for a vocational-technical center when levied by the board of county commissioners under the provisions of 20-16-202;

(13) invest the money received from the basic county tax in support of the elementary foundation programs and the basic special tax in support of the high school foundation programs within 3 working days of receipt. The money must be invested until the working day before it is required to be distributed to school districts within the county or remitted to the state. Permissible investments are specified

in 20-9-213(4). All investment income must be deposited, and credited proportionately, in the funds established to account for the taxes received for the purposes specified in subsections (1)(a) and (1)(b).

(14) remit on a monthly basis to the state treasurer, in accordance with the provisions of 15-1-504, all county equalization revenue received under the provisions of 20-9-331 and 20-9-333 for elementary and high school district foundation program support, including all interest earned and excluding any amount required for high school out-of-county tuition under the provisions of 20-9-334, in repayment of the state advance for county equalization prescribed in 20-9-347. Any funds in excess of a state advance must be used as required in 20-9-331(1)(b) and 20-9-333(1)(b)."

Section 18. Section 20-9-213, MCA, is amended to read:

"20-9-213. Duties of trustees. The trustees of each district shall have the sole power and authority to transact all fiscal business and execute all contracts in the name of the district. No A person other than the trustees acting as a governing board may not expend money of the district. In conducting the fiscal business of the district, the trustees shall:

(1) cause the keeping of an accurate, detailed accounting of all receipts and expenditures of school money

1 for each fund maintained by the district in accordance with
 2 generally accepted accounting principles and the rules
 3 prescribed by the superintendent of public instruction. The
 4 record of the accounting must be open to public inspection
 5 at any meeting of the trustees.

6 (2) authorize all expenditures of district money and
 7 cause warrants to be issued for the payment of lawful
 8 obligations;

9 (3) issue warrants on any budgeted fund in anticipation
 10 of budgeted revenues, except that the expenditures may not
 11 exceed the amount budgeted for the fund;

12 (4) invest any money of the district, whenever in the
 13 judgment of the trustees the investment would be
 14 advantageous to the district, by directing the county
 15 treasurer to invest any money of the district in direct
 16 obligations of the United States government; in savings or
 17 time deposits in a state or national bank, building or loan
 18 association, savings and loan association, or credit union
 19 insured by the FDIC, FSLIC, or NCUA located in the state; or
 20 in a repurchase agreement as authorized in 7-6-213. All
 21 interest collected on the deposits or investments must be
 22 credited to the fund from which the money was withdrawn,
 23 except that interest earned on account of the investment of
 24 money realized from the sale of bonds must be credited to
 25 the debt service fund or the building fund, at the

1 discretion of the board of trustees. The placement of the
 2 investment by the county treasurer is not subject to ratable
 3 distribution laws and must be done in accordance with the
 4 directive from the board of trustees. A district may invest
 5 money under the state unified investment program established
 6 in Title 17, chapter 6.

7 (5) cause the district to record every transaction in
 8 the appropriate account before the accounts are closed at
 9 the end of the fiscal year in order to properly report the
 10 receipt, use, and disposition of all money and property for
 11 which the district is accountable;

12 (6) report annually to the county superintendent, not
 13 later than August 15, the financial activities of each
 14 fund maintained by the district during the last completed
 15 school fiscal year, on the forms prescribed and furnished by
 16 the superintendent of public instruction. Annual fiscal
 17 reports for joint school districts must be submitted not
 18 later than September 1 to the county superintendent of each
 19 county in which part of the joint district is situated.

20 (7) whenever requested, report any other fiscal
 21 activities to the county superintendent, superintendent of
 22 public instruction, or board of public education;

23 (8) cause the accounting records of the district to be
 24 audited as required by 2-7-503; and

25 (9) perform, in the manner permitted by law, other

fiscal duties that are in the best interests of the district."

Section 5. Section 20-9-222, MCA, is amended to read:

"20-9-222. Recording and payment Payment of warrants by county treasurer. (1) Immediately after receiving a duplicate warrant or a warrant listing from a district, the county treasurer shall enter the amount and number of such warrant on his accounting records under the fund identified on such warrant or listing. The recording of the warrants shall allow for the computation of the unexpended amount of a budgeted fund from the accounting records.

(2) Whenever it appears to the county treasurer that a budgeted fund is so nearly exhausted that the issuance of another warrant will cause the overexpenditure of such budget, the county treasurer shall immediately notify the appropriate district of the expended condition of the budget and the district shall not issue another warrant against such fund that would overexpend the budget.

(3) After receiving a duplicate warrant or warrant listing that contains a warrant which will exceed the unexpended balance of a budgeted fund, the county treasurer shall immediately notify the district of such overdraft. If the district has not corrected the overdraft before the presentation of the warrant for payment, the county treasurer shall refuse to pay or register such warrant and

shall endorse across the face of such warrant "Payment and Registration Refused, Insufficient Budget" and return the warrant to the person presenting it for payment.

(4) Whenever a warrant will overexpend the cash balance of a budgeted or nonbudgeted fund, the county treasurer shall refuse to pay or register such the warrant if the district has sufficient cash in all other budgeted or nonbudgeted funds, if the total cash balance of all other budgeted and nonbudgeted funds is not sufficient to pay the warrant, the county treasurer shall refuse to pay or register the warrant and shall endorse across the face of such the warrant "Payment and Registration Refused, Insufficient Funds" and return the warrant to the person presenting it for payment. The county treasurer shall immediately notify the district of such the refusal to pay or register the warrant drawn on a nonbudgeted fund."

NEW SECTION. **Section 19.** Effective date. [This act] is effective July 1, 1993.

-End-

SENATE BILL NO. 178

INTRODUCED BY B. BROWN

A BILL FOR AN ACT ENTITLED: "AN ACT EXTENDING CERTAIN BUDGET REPORTING PERIODS FOR SCHOOL TRUSTEES AND COUNTY SUPERINTENDENTS; ~~REVISING--PAYMENT--OF--SCHOOL--DISTRICT~~ ~~WARRANTS--BY--A--COUNTY--TREASURER~~; AMENDING SECTIONS 7-6-4407, 20-5-307, 20-5-312, 20-6-412, 20-7-705, 20-9-131, 20-9-141, 20-9-142, 20-9-211, 20-9-212, 20-9-213, AND--20-9-222, 20-9-439, 20-9-501, 20-9-503, 20-9-506, 20-10-144, 20-10-146, AND 20-10-147, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 20-9-131, MCA, is amended to read:

"20-9-131. Final budget meeting. (1) On the fourth second Monday in ~~July~~ August, at the time and place noticed pursuant to 20-9-115, the trustees of each district shall meet to consider the preliminary budget submitted to or prepared by the county superintendent, including all information and any attachments required by law.

(2) The trustees may continue the meeting from day to day but shall adopt the final budget for the district and determine the amounts to be raised by tax levies for the district not later than the second fourth Monday in August

and before the fixing of the tax levies for each district. Any taxpayer in the district may attend any portion of the trustees' meeting and be heard on the budget of such the district or on any item or amount contained in such the budget."

SECTION 2. SECTION 20-5-307, MCA, IS AMENDED TO READ:

"20-5-307. Budgeting, levy requirement, and paying elementary tuition. (1) The tuition amount that has been established in 20-5-305 must be paid during the ensuing school fiscal year. The trustees of the elementary district shall include the amount in the tuition fund of the preliminary budget. If the trustees should fail to include the amount or any portion of it in the preliminary budget, they shall adjust the budgeted amount in adopting the final budget to provide for the total tuition amount that is due during the ensuing school fiscal year. The adjustment is not subject to the budget adjustment provisions of 20-9-132.

(2) The county superintendent shall report the net tuition fund levy requirement for each elementary district to the county commissioners on the second fourth Monday of August, and a levy on the district must be made by the county commissioners in accordance with 20-9-142. The levy requirement must be calculated by subtracting from the total expenditure amount authorized in the final tuition fund budget the sum of the fund balance in the tuition fund at

1 the end of the immediately preceding school fiscal year plus
2 any other anticipated money that may be realized in the
3 tuition fund.

4 (3) The trustees shall pay by warrants drawn on the
5 tuition fund the tuition amounts owed to each district
6 included in the county superintendent's notification
7 provided under the provisions of 20-5-306. At least one-half
8 of the payments must be made in December, and the remaining
9 payments must be made by June 15 of the fiscal year.

10 (4) Any unanticipated tuition receipts received under
11 the provisions of chapter 7, part 4, or this part for the
12 current school fiscal year must be deposited in a separate
13 account of the district miscellaneous programs fund and may
14 be used for that year in the manner provided for in that
15 fund. For the ensuing school fiscal year, the receipts must
16 be credited to the district general fund budget."

17 **SECTION 3. SECTION 20-5-312, MCA, IS AMENDED TO READ:**

18 "20-5-312. Reporting, budgeting, and payment for high
19 school tuition. (1) Except as provided in subsection (2), on
20 March 15, the trustees of each high school district shall
21 determine the rate of tuition for the current school fiscal
22 year by:

23 (a) totaling the previous school fiscal year's
24 expenditures from the district general fund, the debt
25 service fund, and, if the pupil is a resident of another

1 county, the retirement fund;

2 (b) dividing the amount determined in subsection (1)(a)
3 above by the October 1 enrollment of the district for the
4 previous school fiscal year, as reported to the office of
5 public instruction for purposes of accreditation pursuant to
6 20-7-102 and 20-9-344; and

7 (c) subtracting from the amount determined in
8 subsection (1)(b) the per-ANB amount allowed by the
9 foundation program schedules and the per-ANB amount that is
10 the ANB value per mill calculated pursuant to 20-9-366,
11 multiplied by the number of permissive and retirement mills
12 levied.

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:

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

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

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

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

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

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

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

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

(7) For pupils attending a high school outside their district of residence but within the county of residence, the total amount of the tuition, with consideration of any tuition waivers, must be paid during the ensuing school fiscal year. The trustees of the sending high school district shall include the tuition amount in the tuition fund of the preliminary and final budgets. This budgeted tuition amount is not subject to the budget adjustment provisions of 20-9-132. The county superintendent shall report the net tuition fund levy requirement for each high school district to the county commissioners on the second fourth Monday of August, and a levy on the district must be made by the county commissioners in accordance with 20-9-142. The levy requirement must be calculated by

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

(8) Any unanticipated tuition receipts received under the provisions of chapter 7, part 4, or this part for the current school fiscal year must be deposited in a separate account of the district miscellaneous programs fund and may be used for that year in the manner provided for in that fund. For the ensuing school fiscal year, the receipts must be credited to the district general fund budget."

SECTION 4. SECTION 20-6-412, MCA, IS AMENDED TO READ:

"20-6-412. Property tax valuation after district

boundary change. The property tax valuation used under the provisions of 20-9-142 for the purposes of fixing the tax levies, except the debt service fund tax levy, for a district that has had a boundary change at any time before the second fourth Monday in August shall include the property tax valuation of any territory added to the district by such boundary change or exclude the property tax valuation of any territory detached from the district by such boundary change."

SECTION 5. SECTION 20-7-705, MCA, IS AMENDED TO READ:

"20-7-705. Adult education fund. (1) A separate adult education fund must be established when an adult education program is operated by a district or community college district. The financial administration of the fund must comply with the budgeting, financing, and expenditure provisions of the laws governing the schools.

(2) Whenever the trustees of a district establish an adult education program under the provisions of 20-7-702, they shall establish an adult education fund under the provisions of this section. The adult education fund is the depository for all district money received by the district in support of the adult education program. Federal and state adult education program money must be deposited in the miscellaneous programs fund.

(3) The trustees of a district may authorize the levy

1 of a tax of not more than 1 mill on the district, except
 2 that trustees of a county high school district that is not
 3 unified with an elementary district or of a K-12 school
 4 district formed under the provisions of 20-6-701 may
 5 authorize a levy of not more than 2 mills on the district,
 6 for the operation of an adult education program when the
 7 superintendent of public instruction has approved the
 8 educational program to be supported by the levy. The
 9 trustees shall obtain the approval of the superintendent of
 10 public instruction before the fourth Monday of June in order
 11 to include the expenditures to be financed by the levy in
 12 the preliminary budget. The superintendent of public
 13 instruction shall promulgate rules and forms for the
 14 approval.

15 (4) Whenever the trustees of a district decide to offer
 16 an adult education program during the ensuing school fiscal
 17 year, they shall budget for the cost of the program in the
 18 adult education fund of the preliminary budget. Any
 19 expenditures in support of the adult education program under
 20 the final adult education budget must be made in accordance
 21 with the financial administration provisions of this title
 22 for a budgeted fund.

23 (5) When a tax levy for an adult education program that
 24 has been approved by the superintendent of public
 25 instruction is included as a revenue item on the final adult

1 education budget, the county superintendent shall report the
 2 levy requirement to the county commissioners on the second
 3 fourth Monday of August and a levy on the district must be
 4 made by the county commissioners in accordance with
 5 20-9-142."

6 **SECTION 6. SECTION 20-9-141, MCA, IS AMENDED TO READ:**

7 "20-9-141. Computation of general fund net levy
 8 requirement by county superintendent. (1) The county
 9 superintendent shall compute the levy requirement for each
 10 district's general fund on the basis of the following
 11 procedure:

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

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

18 (ii) any additional general fund budget amount adopted
 19 by the trustees of the district under the provisions of
 20 20-9-145 and 20-9-353, including any additional levies
 21 authorized by the electors of the district.

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

25 (i) anticipated federal money received under the

1 provisions of Title I of Public Law 81-874 or other
2 anticipated federal money received in lieu of that federal
3 act;

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

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

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

11 (v) anticipated or reappropriated revenue from property
12 taxes and fees imposed under 23-2-517, 23-2-803,
13 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204;

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

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

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

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

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

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

5 (c) Notwithstanding the provisions of subsection (2),
6 subtract the money available to reduce the property tax
7 required to finance the general fund that has been
8 determined in subsection (1)(b) from any additional general
9 fund budget amount adopted by the trustees of the district
10 as the permissive amount under the provisions of 20-9-145 to
11 determine the general fund permissive net levy requirement.

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

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

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

25 (b) the taxable valuation of the district divided by

1 1,000.

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

9 **SECTION 7. SECTION 20-9-142, MCA, IS AMENDED TO READ:**

10 "20-9-142. Fixing and levying taxes by board of county
11 commissioners. On the second fourth Monday in August, the
12 county superintendent shall place before the board of county
13 commissioners the final adopted budget of the district. It
14 is the duty of the board of county commissioners to fix and
15 levy on all the taxable value of all the real and personal
16 property within the district all district and county
17 taxation required to finance, within the limitations
18 provided by law, the final budget."

19 **SECTION 8. SECTION 20-9-439, MCA, IS AMENDED TO READ:**

20 "20-9-439. Computation of net levy requirement --
21 procedure when levy inadequate. (1) The county
22 superintendent shall compute the levy requirement for each
23 school district's debt service fund on the basis of the
24 following procedure:

25 (a) determine the total money available in the debt

1 service fund for the reduction of the property tax on the
2 district by totaling:

3 (i) the end-of-the-year fund balance in the debt
4 service fund, less any limited operating reserve as provided
5 in 20-9-438;

6 (ii) anticipated interest to be earned by the investment
7 of debt service cash in accordance with the provisions of
8 20-9-213(4) or by the investment of bond proceeds under the
9 provisions of 20-9-435; and

10 (iii) any other money anticipated by the trustees to be
11 available in the debt service fund during the ensuing school
12 fiscal year from such sources as legally authorized money
13 transfers into the debt service fund or from rental income;

14 (b) the total amount available to reduce the property
15 tax, determined in subsection (1)(a), must be subtracted
16 from the final budget expenditure amount for the debt
17 service fund as established in 20-9-438;

18 (c) the net debt service fund levy requirement
19 determined in subsection (1)(b) must be reported to the
20 county commissioners on the second fourth Monday of August
21 by the county superintendent as the net debt service fund
22 levy requirement for the district, and a levy must be made
23 by the county commissioners in accordance with 20-9-142.

24 (2) If the board of county commissioners fails in any
25 school fiscal year to make a levy for any issue or series of

1 bonds of a school district sufficient to raise the money
 2 necessary for payment of interest and principal becoming due
 3 during the next ensuing school fiscal year, in any amounts
 4 established under the provisions of this section, the holder
 5 of any bond of the issue or series or any taxpayer of the
 6 district may apply to the district court of the county in
 7 which the school district is located for a writ of mandate
 8 to compel the board of county commissioners of the county to
 9 make a sufficient levy for such purposes. If, upon the
 10 hearing of the application, it appears to the satisfaction
 11 of the court that the board of county commissioners of the
 12 county has failed to make a levy or has made a levy that is
 13 insufficient to raise the amount required to be raised as
 14 established in the manner provided in this section, the
 15 court shall determine the amount of the deficiency and shall
 16 issue a writ of mandate directed to and requiring the board
 17 of county commissioners, at the next meeting for the purpose
 18 of fixing tax levies for county purposes, to fix and make a
 19 levy against all taxable property in the school district
 20 that is sufficient to raise the amount of the deficiency.
 21 The levy is in addition to any levy required to be made at
 22 that time for the ensuing school fiscal year. Any costs that
 23 may be allowed or awarded the petitioner in the proceeding
 24 must be paid by the members of the board of county
 25 commissioners and may not be a charge against the school

1 district or the county."

2 **SECTION 9. SECTION 20-9-501, MCA, IS AMENDED TO READ:**

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

22 (2) The trustees of a district required to make a
 23 contribution to a system referred to in subsection (1) shall
 24 include in the retirement fund of the preliminary budget the
 25 estimated amount of the employer's contribution. After the

1 final retirement fund budget has been adopted, the trustees
2 shall pay the employer contributions to the systems in
3 accordance with the financial administration provisions of
4 this title.

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

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

10 (i) any anticipated money that may be realized in the
11 retirement fund during the ensuing school fiscal year,
12 including anticipated revenue from property taxes and fees
13 imposed under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521,
14 61-3-537, and 67-3-204;

15 (ii) net proceeds taxes and local government severance
16 taxes on any other oil and gas production occurring after
17 December 31, 1988;

18 (iii) coal gross proceeds taxes under 15-23-703;

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

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

4 (v) any other revenue anticipated that may be realized
5 in the retirement fund during the ensuing school fiscal
6 year, excluding any guaranteed tax base aid.

7 (b) notwithstanding the provisions of subsection (8),
8 subtracting the money available for reduction of the levy
9 requirement, as determined in subsection (3)(a), from the
10 budgeted amount for expenditures in the final retirement
11 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 (b) report each levy requirement to the county
19 commissioners on the second fourth Monday of August as the
20 respective county levy requirements for elementary district,
21 high school district, and community college district
22 retirement funds.

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

25 (6) The net retirement fund levy requirement for a

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

8 (7) The net retirement fund levy requirement for
 9 districts that are members of special education cooperative
 10 agreements must be prorated to each county in which the
 11 district is located in the same proportion as the special
 12 education cooperative budget is prorated to the member
 13 school districts. The county superintendents of the counties
 14 affected shall jointly determine the net retirement fund
 15 levy requirement for each county in the same manner as
 16 provided in 20-9-151 and the county commissioners shall fix
 17 and levy the net retirement fund levy for each county in the
 18 same manner as provided in 20-9-152.

19 (8) The county superintendent shall calculate the
 20 number of mills to be levied on the taxable property in the
 21 county to finance the retirement fund net levy requirement
 22 by dividing the amount determined in subsection (4)(a) by
 23 the sum of:

24 (a) the amount of guaranteed tax base aid that the
 25 county will receive for each mill levied, as certified by

1 the superintendent of public instruction; and

2 (b) the taxable valuation of the district divided by
 3 1,000."

4 **SECTION 10. SECTION 20-9-503, MCA, IS AMENDED TO READ:**

5 "20-9-503. Budgeting, tax levy, and use of the building
 6 reserve fund. (1) Whenever an annual building reserve
 7 authorization to budget is available to a district, the
 8 trustees shall include such authorized amount in the
 9 building reserve fund of the preliminary budget. The county
 10 superintendent shall report such amount as the building
 11 reserve fund levy requirement to the county commissioners on
 12 the second fourth Monday of August, and a levy on the
 13 district shall be made by the county commissioners in
 14 accordance with 20-9-142.

15 (2) The trustees of any district maintaining a building
 16 reserve fund shall have the authority to expend moneys from
 17 such fund for the purpose or purposes for which it was
 18 authorized without such specific expenditures being included
 19 in the final budget when, in their discretion, there is a
 20 sufficient amount of money to commence the authorized
 21 projects. Such expenditures shall not invalidate the
 22 district's authority to continue the annual imposition of
 23 the building reserve taxation authorized by the electors of
 24 the district.

25 (3) Whenever there is money credited to the building

1 reserve fund for which there is no immediate need, the
 2 trustees may invest such money in accordance with
 3 20-9-213(4). The interest earned from the investment shall
 4 be credited to the building reserve fund or the debt service
 5 fund, at the discretion of the trustees, and expended for
 6 any purpose authorized by law for such fund."

7 **SECTION 11. SECTION 20-9-506, MCA, IS AMENDED TO READ:**

8 "20-9-506. Budgeting and net levy requirement for
 9 nonoperating fund. (1) The trustees of any district which
 10 does not operate a school or will not operate a school
 11 during the ensuing school fiscal year shall adopt a
 12 nonoperating school district budget in accordance with the
 13 school budgeting provisions of this title. Such nonoperating
 14 budget shall contain the nonoperating fund and, when
 15 appropriate, a debt service fund. The nonoperating budget
 16 form shall be promulgated and distributed by the
 17 superintendent of public instruction under the provisions of
 18 20-9-103.

19 (2) After the adoption of a final budget for the
 20 nonoperating fund, the county superintendent shall compute
 21 the net levy requirement for such fund by subtracting from
 22 the amount authorized by such budget the sum of:

23 (a) the end-of-the-year cash balance of the
 24 nonoperating fund or, if it is the first year of
 25 nonoperation, the cash balance determined under the transfer

1 provisions of 20-9-505;

2 (b) the estimated state and county transportation
 3 reimbursements; and

4 (c) any other moneys that may become available during
 5 the ensuing school fiscal year.

6 (3) The county superintendent shall report the net
 7 nonoperating fund levy requirement and any net debt service
 8 fund levy requirement determined under the provisions of
 9 20-9-439 to the county commissioners on the second fourth
 10 Monday of August, and such levies shall be made on the
 11 district by the county commissioners in accordance with
 12 20-9-142."

13 **SECTION 12. SECTION 20-10-144, MCA, IS AMENDED TO READ:**

14 "20-10-144. Computation of revenues and net tax levy
 15 requirements for district transportation fund budget. Before
 16 the fourth Monday of July and in accordance with 20-9-123,
 17 the county superintendent shall compute the revenue
 18 available to finance the transportation fund budget of each
 19 district. The county superintendent shall compute the
 20 revenue for each district on the following basis:

21 (1) The "schedule amount" of the preliminary budget
 22 expenditures that is derived from the rate schedules in
 23 20-10-141 and 20-10-142 must be determined by adding the
 24 following amounts:

25 (a) the sum of the maximum reimbursable expenditures

1 for all approved school bus routes maintained by the
 2 district (to determine the maximum reimbursable expenditure,
 3 multiply the applicable rate per bus mile by the total
 4 number of miles to be traveled during the ensuing school
 5 fiscal year on each bus route approved by the county
 6 transportation committee and maintained by such district);
 7 plus

8 (b) the total of all individual transportation per diem
 9 reimbursement rates for the district as determined from the
 10 contracts submitted by the district multiplied by the number
 11 of pupil-instruction days scheduled for the ensuing school
 12 attendance year; plus

13 (c) any estimated costs for supervised home study or
 14 supervised correspondence study for the ensuing school
 15 fiscal year; plus

16 (d) the amount budgeted on the preliminary budget for
 17 the contingency amount permitted in 20-10-143, except if the
 18 amount exceeds 10% of the total of subsections (1)(a),
 19 (1)(b), and (1)(c) or \$100, whichever is larger, the
 20 contingency amount on the preliminary budget must be reduced
 21 to the limitation amount and used in this determination of
 22 the schedule amount.

23 (2) (a) The schedule amount determined in subsection
 24 (1) or the total preliminary transportation fund budget,
 25 whichever is smaller, is divided by 2 and is used to

1 determine the available state and county revenue to be
 2 budgeted on the following basis:

3 (i) one-half is the budgeted state transportation
 4 reimbursement, except that the state transportation
 5 reimbursement for the transportation of special education
 6 pupils under the provisions of 20-7-442 must be 50% of the
 7 schedule amount attributed to the transportation of special
 8 education pupils; and

9 (ii) one-half is the budgeted county transportation fund
 10 reimbursement and must be financed in the manner provided in
 11 20-10-146.

12 (b) When the district has a sufficient amount of cash
 13 for reappropriation and other sources of district revenue,
 14 as determined in subsection (3), to reduce the total
 15 district obligation for financing to zero, any remaining
 16 amount of district revenue and cash reappropriated must be
 17 used to reduce the county financing obligation in subsection
 18 (2)(a)(ii) and, if the county financing obligations are
 19 reduced to zero, to reduce the state financial obligation in
 20 subsection (2)(a)(i).

21 (c) The county revenue requirement for a joint
 22 district, after the application of any district money under
 23 subsection (2)(b), must be prorated to each county
 24 incorporated by the joint district in the same proportion as
 25 the ANB of the joint district is distributed by pupil

1 residence in each county.

2 (3) The total of the money available for the reduction
3 of property tax on the district for the transportation fund
4 must be determined by totaling:

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

9 (b) anticipated payments from other districts for
10 providing school bus transportation services for the
11 district;

12 (c) anticipated payments from a parent or guardian for
13 providing school bus transportation services for his child;

14 (d) anticipated or reappropriated interest to be earned
15 by the investment of transportation fund cash in accordance
16 with the provisions of 20-9-213(4);

17 (e) anticipated or reappropriated revenue from property
18 taxes and fees imposed under 23-2-517, 23-2-803,
19 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204;

20 (f) anticipated revenue from coal gross proceeds under
21 15-23-703;

22 (g) anticipated net proceeds taxes for new production,
23 as defined in 15-23-601, and local government severance
24 taxes on any other production occurring after December 31,
25 1988;

1 (h) any other revenue anticipated by the trustees to be
2 earned during the ensuing school fiscal year that may be
3 used to finance the transportation fund; and

4 (i) any fund balance available for reappropriation as
5 determined by subtracting the amount of the end-of-the-year
6 fund balance earmarked as the transportation fund operating
7 reserve for the ensuing school fiscal year by the trustees
8 from the end-of-the-year fund balance in the transportation
9 fund. The operating reserve may not be more than 20% of the
10 final transportation fund budget for the ensuing school
11 fiscal year and is for the purpose of paying transportation
12 fund warrants issued by the district under the final
13 transportation fund budget.

14 (4) The district levy requirement for each district's
15 transportation fund must be computed by:

16 (a) subtracting the schedule amount calculated in
17 subsection (1) from the total preliminary transportation
18 budget amount; and

19 (b) subtracting the amount of money available to reduce
20 the property tax on the district, as determined in
21 subsection (3), from the amount determined in subsection
22 (4)(a).

23 (5) The transportation fund levy requirements
24 determined in subsection (4) for each district must be
25 reported to the county commissioners on the second fourth

1 Monday of August by the county superintendent as the
2 transportation fund levy requirements for the district, and
3 the levy must be made by the county commissioners in
4 accordance with 20-9-142."

5 **SECTION 13. SECTION 20-10-146, MCA, IS AMENDED TO READ:**

6 "20-10-146. County transportation reimbursement. (1)
7 The apportionment of the county transportation reimbursement
8 by the county superintendent for school bus transportation
9 or individual transportation that is actually rendered by a
10 district in accordance with this title, board of public
11 education transportation policy, and the transportation
12 rules of the superintendent of public instruction must be
13 the same as the state transportation reimbursement payment
14 except that:

15 (a) if any cash was used to reduce the budgeted county
16 transportation reimbursement under the provisions of
17 20-10-144(2)(b), the annual apportionment is limited to the
18 budget amount; and

19 (b) when the county transportation reimbursement for a
20 school bus has been prorated between two or more counties
21 because the school bus is conveying pupils of more than one
22 district located in the counties, the apportionment of the
23 county transportation reimbursement must be adjusted to pay
24 the amount computed under the proration.

25 (2) The county transportation net levy requirement for

1 the financing of the county transportation fund
2 reimbursements to districts is computed by:

3 (a) totaling the net requirement for all districts of
4 the county, including reimbursements to a special education
5 cooperative or prorated reimbursements to joint districts;

6 (b) determining the sum of the money available to
7 reduce the county transportation net levy requirement by
8 adding:

9 (i) anticipated money that may be realized in the
10 county transportation fund during the ensuing school fiscal
11 year, including anticipated revenue from property taxes and
12 fees imposed under 23-2-517, 23-2-803, 61-3-504(2),
13 61-3-521, 61-3-537, and 67-3-204;

14 (ii) net proceeds taxes and local government severance
15 taxes on other oil and gas production occurring after
16 December 31, 1988;

17 (iii) coal gross proceeds taxes under 15-23-703;

18 (iv) any fund balance available for reappropriation from
19 the end-of-the-year fund balance in the county
20 transportation fund. The county transportation fund
21 operating reserve may not be more than 35% of the final
22 county transportation fund budget for the ensuing school
23 fiscal year and must be used for the purpose of paying
24 transportation fund warrants under the county transportation
25 fund budget.

1 (v) federal forest reserve funds allocated under the
2 provisions of 17-3-213; and

3 (vi) other revenue anticipated that may be realized in
4 the county transportation fund during the ensuing school
5 fiscal year; and

6 (c) notwithstanding the provisions of subsection (3),
7 subtracting the money available as determined in subsection
8 (2)(b) to reduce the levy requirement from the county
9 transportation net levy requirement.

10 (3) The net levy requirement determined in subsection
11 (2)(c) must be reported to the county commissioners on the
12 second fourth Monday of August by the county superintendent
13 and a levy must be set by the county commissioners in
14 accordance with 20-9-142.

15 (4) The county superintendent shall apportion the
16 county transportation reimbursement from the proceeds of the
17 county transportation fund. The county superintendent shall
18 order the county treasurer to make the apportionments in
19 accordance with 20-9-212(2) and after the receipt of the
20 semiannual state transportation reimbursement payments."

21 **SECTION 14. SECTION 20-10-147, MCA, IS AMENDED TO READ:**

22 "20-10-147. Bus depreciation reserve. (1) The trustees
23 of a district owning a bus or a two-way radio used for
24 purposes of transportation, as defined in 20-10-101, or for
25 purposes of conveying pupils to and from school functions or

1 activities may establish a bus depreciation reserve fund to
2 be used for the conversion, remodeling, or rebuilding of a
3 bus or for the replacement of a bus or radio.

4 (2) Whenever a bus depreciation reserve fund is
5 established, the trustees may include in the district's
6 budget, in accordance with the school budgeting provisions
7 of this title, an amount each year that does not exceed 20%
8 of the original cost of a bus or a two-way radio. The amount
9 budgeted may not, over time, exceed 150% of the original
10 cost of a bus or two-way radio. The annual revenue
11 requirement for each district's bus depreciation reserve
12 fund, determined within the limitations of this section,
13 must be reported by the county superintendent to the county
14 commissioners on the second fourth Monday of August as the
15 bus depreciation reserve fund levy requirement for that
16 district, and a levy must be made by the county
17 commissioners in accordance with 20-9-142.

18 (3) Any expenditure of bus depreciation reserve fund
19 money must be within the limitations of the district's final
20 bus depreciation reserve fund budget and the school
21 financial administration provisions of this title and may be
22 made only to convert, remodel, or rebuild buses or to
23 replace the buses or radios for which the bus depreciation
24 reserve fund was created.

25 (4) Whenever the trustees of a district maintaining a

bus depreciation reserve fund consider it to be in the best interest of the district to transfer any portion or all of the bus depreciation reserve fund balance to any other fund maintained by the district, the trustees shall submit the proposition to the electors of the district. The electors qualified to vote at the election shall qualify under 20-20-301, and the election must be called and conducted in the manner prescribed by this title for school elections. If a majority of those electors voting at the election approve the proposed transfer from the bus depreciation reserve fund, the transfer is approved and the trustees shall immediately order the county treasurer to make the approved transfer."

SECTION 15. SECTION 7-6-4407, MCA, IS AMENDED TO READ:

"7-6-4407. Resolution to fix annual tax levy. (1) The council must:

(a) on or before the second Monday of August of each year, by resolution determine the amount of the city or town taxes for all purposes to be levied and assessed on the taxable property in the city or town for the current fiscal year; and

(b) on or before the fourth Monday of August of each year, by resolution determine the amount of school district taxes for all purposes to be levied and assessed on the taxable property in the city or town for the current fiscal

year.

(2) (a) Except as provided in subsection (2)(b), the city or town clerk must at once certify to the county clerk a copy of such the resolution, and the county treasurer must collect said the taxes as provided in this part.

(b) In cities where the council has provided by ordinance for the collection of such the taxes by the city treasurer, the city clerk must certify a copy of such the resolution to said the city treasurer."

Section 16. Section 20-9-211, MCA, is amended to read:

"20-9-211. Annual financial report of county superintendent. No later than the second Monday in September of each school fiscal year, the county superintendent shall report to the superintendent of public instruction the financial activity during the preceding school fiscal year of each district of the county in accordance with the reporting requirements prescribed by the superintendent of public instruction. Such The reports shall must be prepared on forms provided by the superintendent of public instruction."

Section 17. Section 20-9-212, MCA, is amended to read:

"20-9-212. Duties of county treasurer. The county treasurer of each county shall:

(1) receive and hold all school money subject to apportionment and keep a separate accounting of its

1 apportionment to the several districts which are entitled to
 2 a portion of the money according to the apportionments
 3 ordered by the county superintendent. A separate accounting
 4 must be maintained for each county fund supported by a
 5 countywide levy for a specific, authorized purpose,
 6 including:

7 (a) the basic county tax in support of the elementary
 8 foundation programs;

9 (b) the basic special tax for high schools in support
 10 of the high school foundation programs;

11 (c) the county tax in support of the transportation
 12 schedules;

13 (d) the county tax in support of the elementary and
 14 high school district retirement obligations; and

15 (e) any other county tax for schools, including the
 16 community colleges, which may be authorized by law and
 17 levied by the county commissioners.

18 (2) whenever requested, notify the county
 19 superintendent and the superintendent of public instruction
 20 of the amount of county school money on deposit in each of
 21 the funds enumerated in subsection (1) of this section and
 22 the amount of any other school money subject to
 23 apportionment and apportion the county and other school
 24 money to the districts in accordance with the apportionment
 25 ordered by the county superintendent;

1 (3) keep a separate accounting of the expenditures for
 2 each budgeted fund included in the final budget of each
 3 district;

4 (4) keep a separate accounting of the receipts,
 5 expenditures, and cash balances for each budgeted fund
 6 ~~included in the final budget of each district and for each~~
 7 ~~nonbudgeted fund~~ established by each district;

8 (5) except as otherwise limited by law, pay all
 9 warrants properly drawn on the county or district school
 10 money and properly endorsed by their holders;

11 (6) receive all revenue collected by and for each
 12 district and deposit these receipts in the fund designated
 13 by law or by the district if no a fund is not designated by
 14 law. Interest and penalties on delinquent school taxes ~~shall~~
 15 must be credited to the same fund and district for which the
 16 original taxes were levied.

17 (7) send all revenue received for a joint district,
 18 part of which is situated in ~~his~~ that county, to the county
 19 treasurer designated as the custodian of the revenue, no
 20 later than December 15 of each year and every 3 months
 21 thereafter after that date until the end of the school
 22 fiscal year;

23 (8) at the direction of the trustees of a district,
 24 assist the district in the issuance and sale of tax and
 25 revenue anticipation notes as provided in Title 7, chapter

1 6, part 11;

2 (9) register district warrants drawn on a budgeted fund
3 in accordance with 7-6-2604 when there is insufficient money
4 available in all funds of the district to make payment of
5 the warrant. Redemption of registered warrants must be made
6 in accordance with 7-6-2116, 7-6-2605, and 7-6-2606.

7 (10) invest the money of any district as directed by the
8 trustees of the district within 3 working days of the
9 direction;

10 (11) each month give to the trustees of each district an
11 itemized report for each fund maintained by the district,
12 showing the paid warrants, outstanding warrants, registered
13 warrants, amounts and types of revenue received, and the
14 cash balance;

15 (12) remit promptly to the state treasurer receipts for
16 the county tax for a vocational-technical center when levied
17 by the board of county commissioners under the provisions of
18 20-16-202;

19 (13) invest the money received from the basic county tax
20 in support of the elementary foundation programs and the
21 basic special tax in support of the high school foundation
22 programs within 3 working days of receipt. The money must be
23 invested until the working day before it is required to be
24 distributed to school districts within the county or
25 remitted to the state. Permissible investments are specified

1 in 20-9-213(4). All investment income must be deposited, and
2 credited proportionately, in the funds established to
3 account for the taxes received for the purposes specified in
4 subsections (1)(a) and (1)(b).

5 (14) remit on a monthly basis to the state treasurer, in
6 accordance with the provisions of 15-1-504, all county
7 equalization revenue received under the provisions of
8 20-9-331 and 20-9-333 for elementary and high school
9 district foundation program support, including all interest
10 earned and excluding any amount required for high school
11 out-of-county tuition under the provisions of 20-9-334, in
12 repayment of the state advance for county equalization
13 prescribed in 20-9-347. Any funds in excess of a state
14 advance must be used as required in 20-9-331(1)(b) and
15 20-9-333(1)(b)."

16 **Section 18.** Section 20-9-213, MCA, is amended to read:

17 "20-9-213. Duties of trustees. The trustees of each
18 district shall have the sole power and authority to transact
19 all fiscal business and execute all contracts in the name of
20 the district. No A person other than the trustees acting as
21 a governing board may not expend money of the district. In
22 conducting the fiscal business of the district, the trustees
23 shall:

24 (1) cause the keeping of an accurate, detailed
25 accounting of all receipts and expenditures of school money

1 for each fund maintained by the district in accordance with
 2 generally accepted accounting principles and the rules
 3 prescribed by the superintendent of public instruction. The
 4 record of the accounting must be open to public inspection
 5 at any meeting of the trustees.

6 (2) authorize all expenditures of district money and
 7 cause warrants to be issued for the payment of lawful
 8 obligations;

9 (3) issue warrants on any budgeted fund in anticipation
 10 of budgeted revenues, except that the expenditures may not
 11 exceed the amount budgeted for the fund;

12 (4) invest any money of the district, whenever in the
 13 judgment of the trustees the investment would be
 14 advantageous to the district, by directing the county
 15 treasurer to invest any money of the district in direct
 16 obligations of the United States government; in savings or
 17 time deposits in a state or national bank, building or loan
 18 association, savings and loan association, or credit union
 19 insured by the FDIC, FSLIC, or NCUA located in the state; or
 20 in a repurchase agreement as authorized in 7-6-213. All
 21 interest collected on the deposits or investments must be
 22 credited to the fund from which the money was withdrawn,
 23 except that interest earned on account of the investment of
 24 money realized from the sale of bonds must be credited to
 25 the debt service fund or the building fund, at the

1 discretion of the board of trustees. The placement of the
 2 investment by the county treasurer is not subject to ratable
 3 distribution laws and must be done in accordance with the
 4 directive from the board of trustees. A district may invest
 5 money under the state unified investment program established
 6 in Title 17, chapter 6.

7 (5) cause the district to record every transaction in
 8 the appropriate account before the accounts are closed at
 9 the end of the fiscal year in order to properly report the
 10 receipt, use, and disposition of all money and property for
 11 which the district is accountable;

12 (6) report annually to the county superintendent, not
 13 later than August 15, the financial activities of each
 14 fund maintained by the district during the last completed
 15 school fiscal year, on the forms prescribed and furnished by
 16 the superintendent of public instruction. Annual fiscal
 17 reports for joint school districts must be submitted not
 18 later than September 1 to the county superintendent of each
 19 county in which part of the joint district is situated.

20 (7) whenever requested, report any other fiscal
 21 activities to the county superintendent, superintendent of
 22 public instruction, or board of public education;

23 (8) cause the accounting records of the district to be
 24 audited as required by 2-7-503; and

25 (9) perform, in the manner permitted by law, other

1 fiscal duties that are in the best interests of the
2 district."

3 ~~Section 5. Section 20-9-222, NCA, is amended to read:--~~

4 ~~"20-9-222. Recording and payment Payment of warrants by~~
5 ~~county--treasurer. (1)--Immediately after receiving a~~
6 ~~duplicate warrant or a warrant listing from a district, the~~
7 ~~county--treasurer--shall enter the amount and number of such~~
8 ~~warrant on his accounting records under the fund identified~~
9 ~~on such warrant or listing. The recording of the warrants~~
10 ~~shall allow for the computation of the unexpended amount of~~
11 ~~a budgeted fund from the accounting records.~~

12 ~~(2)--Whenever it appears to the county treasurer that a~~
13 ~~budgeted fund is so nearly exhausted that the issuance of~~
14 ~~another warrant will cause the overexpenditure of such~~
15 ~~budget, the county treasurer shall immediately notify the~~
16 ~~appropriate district of the expended condition of the budget~~
17 ~~and the district shall not issue another warrant against~~
18 ~~such fund that would overexpend the budget.~~

19 ~~(3)--After receiving a duplicate warrant or warrant~~
20 ~~listing that contains a warrant which will exceed the~~
21 ~~unexpended balance of a budgeted fund, the county treasurer~~
22 ~~shall immediately notify the district of such overdraft. If~~
23 ~~the district has not corrected the overdraft before the~~
24 ~~presentation of the warrant for payment, the county~~
25 ~~treasurer shall refuse to pay or register such warrant and~~

1 ~~shall endorse across the face of such warrant "Payment and~~
2 ~~Registration Refused, Insufficient Budget" and return the~~
3 ~~warrant to the person presenting it for payment.~~

4 ~~(4)--Whenever a warrant will overexpend the cash balance~~
5 ~~of a budgeted or nonbudgeted fund, the county treasurer~~
6 ~~shall refuse to pay or register such the warrant if the~~
7 ~~district has sufficient cash in all other budgeted or~~
8 ~~nonbudgeted funds. If the total cash balance of all other~~
9 ~~budgeted and nonbudgeted funds is not sufficient to pay the~~
10 ~~warrant, the county treasurer shall refuse to pay or~~
11 ~~register the warrant and shall endorse across the face of~~
12 ~~such the warrant "Payment and Registration Refused,~~
13 ~~Insufficient Funds" and return the warrant to the person~~
14 ~~presenting it for payment. The county treasurer shall~~
15 ~~immediately notify the district of such the refusal to pay~~
16 ~~or register the warrant drawn on a nonbudgeted fund."~~

17 ~~NEW SECTION. Section 19. Effective date. [This act] is~~
18 ~~effective July 1, 1993.~~

-End-

SENATE BILL NO. 178

INTRODUCED BY B. BROWN

A BILL FOR AN ACT ENTITLED: "AN ACT EXTENDING CERTAIN
BUDGET REPORTING PERIODS FOR SCHOOL TRUSTEES AND COUNTY
SUPERINTENDENTS; ~~REVISING--PAYMENT---OF---SCHOOL---DISTRICT~~
~~WARRANTS--BY-A-COUNTY-TREASURER~~; AMENDING SECTIONS 7-6-4407,
20-5-307, 20-5-312, 20-6-412, 20-7-705, 20-9-131, 20-9-141,
20-9-142, 20-9-211, 20-9-212, 20-9-213, AND--20-9-222,
20-9-439, 20-9-501, 20-9-503, 20-9-506, 20-10-144,
20-10-146, AND 20-10-147, MCA; AND PROVIDING AN EFFECTIVE
DATE."

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

Section 1. Section 20-9-131, MCA, is amended to read:

"20-9-131. Final budget meeting. (1) On the fourth
second Monday in July August, at the time and place noticed
pursuant to 20-9-115, the trustees of each district shall
meet to consider the preliminary budget submitted to or
prepared by the county superintendent, including all
information and any attachments required by law.

(2) The trustees may continue the meeting from day to
day but shall adopt the final budget for the district and
determine the amounts to be raised by tax levies for the
district not later than the second fourth Monday in August

There are no changes in this bill.
Please refer to third reading
(blue) for complete text.