

HOUSE BILL 23

Introduced by Boharski

11/29 Introduced
11/29 Referred to Education & Cultural Resources
11/29 First Reading
11/30 Hearing
12/02 Committee Report--Bill Passed as Amended
12/02 Fiscal Note Requested
12/03 Fiscal Note Received
12/03 Fiscal Note Printed
12/06 2nd Reading Passed as Amended
12/06 3rd Reading Passed

Transmitted to Senate

12/07 First Reading
12/07 Referred to Education & Cultural Resources
12/07 Revised Fiscal Note Requested
12/11 Revised Fiscal Note Received
12/11 Revised Fiscal Note Printed
12/11 Hearing
12/13 Tabled in Committee

HOUSE BILL NO. 23

INTRODUCED BY BOHARSKI

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING VOTER APPROVAL FOR A SCHOOL DISTRICT GENERAL FUND BUDGET THAT EXCEEDS THE MANDATORY GROWTH LEVELS; REQUIRING VOTER APPROVAL FOR A SCHOOL DISTRICT GENERAL FUND BUDGET THAT EXCEEDS THE GREATER OF THE DISTRICT'S PREVIOUS YEAR'S GENERAL FUND BUDGET AMOUNT OR ANY BUDGET AMOUNT THAT REPRESENTS AN INCREASE IN THE DISTRICT'S PER-ANB BUDGET AMOUNT; LIMITING THE OVER-BASE BUDGET OF A DISTRICT TO 104% OF THE PREVIOUS YEAR'S GENERAL FUND BUDGET OR 104% OF THE PREVIOUS YEAR'S GENERAL FUND BUDGET PER-ANB; REQUIRING VOTER APPROVAL FOR ANY AMOUNT IN EXCESS OF THE MAXIMUM GENERAL FUND BUDGET; AMENDING SECTIONS 20-9-308 AND 20-9-353, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

Section 1. Section 20-9-308, MCA, is amended to read:

"20-9-308. BASE budgets and maximum general fund budgets. (1) ~~For the school fiscal year beginning on July 1, 1993, the~~ The trustees of a district shall adopt a general fund budget that:

(a) except as provided in subsection (2), is at least

equal to the BASE budget established for the district; or

(b) except as provided in subsection (4), does not exceed the maximum general fund budget established for the district.

(2) (a) If the BASE budget for a district ~~for the school fiscal year beginning on July 1, 1993,~~ is greater than the general fund budget of the district for the prior school fiscal year, the trustees of the district:

(i) may increase the general fund budget for the district by 4% of the previous year's general fund budget or by 4% of the previous year's general fund budget per-ANB multiplied by the current year's ANB for budgeting purposes; but

(ii) may not adopt a general fund budget that reflects less than the following general fund budget growth amounts for the appropriate school fiscal year:

(A) ~~20% of the range between the district general fund budget for the school fiscal year ending June 30, 1993, and the BASE budget for the district for the school fiscal year beginning July 1, 1993,~~

~~(B)~~ 25% of the range between the district general fund budget for the school fiscal year ending June 30, 1994, and the BASE budget for the district for the school fiscal year beginning July 1, 1994;

~~(C)~~ (B) 33.3% of the range between the district general

1 fund budget for the school fiscal year ending June 30, 1995,
2 and the BASE budget for the district for the school fiscal
3 year beginning July 1, 1995;

4 ~~(B)~~(C) 50% of the range between the district general
5 fund budget for the school fiscal year ending June 30, 1996,
6 and the BASE budget for the district for the school fiscal
7 year beginning July 1, 1996; or

8 ~~(B)~~(D) the remainder of the range between the district
9 general fund budget for the school fiscal year ending June
10 30, 1997, and the BASE budget for the district for the
11 school fiscal year beginning July 1, 1997.

12 (b) ~~(i)-For-the-school-fiscal-year--beginning--July--1--1993--a--district--may--not--exceed--the--limitations--in~~
13 ~~subsection-(2)(a):~~

14 ~~(ii)-Except-for-the-school-fiscal-year-beginning-July-1--1993--whenever~~ Whenever the trustees of a district adopt a
15 general fund budget that exceeds one of the limitations in
16 subsection (2)(a)(ii) but does not exceed the BASE budget
17 for the district, the trustees shall submit a proposition on
18 the amount that exceeds the limitation to the electors of
19 the district, as provided in 20-9-353.

20 (c) Nothing in this section is intended to require a
21 district to budget in excess of its BASE budget.

22 (3) Whenever the trustees of a district adopt a general
23 fund budget that exceeds the BASE budget for the district

1 but does not exceed the maximum general fund budget for the
2 district, the trustees shall:

3 ~~(a)--adopt-a-resolution-stating-the-reasons-and-purposes~~
4 ~~for--exceeding--the--BASE--budget--amount--if--the~~ submit a
5 ~~proposition to the electors of the district, as provided in~~
6 ~~20-9-353, for any budget amount that exceeds the greater of~~
7 ~~the previous year's general fund budget amount or for any~~
8 ~~budget amount that represents an increase in the district's~~
9 ~~per-ANB budget amount. A general fund budget adopted under~~
10 this subsection (3) does may not exceed the greater of:

11 ~~(i)(a)~~ 104% of the previous year's general fund budget;
12 or

13 ~~(i)(b)~~ 104% of the previous year's general fund budget
14 per-ANB multiplied by the current year's ANB for budgeting
15 purposes; or.

16 ~~(b)--except-for-the-school-fiscal-year-beginning-July-1--1993--submit-a-proposition-on-any-amount--of--the--over-BASE~~
17 ~~budget--that--exceeds--one--of--the--limitations--in--subsection~~
18 ~~(3)(a)--to-the-electors--of--the--district,--as--provided--in~~
19 ~~20-9-353.~~

20 ~~(c)--For--the-school-fiscal-year-beginning-July-1--1993--a--district--may--not--exceed--the--limitations--in--subsection~~
21 ~~(3)(a):~~

22 (4) (a) If the maximum general fund budget for a
23 district for an ensuing school fiscal year is less than the

1 general fund budget for the district for the current school
2 fiscal year, the trustees of the district may not adopt a
3 general fund budget for the ensuing school fiscal year that
4 is greater than the district's general fund budget for the
5 current school fiscal year.

6 ~~(b) Except-for-the-school-fiscal-years--beginning--July~~
7 ~~17--1993, and July 17, 1994, the~~ The trustees of the district
8 shall submit a proposition to raise any general fund budget
9 amount that is in excess of the maximum general fund budget
10 for the district to the electors who are qualified under
11 20-20-301 to vote on the proposition, as provided in
12 20-9-353.

13 (5) Whenever the trustees of a district adopt a general
14 fund budget that does not exceed the BASE budget for the
15 district, the trustees shall finance this amount with the
16 following sources of revenue:

17 (a) state equalization aid as provided in 20-9-343,
18 including any guaranteed tax base aid for which the district
19 may be eligible, as provided in 20-9-366 through 20-9-369;

20 (b) county equalization aid, as provided in 20-9-331
21 and 20-9-333;

22 (c) a district levy for support of a school not
23 approved as an isolated school under the provisions of
24 20-9-302;

25 (d) payments in support of special education programs

1 under the provisions of 20-9-321;

2 (e) nonlevy revenue as provided in 20-9-141; and

3 (f) a BASE budget levy on the taxable value of all
4 property within the district.

5 (6) The over-BASE budget amount of a district must be
6 financed by a levy on the taxable value of all property
7 within the district or other revenue available to the
8 district as provided in 20-9-141.

9 [(7) For the purpose of this section, the general fund
10 budget or general fund per-ANB budget for the school fiscal
11 year ending June 30, 1993, is the general fund budget funded
12 by any state, local, and federal revenue, excluding Public
13 Law 81-874 receipts received in the school fiscal year
14 ending June 30, 1993. Before excluding any Public Law 81-874
15 funding, a district may increase the district general fund
16 budget for the school fiscal year ending June 30, 1993, by
17 the allowable increases in subsections (2) and (3).]"

18 **Section 2.** Section 20-9-353, MCA, is amended to read:

19 "20-9-353. Additional financing for general fund --
20 election for authorization to impose. (1) Except as limited
21 by 20-9-308, the trustees of a district may propose to adopt
22 a general fund budget in excess of the maximum general fund
23 budget amount for the district.

24 (2) ~~Except-as-provided-in-20-9-308(4)(b), when~~ When the
25 trustees of a district determine that an additional amount

1 of financing is required for the general fund budget that is
 2 in excess of the maximum general fund budget amount, the
 3 trustees shall submit the proposition to finance the excess
 4 amount of general fund financing to the electors who are
 5 qualified under 20-20-301 to vote upon the proposition. The
 6 special election must be called and conducted in the manner
 7 prescribed by this title for school elections. The ballot
 8 for the election must state the amount of money to be
 9 financed, the approximate number of mills required to raise
 10 all or a portion of the money, and the purpose for which the
 11 money will be expended. The ballot must be in the following
 12 format:

13 PROPOSITION

14 Shall the district be authorized to expend the sum of
 15 (state the amount to be expended), and being approximately
 16 (give number) mills, for the purpose of (insert the purpose
 17 for which the additional financing is made)?

18 FOR budget authority and any levy.

19 AGAINST budget authority and any levy.

20 (3) If the election on any additional financing for the
 21 general fund is approved by a majority vote of the electors
 22 voting at the election, the proposition carries and the
 23 trustees may use any portion or all of the authorized amount
 24 in adopting the preliminary general fund budget. The
 25 trustees shall certify any additional levy amount authorized

1 by the special election on the budget form that is submitted
 2 to the county superintendent, and the county commissioners
 3 shall levy the authorized number of mills on the taxable
 4 value of all taxable property within the district, as
 5 prescribed in 20-9-141, to raise the amount of the
 6 additional levy.

7 (4) Authorization to levy an additional tax under the
 8 provisions of this section is effective for only 1 school
 9 fiscal year and must be authorized by a special election
 10 conducted before August 1 of the school fiscal year for
 11 which it is effective.

12 (5) If the trustees of a district are required to
 13 submit a proposition to finance a ~~base~~ BASE budget amount,
 14 as provided in 20-9-308(2)(b), or an over-BASE budget
 15 amount, as provided in 20-9-308(3)(b), to the electors of
 16 the district, the trustees shall comply with the provisions
 17 of subsections (2) through (4)."

18 NEW SECTION. Section 3. Effective date --
 19 applicability. [This act] is effective on passage and
 20 approval and applies to budgets for the school year
 21 beginning July 1, 1994.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB23, 2nd Reading Copy.


DESCRIPTION OF PROPOSED LEGISLATION: An act requiring voter approval for the over-BASE budget of a school district if the budget exceeds the previous year's general fund budget per-ANB; limiting the over-BASE budget of a district to 104% of the previous year's general fund budget or 104% of the previous year's budget per-ANB; clarifying the voter approval requirements for a school district general fund budget that exceeds the base amount in part; amending sections 20-9-308 and 20-9-353, MCA; and providing an immediate effective date and an applicability date.

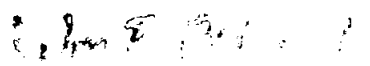
ASSUMPTIONS:

1. House Bill 23 as amended does not require voter approval for any budget growth below the BASE funding level. The portion of the district budget that is supported by direct state aid and GTB subsidies is unaffected by this legislation.

FISCAL IMPACT: None.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES: Local voters will control the growth in school district levies for any amount of budget authority that exceeds the previous year's budget or budget per-ANB. School district budgets and levies are likely to grow more slowly as a result.


DAVID LEWIS, BUDGET DIRECTOR DATE 12-3
Office of Budget and Program Planning


12-3-93
BILL BOHARSKI, PRIMARY SPONSOR DATE
Fiscal Note for HB23, Second Reading

HB 23

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB23, 3rd Reading Copy.

DESCRIPTION OF PROPOSED LEGISLATION: An act requiring the trustees of a school district to deduct 2.8 percent from the general fund budget for the school fiscal year ending June 30, 1994, for the purposes of budgeting for the school fiscal year ending June 30, 1995; requiring voter approval for the BASE budget portion of a school district general fund budget that exceeds the mandatory growth levels; requiring voter approval for the over-BASE budget of a school district if the budget exceeds the recalculation for previous year's general fund budget or the previous year's general fund budget per-ANB; limiting the over-BASE budget of a district to 104% of the previous year's general fund budget or 104% of the previous year's budget per-ANB; clarifying the voter approval requirements for a school district general fund budget that exceeds the base amount in part; amending sections 20-9-308 and 20-9-353, MCA; and providing an immediate effective date and an applicability date.

ASSUMPTIONS:

1. House Bill 23 as amended requires voter approval for any budget growth above the mandatory growth percentage for districts below the BASE funding level.
2. HB22 in its House third reading form is passed.
3. Districts below the BASE funding level who passed a general fund voted levy in FY93 or who levied an over-BASE levy in FY94 or for whom the state share of GTB is in excess of 75 percent will pass voted levies to increase the greater of 4% or 4% per ANB. Districts below the BASE funding level not having a history of voted or above base levies and not having a high GTB subsidy percentage will not pass voted levies.

FISCAL IMPACT: State GTB costs will be reduced \$3,538,000 in FY95 resulting in a corresponding general fund savings.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES: Local voters will control the growth in school district levies for any amount of budget authority that exceeds 97.2 percent of the previous year's budget or budget per-ANB or mandatory growth percentage. School district budgets and levies are likely to grow more slowly as a result.

David Lewis 12-11
DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

William E. Boharski 12-11-93
BILL BOHARSKI, PRIMARY SPONSOR DATE
Fiscal Note for HB23, Third Reading

HB 23-#2

APPROVED BY COMM. ON EDUCATION
AND CULTURAL RESOURCES

HOUSE BILL NO. 23

INTRODUCED BY BOHARSKI

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING--VOTER
APPROVAL--FOR--A--SCHOOL--DISTRICT--GENERAL-FUND-BUDGET-THAT
EXCEEDS--THE--MANDATORY--GROWTH--LEVELS,---REQUIRING---VOTER
APPROVAL--FOR--A--SCHOOL--DISTRICT--GENERAL-FUND-BUDGET-THAT
EXCEEDS--THE--GREATER--OF--THE--DISTRICT'S--PREVIOUS--YEAR'S
GENERAL--FUND--BUDGET--AMOUNT--OR--ANY--BUDGET--AMOUNT--THAT
REPRESENTS-AN-INCREASE--IN--THE--DISTRICT'S--PER-ANB--BUDGET
AMOUNT REQUIRING VOTER APPROVAL FOR THE OVER-BASE BUDGET OF
A SCHOOL DISTRICT IF THE BUDGET EXCEEDS THE PREVIOUS YEAR'S
GENERAL FUND BUDGET OR THE PREVIOUS YEAR'S GENERAL FUND
BUDGET PER-ANB; LIMITING THE OVER-BASE BUDGET OF A DISTRICT
TO 104% OF THE PREVIOUS YEAR'S GENERAL FUND BUDGET OR 104%
OF THE PREVIOUS YEAR'S GENERAL FUND BUDGET PER-ANB;
REQUIRING--VOTER--APPROVAL--FOR--ANY-AMOUNT-IN-EXCESS-OF-THE
MAXIMUM-GENERAL-FUND-BUDGET CLARIFYING THE VOTER APPROVAL
REQUIREMENTS FOR A SCHOOL DISTRICT GENERAL FUND BUDGET THAT
EXCEEDS THE BASE AMOUNT IN PART; AMENDING SECTIONS 20-9-308
AND 20-9-353, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE
AND AN APPLICABILITY DATE."

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

Section 1. Section 20-9-308, MCA, is amended to read:

"20-9-308. BASE budgets and maximum general fund
budgets. (1) ~~For-the-school-fiscal-year-beginning-on-July-17-~~
~~1993-the~~ The trustees of a district shall adopt a general
fund budget that:

(a) except as provided in subsection (2), is at least
equal to the BASE budget established for the district; or

(b) except as provided in subsection (4), does not
exceed the maximum general fund budget established for the
district.

(2) (a) If the BASE budget for a district for--the
school--fiscal--year--beginning--on-July-17-1993, is greater
than the general fund budget of the district for the prior
school fiscal year, the trustees of the district:

(i) may increase the general fund budget for the
district by 4% of the previous year's general fund budget or
by 4% of the previous year's general fund budget per-ANB
multiplied by the current year's ANB for budgeting purposes;
but

(ii) may not adopt a general fund budget that reflects
less than the following general fund budget growth amounts
for the appropriate school fiscal year:

(A) ~~20%-of-the-range-between-the-district-general--fund~~
~~budget--for-the-school-fiscal-year-ending-June-30,-1993,-and~~
~~the-BASE-budget-for-the-district-for-the-school-fiscal--year~~
~~beginning-July-17-1993,~~

1 ~~(B)~~ 25% of the range between the district general fund
2 budget for the school fiscal year ending June 30, 1994, and
3 the BASE budget for the district for the school fiscal year
4 beginning July 1, 1994;

5 ~~(C)~~ 33.3% of the range between the district general
6 fund budget for the school fiscal year ending June 30, 1995,
7 and the BASE budget for the district for the school fiscal
8 year beginning July 1, 1995;

9 ~~(D)~~ 50% of the range between the district general
10 fund budget for the school fiscal year ending June 30, 1996,
11 and the BASE budget for the district for the school fiscal
12 year beginning July 1, 1996; or

13 ~~(E)~~ the remainder of the range between the district
14 general fund budget for the school fiscal year ending June
15 30, 1997, and the BASE budget for the district for the
16 school fiscal year beginning July 1, 1997.

17 ~~(b) (i) For the school fiscal year beginning July 1,~~
18 ~~1993, a district may not exceed the limitations in~~
19 ~~subsection (2)(a).~~

20 ~~(ii) Except for the school fiscal year beginning July 1,~~
21 ~~1993, whenever (I) Whenever~~ the trustees of a district
22 adopt a general fund budget that exceeds one of the
23 limitations in subsection (2)(a) ~~(ii)~~ but does not exceed the
24 BASE budget for the district, the trustees shall submit a
25 proposition on the amount that exceeds the limitation to the

1 electors of the district, as provided in 20-9-353.

2 (II) WHENEVER THE TRUSTEES OF A DISTRICT ADOPT A GENERAL
3 FUND BUDGET THAT DOES NOT EXCEED ONE OF THE LIMITATIONS IN
4 SUBSECTION (2)(A) BUT DOES EXCEED THE BASE BUDGET FOR THE
5 DISTRICT, THE TRUSTEES SHALL SUBMIT A PROPOSITION ON THE
6 AMOUNT THAT EXCEEDS THE BASE BUDGET TO THE ELECTORS OF THE
7 DISTRICT, AS PROVIDED IN 20-9-353.

8 (c) Nothing in this section is intended to require a
9 district to budget in excess of its BASE budget.

10 (3) Whenever (A) EXCEPT AS PROVIDED IN SUBSECTION
11 (2)(B)(II), WHENEVER the trustees of a district adopt a
12 general fund budget that exceeds the BASE budget for the
13 district but does not exceed the maximum general fund budget
14 for the district, the trustees shall:

15 ~~(a) adopt a resolution stating the reasons and purposes~~
16 ~~for exceeding the BASE budget amount if the~~ submit a
17 proposition to the electors of the district, as provided in
18 20-9-353, for any budget amount that exceeds ~~the greater of~~
19 ~~the previous year's general fund budget amount or for any~~
20 ~~budget amount that represents an increase in the district's~~
21 ~~per ANB budget amount.~~ THE PREVIOUS YEAR'S GENERAL FUND
22 BUDGET PER ANB MULTIPLIED BY THE CURRENT YEAR'S ANB FOR
23 BUDGETING PURPOSES.

24 (B) A general fund budget adopted under this subsection
25 (3) does may not exceed the greater of:

1 ~~{i}{a}(I)~~ 104% of the previous year's general fund
 2 budget; or
 3 ~~{i}{b}(II)~~ 104% of the previous year's general fund
 4 budget per-ANB multiplied by the current year's ANB for
 5 budgeting purposes; or,
 6 ~~{b}--except-for-the-school-fiscal-year-beginning-July-17-~~
 7 ~~1993--submit-a--proposition-on-any-amount-of-the-over-BASE~~
 8 ~~budget-that-exceeds-one-of--the--limitations--in--subsection~~
 9 ~~{3}{a}--to--the--electors--of--the--district--as-provided-in~~
 10 ~~20-9-353.~~
 11 ~~{c}--For-the-school-fiscal-year-beginning-July-17--1993,~~
 12 ~~a--district--may--not--exceed--the-limitations-in-subsection~~
 13 ~~{3}{a}:~~
 14 (4) (a) If the maximum general fund budget for a
 15 district for an ensuing school fiscal year is less than the
 16 general fund budget for the district for the current school
 17 fiscal year, the trustees of the district may not adopt a
 18 general fund budget for the ensuing school fiscal year that
 19 is greater than the district's general fund budget for the
 20 current school fiscal year.
 21 (b) ~~Except--for--the-school-fiscal-years-beginning-July~~
 22 ~~17-1993--and-July-17-1994--the~~ The EXCEPT FOR THE SCHOOL
 23 FISCAL YEAR BEGINNING JULY 1, 1994, THE trustees of the
 24 district shall submit a proposition to raise any general
 25 fund budget amount that is in excess of the maximum general

1 fund budget for the district to the electors who are
 2 qualified under 20-20-301 to vote on the proposition, as
 3 provided in 20-9-353.

4 (5) Whenever the trustees of a district adopt a general
 5 fund budget that does not exceed the BASE budget for the
 6 district, the trustees shall finance this amount with the
 7 following sources of revenue:

8 (a) state equalization aid as provided in 20-9-343,
 9 including any guaranteed tax base aid for which the district
 10 may be eligible, as provided in 20-9-366 through 20-9-369;

11 (b) county equalization aid, as provided in 20-9-331
 12 and 20-9-333;

13 (c) a district levy for support of a school not
 14 approved as an isolated school under the provisions of
 15 20-9-302;

16 (d) payments in support of special education programs
 17 under the provisions of 20-9-321;

18 (e) nonlevy revenue as provided in 20-9-141; and

19 (f) a BASE budget levy on the taxable value of all
 20 property within the district.

21 (6) The over-BASE budget amount of a district must be
 22 financed by a levy on the taxable value of all property
 23 within the district or other revenue available to the
 24 district as provided in 20-9-141.

25 [(7) For the purpose of this section, the general fund

1 budget or general fund per-ANB budget for the school fiscal
 2 year ending June 30, 1993, is the general fund budget funded
 3 by any state, local, and federal revenue, excluding Public
 4 Law 81-874 receipts received in the school fiscal year
 5 ending June 30, 1993. Before excluding any Public Law 81-874
 6 funding, a district may increase the district general fund
 7 budget for the school fiscal year ending June 30, 1993, by
 8 the allowable increases in subsections (2) and (3).]"

9 **Section 2.** Section 20-9-353, MCA, is amended to read:

10 "20-9-353. Additional financing for general fund --
 11 election for authorization to impose. (1) Except as limited
 12 by 20-9-308, the trustees of a district may propose to adopt
 13 a general fund budget in excess of the maximum general fund
 14 budget amount for the district.

15 (2) ~~Except-as-provided-in-20-9-308(4)(b),--when~~ When the
 16 trustees of a district determine that an additional amount
 17 of financing is required for the general fund budget that is
 18 in excess of the maximum general fund budget amount, the
 19 trustees shall submit the proposition to finance the excess
 20 amount of general fund financing to the electors who are
 21 qualified under 20-20-301 to vote upon the proposition. The
 22 special election must be called and conducted in the manner
 23 prescribed by this title for school elections. The ballot
 24 for the election must state the amount of money to be
 25 financed, the approximate number of mills required to raise

1 all or a portion of the money, and the purpose for which the
 2 money will be expended. The ballot must be in the following
 3 format:

4 PROPOSITION

5 Shall the district be authorized to expend the sum of
 6 (state the amount to be expended), and being approximately
 7 (give number) mills, for the purpose of (insert the purpose
 8 for which the additional financing is made)?

9 ☐ FOR budget authority and any levy.

10 ☐ AGAINST budget authority and any levy.

11 (3) If the election on any additional financing for the
 12 general fund is approved by a majority vote of the electors
 13 voting at the election, the proposition carries and the
 14 trustees may use any portion or all of the authorized amount
 15 in adopting the preliminary general fund budget. The
 16 trustees shall certify any additional levy amount authorized
 17 by the special election on the budget form that is submitted
 18 to the county superintendent, and the county commissioners
 19 shall levy the authorized number of mills on the taxable
 20 value of all taxable property within the district, as
 21 prescribed in 20-9-141, to raise the amount of the
 22 additional levy.

23 (4) Authorization to levy an additional tax under the
 24 provisions of this section is effective for only 1 school
 25 fiscal year and must be authorized by a special election

1 conducted before August 1 of the school fiscal year for
2 which it is effective.

3 (5) If the trustees of a district are required to
4 submit a proposition to finance a ~~base~~ BASE budget amount,
5 as provided in 20-9-308(2)(b), or an over-BASE budget
6 amount, as provided in 20-9-308(3)(b), to the electors of
7 the district, the trustees shall comply with the provisions
8 of subsections (2) through (4)."

9 NEW SECTION. **Section 3.** Effective date --
10 applicability. [This act] is effective on passage and
11 approval and applies to budgets for the school year
12 beginning July 1, 1994.

-End-

HOUSE BILL NO. 23
INTRODUCED BY BOHARSKI

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING--VOTER
APPROVAL--FOR--A--SCHOOL--DISTRICT--GENERAL-FUND-BUDGET-THAT
EXCEEDS--THE--MANDATORY--GROWTH--LEVELS;---REQUIRING---VOTER
APPROVAL--FOR--A--SCHOOL--DISTRICT--GENERAL-FUND-BUDGET-THAT
EXCEEDS--THE--GREATER--OF--THE--DISTRICT'S--PREVIOUS--YEAR'S
GENERAL--FUND--BUDGET--AMOUNT--OR--ANY--BUDGET--AMOUNT--THAT
REPRESENTS--AN--INCREASE--IN--THE--DISTRICT'S--PER-ANB--BUDGET
AMOUNT REQUIRING THE TRUSTEES OF A SCHOOL DISTRICT TO DEDUCT
2.8 PERCENT FROM THE GENERAL FUND BUDGET FOR THE SCHOOL
FISCAL YEAR ENDING JUNE 30, 1994, FOR THE PURPOSES OF
BUDGETING FOR THE SCHOOL FISCAL YEAR ENDING JUNE 30, 1995;
REQUIRING VOTER APPROVAL FOR THE BASE BUDGET PORTION OF A
SCHOOL DISTRICT GENERAL FUND THAT EXCEEDS THE MANDATORY
GROWTH LEVELS; REQUIRING VOTER APPROVAL FOR THE OVER-BASE
BUDGET OF A SCHOOL DISTRICT IF THE BUDGET EXCEEDS THE
RECALCULATION FOR PREVIOUS YEAR'S GENERAL FUND BUDGET OR THE
PREVIOUS YEAR'S GENERAL FUND BUDGET PER-ANB; LIMITING THE
OVER-BASE BUDGET OF A DISTRICT TO 104% OF THE PREVIOUS
YEAR'S GENERAL FUND BUDGET OR 104% OF THE PREVIOUS YEAR'S
GENERAL FUND BUDGET PER-ANB; REQUIRING-VOTER-APPROVAL-FOR
ANY-AMOUNT-IN-EXCESS-OF--THE--MAXIMUM--GENERAL--FUND--BUDGET
CLARIFYING THE VOTER APPROVAL REQUIREMENTS FOR A SCHOOL

DISTRICT GENERAL FUND BUDGET THAT EXCEEDS THE BASE AMOUNT IN
PART; AMENDING SECTIONS 20-9-308 AND 20-9-353, MCA; AND
PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY
DATE."

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

Section 1. Section 20-9-308, MCA, is amended to read:

"20-9-308. BASE budgets and maximum general fund
budgets. (1) For-the-school-fiscal-year-beginning-on-July-17
1993,--the The trustees of a district shall adopt a general
fund budget that:

(a) except as provided in subsection (2), is at least
equal to the BASE budget established for the district; or

(b) except as provided in subsection (4), does not
exceed the maximum general fund budget established for the
district.

(2) (a) If the BASE budget for a district ~~for-the-
school-fiscal-year-beginning-on-July-17-1993~~, is greater
than the general fund budget of the district for the prior
school fiscal year, the trustees of the district:

(i) may increase the general fund budget for the
district by 4% of the previous year's general fund budget or
by 4% of the previous year's general fund budget per-ANB
multiplied by the current year's ANB for budgeting purposes;
but

(ii) may not adopt a general fund budget that reflects less than the following general fund budget growth amounts for the appropriate school fiscal year:

(A) 20%--of-the-range-between-the-district-general-fund budget-for-the-school-fiscal-year-ending-June-30,1993,--and the--BASE-budget-for-the-district-for-the-school-fiscal-year beginning-July-1,1993;

(B) 25% of the range between the district general fund budget for the school fiscal year ending June 30, 1994, and the BASE budget for the district for the school fiscal year beginning July 1, 1994;

(C) 33.3% of the range between the district general fund budget for the school fiscal year ending June 30, 1995, and the BASE budget for the district for the school fiscal year beginning July 1, 1995;

(D) 50% of the range between the district general fund budget for the school fiscal year ending June 30, 1996, and the BASE budget for the district for the school fiscal year beginning July 1, 1996; or

(E) the remainder of the range between the district general fund budget for the school fiscal year ending June 30, 1997, and the BASE budget for the district for the school fiscal year beginning July 1, 1997.

(b) ~~For the school fiscal year beginning July 1, 1993, a district may not exceed the limitations in~~

~~subsection (2)(a).~~

~~Except for the school fiscal year beginning July 1, 1993, whenever (I) Whenever the trustees of a district adopt a general fund budget that exceeds one of the limitations in subsection (2)(a)(i)(II) but does not exceed the BASE budget for the district, the trustees shall submit a proposition on the amount that exceeds the limitation to the electors of the district, as provided in 20-9-353.~~

(II) WHENEVER THE TRUSTEES OF A DISTRICT ADOPT A GENERAL FUND BUDGET THAT DOES NOT EXCEED ONE OF THE LIMITATIONS IN SUBSECTION (2)(A) BUT DOES EXCEED THE BASE BUDGET FOR THE DISTRICT, THE TRUSTEES SHALL SUBMIT A PROPOSITION ON THE AMOUNT THAT EXCEEDS THE BASE BUDGET TO THE ELECTORS OF THE DISTRICT, AS PROVIDED IN 20-9-353.

(c) Nothing in this section is intended to require a district to budget in excess of its BASE budget.

(3) Whenever (A) EXCEPT AS PROVIDED IN SUBSECTION (2)(B)(II), WHENEVER the trustees of a district adopt a general fund budget that exceeds the BASE budget for the district but does not exceed the maximum general fund budget for the district, the trustees shall:

(a)--adopt-a-resolution-stating-the-reasons-and-purposes for--exceeding--the--BASE-budget--amount--if--the submit a proposition to the electors of the district, as provided in 20-9-353, for any budget amount that exceeds the greater of

~~the previous year's general fund budget amount or for any budget amount that represents an increase in the district's per-ANB budget amount.~~ THE PREVIOUS YEAR'S GENERAL FUND BUDGET PER-ANB MULTIPLIED BY THE CURRENT YEAR'S ANB FOR BUDGETING PURPOSES.

(B) A general fund budget adopted under this subsection (3) does may not exceed the greater of:

~~(i)(a)(I)~~ 104% of the previous year's general fund budget; or

~~(ii)(b)(II)~~ 104% of the previous year's general fund budget per-ANB multiplied by the current year's ANB for budgeting purposes; or.

~~(b) except for the school fiscal year beginning July 1, 1993, submit a proposition on any amount of the over-BASE budget that exceeds one of the limitations in subsection (3)(a) to the electors of the district, as provided in 20-9-353.~~

~~(c) For the school fiscal year beginning July 1, 1993, a district may not exceed the limitations in subsection (3)(a):~~

(4) (a) If the maximum general fund budget for a district for an ensuing school fiscal year is less than the general fund budget for the district for the current school fiscal year, the trustees of the district may not adopt a general fund budget for the ensuing school fiscal year that

is greater than the district's general fund budget for the current school fiscal year.

(b) ~~Except for the school fiscal years beginning July 1, 1993, and July 1, 1994, the~~ EXCEPT FOR THE SCHOOL FISCAL YEAR BEGINNING JULY 1, 1994, THE trustees of the district shall submit a proposition to raise any general fund budget amount that is in excess of the maximum general fund budget for the district to the electors who are qualified under 20-20-301 to vote on the proposition, as provided in 20-9-353.

(5) Whenever the trustees of a district adopt a general fund budget that does not exceed the BASE budget for the district, the trustees shall finance this amount with the following sources of revenue:

(a) state equalization aid as provided in 20-9-343, including any guaranteed tax base aid for which the district may be eligible, as provided in 20-9-366 through 20-9-369;

(b) county equalization aid, as provided in 20-9-331 and 20-9-333;

(c) a district levy for support of a school not approved as an isolated school under the provisions of 20-9-302;

(d) payments in support of special education programs under the provisions of 20-9-321;

(e) nonlevy revenue as provided in 20-9-141; and

(f) a BASE budget levy on the taxable value of all property within the district.

(6) The over-BASE budget amount of a district must be financed by a levy on the taxable value of all property within the district or other revenue available to the district as provided in 20-9-141.

[(7) For the purpose of this section, the general fund budget or general fund per-ANB budget for the school fiscal year ending June 30, 1993, is the general fund budget funded by any state, local, and federal revenue, excluding Public Law 81-874 receipts received in the school fiscal year ending June 30, 1993. Before excluding any Public Law 81-874 funding, a district may increase the district general fund budget for the school fiscal year ending June 30, 1993, by the allowable increases in subsections (2) and (3).]"

Section 2. Section 20-9-353, MCA, is amended to read:

"20-9-353. Additional financing for general fund -- election for authorization to impose. (1) Except as limited by 20-9-308, the trustees of a district may propose to adopt a general fund budget in excess of the maximum general fund budget amount for the district.

(2) ~~Except as provided in 20-9-308(4)(b), when~~ When the trustees of a district determine that an additional amount of financing is required for the general fund budget that is in excess of the maximum general fund budget amount, the

trustees shall submit the proposition to finance the excess amount of general fund financing to the electors who are qualified under 20-20-301 to vote upon the proposition. The special election must be called and conducted in the manner prescribed by this title for school elections. The ballot for the election must state the amount of money to be financed, the approximate number of mills required to raise all or a portion of the money, and the purpose for which the money will be expended. The ballot must be in the following format:

PROPOSITION

Shall the district be authorized to expend the sum of (state the amount to be expended), and being approximately (give number) mills, for the purpose of (insert the purpose for which the additional financing is made)?

☐ FOR budget authority and any levy.

☐ AGAINST budget authority and any levy.

(3) If the election on any additional financing for the general fund is approved by a majority vote of the electors voting at the election, the proposition carries and the trustees may use any portion or all of the authorized amount in adopting the preliminary general fund budget. The trustees shall certify any additional levy amount authorized by the special election on the budget form that is submitted to the county superintendent, and the county commissioners

shall levy the authorized number of mills on the taxable value of all taxable property within the district, as prescribed in 20-9-141, to raise the amount of the additional levy.

(4) Authorization to levy an additional tax under the provisions of this section is effective for only 1 school fiscal year and must be authorized by a special election conducted before August 1 of the school fiscal year for which it is effective.

(5) If the trustees of a district are required to submit a proposition to finance a base BASE budget amount, as provided in 20-9-308(2)(b), or an over-BASE budget amount, as provided in 20-9-308(3)(b), to the electors of the district, the trustees shall comply with the provisions of subsections (2) through (4)."

NEW SECTION. SECTION 3. BUDGET REDUCTION. FOR
CALCULATING AND ADOPTING A GENERAL FUND BUDGET FOR THE
SCHOOL FISCAL YEAR ENDING JUNE 30, 1995, AS PROVIDED IN
20-9-306 AND 20-9-308 FOR THAT SCHOOL YEAR, THE TRUSTEES OF
A DISTRICT SHALL DEDUCT 2.8% FROM THE GENERAL FUND BUDGET
FOR THE SCHOOL FISCAL YEAR ENDING JUNE 30, 1994.

NEW SECTION. Section 4. Effective date --
applicability. [This act] is effective on passage and approval and applies to budgets for the school year beginning July 1, 1994.

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