

HOUSE BILL 32

Introduced by Wanzenried

11/30	Introduced
11/30	Referred to Education & Cultural Resources
11/30	First Reading
12/01	Hearing
12/01	Fiscal Note Requested
12/07	Fiscal Note Received
	Died in Committee

1 House BILL NO. 32
2 INTRODUCED BY WYBENRIS
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING FROM THE
5 GENERAL FUND BUDGET OF A SCHOOL DISTRICT THE EXPENSES
6 RELATED TO EXTRACURRICULAR ACTIVITIES AND EXTRACURRICULAR
7 ATHLETICS; CREATING A BUDGETED ACTIVITIES FUND TO BE FUNDED
8 FROM ACTIVITY- AND ATHLETICS-RELATED REVENUE AND A VOTED
9 LEVY; REQUIRING REIMBURSEMENT AND PROVIDING A PENALTY FOR
10 AUDIT COMPLIANCE ERRORS; AMENDING SECTIONS 2-7-501,
11 20-3-324, 20-9-201, 20-9-214, 20-9-501, 20-9-504, 20-10-143,
12 AND 20-15-404, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
13 DATE AND AN APPLICABILITY DATE."

14
15 STATEMENT OF INTENT

16 A statement of intent is required for this bill because
17 the superintendent of public instruction is authorized under
18 the general rulemaking authority for school budgeting in
19 20-9-102 to adopt rules that are necessary to secure
20 compliance with school budgeting laws. It is the intent of
21 the legislature that no general fund money be expended for
22 extracurricular activities and extracurricular athletics. It
23 is also intended that the superintendent of public
24 instruction amend the Montana School Accounting Manual to
25 reflect the activities fund created in [section 1], assist

1 the school districts of the state in becoming informed of
2 and accountable for the provisions of [this act], and
3 specifically request that the school district auditor
4 include a written review of the district's compliance with
5 the provisions of [section 3]. It is intended that
6 extracurricular activities and extracurricular athletics
7 funded with Public Law 81-874 funds be recorded in the
8 impact aid account under 20-9-514 and be identified with the
9 appropriate accounting codes.

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

12 NEW SECTION. **Section 1. Activities fund.** (1) The
13 trustees of a district shall establish an activities fund
14 for the purpose of recording revenue received and district
15 expenses incurred for extracurricular activities and
16 extracurricular athletics. These expenses include but are
17 not limited to:

18 (a) expenses of school-sponsored activities that are
19 not part of the regular instructional program and for which
20 students do not receive educational credit;

21 (b) expenses of school-sponsored athletic programs that
22 allow student participation in athletic competition between
23 school districts;

24 (c) wages, salaries, retirement system contributions,
25 required social security system contributions, and

unemployment insurance contributions of athletic program staff, including full-time and part-time coaching staff, trainers, an athletic director and any staff assigned to an athletic director, and referees; and

(d) expenses associated with extracurricular activities, clubs, and extracurricular athletics, including travel, insurance, equipment, and membership fees or dues.

(2) The trustees of a district may fund the activities fund from one or more of the following sources:

(a) activity ticket sales, gate and concession receipts, and participation fees;

(b) private donations, including but not limited to donations from a school booster club;

(c) fees generated from the lease or rental of school district facilities; and

(d) an additional levy provided for in [section 2].

(3) The trustees of a school district may not expend general fund money for extracurricular activities and extracurricular athletics.

NEW SECTION. Section 2. Additional levy for activities

(1) The trustees of a district shall adopt a budget to finance the activities and athletics supported by the activities fund established in [section 1]. The budget must be funded as provided in [section 1].

(2) Whenever the trustees of a district determine that

an additional amount of revenue is required to finance the activities and athletics supported by the activities fund, the trustees shall submit the proposition of an additional levy for the fund to raise the proposed amount of 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 only the amount of money to be raised by additional property taxation, the approximate number of mills required to raise the money, and the purpose for which the money will be expended. The ballot must be substantially in the following format:

PROPOSITION

Shall a levy be made in addition to the levies authorized by law in the number of mills as may be necessary to raise the sum of (state the amount to be raised by additional tax levy to finance the activities and athletics supported by the activities fund) and being approximately (give number) mills, for the purpose of (insert the purpose for which the additional tax levy is made)?

☐ FOR the levy.

☐ AGAINST the levy.

(3) If the election on the additional levy for the activities fund is approved by a majority vote of the

1 electors voting at the election, the proposition carries and
 2 the trustees may use any portion or all of the authorized
 3 amount to finance the activities and athletics supported by
 4 the activities fund. The trustees shall certify the
 5 additional levy amount authorized by the special election on
 6 the budget form that is submitted to the county
 7 superintendent, and the county commissioners shall levy the
 8 authorized number of mills on the taxable value of all
 9 taxable property within the district, as prescribed in
 10 20-9-142, to raise the amount of the additional levy.

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

16 NEW SECTION. **Section 3. Audit compliance** --
 17 reimbursement and penalty for error. If an audit of the fund
 18 established in [section 1] and of other school district
 19 funds reveals that any district expenditures designated in
 20 [section 1] have not been budgeted and expended in
 21 compliance with the provisions of this title, the district
 22 shall reimburse the appropriate fund 110% of the amount
 23 found to be charged in error. The reimbursement must be made
 24 in the year the error is discovered from the activities
 25 fund.

1 **Section 4.** Section 20-3-324, MCA, is amended to read:

2 "20-3-324. Powers and duties. As prescribed elsewhere
 3 in this title, the trustees of each district shall:

4 (1) employ or dismiss a teacher, principal, or other
 5 assistant upon the recommendation of the district
 6 superintendent, the county high school principal, or other
 7 principal as the board considers necessary, accepting or
 8 rejecting any recommendation as the trustees in their sole
 9 discretion determine, in accordance with the provisions of
 10 Title 20, chapter 4;

11 (2) employ and dismiss administrative personnel,
 12 clerks, secretaries, teacher aides, custodians, maintenance
 13 personnel, school bus drivers, food service personnel,
 14 nurses, and any other personnel considered necessary to
 15 carry out the various services of the district;

16 (3) administer the attendance and tuition provisions
 17 and otherwise govern the pupils of the district in
 18 accordance with the provisions of the pupils chapter of this
 19 title;

20 (4) call, conduct, and certify the elections of the
 21 district in accordance with the provisions of the school
 22 elections chapter of this title;

23 (5) participate in the teachers' retirement system of
 24 the state of Montana in accordance with the provisions of
 25 the teachers' retirement system chapter of Title 19;

1 (6) participate in district boundary change actions in
2 accordance with the provisions of the districts chapter of
3 this title;

4 (7) organize, open, close, or acquire isolation status
5 for the schools of the district in accordance with the
6 provisions of the school organization part of this title;

7 (8) adopt and administer the annual budget or a budget
8 amendment of the district in accordance with the provisions
9 of the school budget system part of this title;

10 (9) conduct the fiscal business of the district in
11 accordance with the provisions of the school financial
12 administration part of this title;

13 (10) establish the ANB, BASE budget levy, over-BASE
14 budget levy, additional levy, operating reserve, and state
15 impact aid amounts for the general fund of the district in
16 accordance with the provisions of the general fund part of
17 this title;

18 (11) establish, maintain, budget, and finance the
19 transportation program of the district in accordance with
20 the provisions of the transportation parts of this title;

21 (12) issue, refund, sell, budget, and redeem the bonds
22 of the district in accordance with the provisions of the
23 bonds parts of this title;

24 (13) when applicable, establish, financially administer,
25 and budget for the activities fund, tuition fund, retirement

1 fund, building reserve fund, adult education fund,
2 nonoperating fund, school food services fund, miscellaneous
3 federal programs fund, building fund, lease or rental
4 agreement fund, traffic education fund, impact aid fund, and
5 interlocal cooperative agreement fund in accordance with the
6 provisions of the other school funds parts of this title;

7 (14) when applicable, administer any interlocal
8 cooperative agreement, gifts, legacies, or devises in
9 accordance with the provisions of the miscellaneous
10 financial parts of this title;

11 (15) hold in trust, acquire, and dispose of the real and
12 personal property of the district in accordance with the
13 provisions of the school sites and facilities part of this
14 title;

15 (16) operate the schools of the district in accordance
16 with the provisions of the school calendar part of this
17 title;

18 (17) establish and maintain the instructional services
19 of the schools of the district in accordance with the
20 provisions of the instructional services, textbooks,
21 vocational education, and special education parts of this
22 title;

23 (18) establish and maintain the school food services of
24 the district in accordance with the provisions of the school
25 food services parts of this title;

1 (19) make reports from time to time as the county
2 superintendent, superintendent of public instruction, and
3 board of public education may require;

4 (20) retain, when considered advisable, a physician or
5 registered nurse to inspect the sanitary conditions of the
6 school or the general health conditions of each pupil and,
7 upon request, make available to any parent or guardian any
8 medical reports or health records maintained by the district
9 pertaining to the child;

10 (21) for each member of the trustees, visit each school
11 of the district not less than once each school fiscal year
12 to examine its management, conditions, and needs, except
13 trustees from a first-class school district may share the
14 responsibility for visiting each school in the district;

15 (22) procure and display outside daily in suitable
16 weather on school days at each school of the district an
17 American flag that measures not less than 4 feet by 6 feet;

18 (23) provide that an American flag that measures
19 approximately 12 inches by 18 inches be prominently
20 displayed in each classroom in each school of the district,
21 except in a classroom in which the flag may get soiled. This
22 requirement is waived if the flags are not provided by a
23 local civic group.

24 (24) adopt and administer a district policy on
25 assessment for placement of any child who enrolls in a

1 school of the district from a nonpublic school that is not
2 accredited, as required in 20-5-110; and

3 (25) perform any other duty and enforce any other
4 requirements for the government of the schools prescribed by
5 this title, the policies of the board of public education,
6 or the rules of the superintendent of public instruction."

7 **Section 5.** Section 20-9-201, MCA, is amended to read:

8 **"20-9-201. Definitions and application.** (1) As used in
9 this title, unless the context clearly indicates otherwise,
10 "fund" means a separate detailed account of receipts and
11 expenditures for a specific purpose as authorized by law or
12 by the superintendent of public instruction under the
13 provisions of subsection (2). Funds are classified as
14 follows:

15 (a) A "budgeted fund" means any fund for which a budget
16 must be adopted in order to expend money from the fund. The
17 general fund, activities fund, transportation fund, bus
18 depreciation reserve fund, tuition fund, retirement fund,
19 debt service fund, building reserve fund, adult education
20 fund, nonoperating fund, and any other funds designated by
21 the legislature are budgeted funds.

22 (b) A "nonbudgeted fund" means any fund for which a
23 budget is not required in order to expend money on deposit
24 in the fund. The school food services fund, miscellaneous
25 programs fund, building fund, lease or rental agreement

fund, traffic education fund, interlocal cooperative fund, internal service fund, impact aid fund, enterprise fund, agency fund, extracurricular fund, metal mines tax reserve fund, endowment fund, and any other funds designated by the legislature are nonbudgeted funds.

(2) The school financial administration provisions of this title apply to all money of any elementary or high school district. Elementary and high school districts shall record the receipt and disbursement of all money in accordance with generally accepted accounting principles. The superintendent of public instruction has general supervisory authority as prescribed by law over the school financial administration provisions, as they relate to elementary and high school districts. The superintendent of public instruction shall adopt rules necessary to secure compliance with the law.

(3) Except as otherwise provided by law, whenever the trustees of a district determine that a fund is inactive and will no longer be used, the trustees shall close the fund by transferring all cash and other account balances to the general fund if the fund does not have a cash or fund balance deficit."

Section 6. Section 20-9-214, MCA, is amended to read:

"20-9-214. Fees. (1) The trustees of a district may:

(a) require pupils in the commercial, industrial arts,

music, domestic science, scientific, or agricultural courses to pay reasonable fees to cover the actual cost of breakage and of excessive supplies used; and

(b) charge pupils a reasonable fee for a course or activity not reasonably related to a recognized academic and educational goal of the district or a course or activity held outside normal school functions. The trustees may waive the fee in cases of financial hardship.

(2) The fees collected pursuant to subsection (1)(a) must be deposited in the general fund, and the fees collected pursuant to subsection (1)(b) must be deposited in a nonbudgeted fund-as-provided-in-20-9-210 extracurricular fund, as provided in 20-9-504, or the activities fund, as provided in [section 1]."

Section 7. Section 20-9-501, MCA, is amended to read:

"20-9-501. Retirement fund. (1) The Except as provided in [section 1], the trustees of a district employing personnel who are members of the teachers' retirement system or the public employees' retirement system or who are covered by unemployment insurance or who are covered by any federal social security system requiring employer contributions shall establish a retirement fund for the purposes of budgeting and paying the employer's contributions to the systems. The district's contribution for each employee who is a member of the teachers'

1 retirement system must be calculated in accordance with
 2 Title 19, chapter 20, part 6. The district's contribution
 3 for each employee who is a member of the public employees'
 4 retirement system must be calculated in accordance with
 5 19-3-316. The district's contributions for each employee
 6 covered by any federal social security system must be paid
 7 in accordance with federal law and regulation. The
 8 district's contribution for each employee who is covered by
 9 unemployment insurance must be paid in accordance with Title
 10 39, chapter 51, part 11.

11 (2) The trustees of a district required to make a
 12 contribution to a system referred to in subsection (1) shall
 13 include in the retirement fund of the preliminary budget the
 14 estimated amount of the employer's contribution. After the
 15 final retirement fund budget has been adopted, the trustees
 16 shall pay the employer contributions to the systems in
 17 accordance with the financial administration provisions of
 18 this title.

19 (3) When the final retirement fund budget has been
 20 adopted, the county superintendent shall establish the levy
 21 requirement by:

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

24 (i) any anticipated money that may be realized in the
 25 retirement fund during the ensuing school fiscal year,

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

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

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

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

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

21 (b) notwithstanding the provisions of subsection (8),
 22 subtracting the money available for reduction of the levy
 23 requirement, as determined in subsection (3)(a), from the
 24 budgeted amount for expenditures in the final retirement
 25 fund budget.

1 (4) The county superintendent shall:

2 (a) total the net retirement fund levy requirements
3 separately for all elementary school districts, all high
4 school districts, and all community college districts of the
5 county, including any prorated joint district or special
6 education cooperative agreement levy requirements; and

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

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

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

22 (7) The net retirement fund levy requirement for
23 districts that are members of special education cooperative
24 agreements must be prorated to each county in which the
25 district is located in the same proportion as the special

1 education cooperative budget is prorated to the member
2 school districts. The county superintendents of the counties
3 affected shall jointly determine the net retirement fund
4 levy requirement for each county in the same manner as
5 provided in 20-9-151, and the county commissioners shall fix
6 and levy the net retirement fund levy for each county in the
7 same manner as provided in 20-9-152.

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

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

16 (b) the taxable valuation of the district divided by
17 1,000."

18 **Section 8.** Section 20-9-504, MCA, is amended to read:

19 **"20-9-504. Extracurricular fund for pupil functions.**

20 (1) The government of the pupils of the school within a
21 district or the administration of a school on behalf of the
22 pupils may establish an extracurricular fund for the
23 purposes of the receipts and expenditures of money collected
24 for pupil ~~extracurricular~~ organizational functions with the
25 approval of the trustees of the district. ~~All~~

1 ~~extracurricular~~ Except for revenue collected for
 2 extracurricular activities pursuant to [section 1], all
 3 extracurricular money of a pupil organization of the school
 4 must be deposited and expended by check from a bank account
 5 maintained for the extracurricular fund.

6 (2) An accounting system for the extracurricular fund
 7 recommended by the superintendent of public instruction must
 8 be implemented by the trustees. The accounting system must
 9 provide for:

10 (a) the internal control of the cash receipts and
 11 expenditures of the money; and

12 (b) a general account that can be reconciled with the
 13 bank account for the extracurricular fund and reconciled
 14 with the detailed accounts within the extracurricular fund
 15 maintained for each student function."

16 **Section 9.** Section 20-10-143, MCA, is amended to read:

17 "20-10-143. Budgeting for transportation and
 18 transmittal of transportation contracts. (1) The trustees of
 19 a district furnishing transportation to pupils who are
 20 residents of the district shall provide a transportation
 21 fund budget that is adequate to finance the district's
 22 transportation contractual obligations and any other
 23 transportation expenditures necessary for the conduct of its
 24 transportation program, except for any expenditure related
 25 to extracurricular activities that are required to be

1 budgeted in the activities fund provided for in [section 1].

2 The transportation fund budget must include:

3 (a) an adequate amount to finance the maintenance and
 4 operation of district owned and operated school buses;

5 (b) the annual contracted amount for the maintenance
 6 and operation of school buses by a private party;

7 (c) the annual contracted amount for individual
 8 transportation, including any increased amount because of
 9 isolation, which may not exceed the schedule amounts
 10 prescribed in 20-10-142;

11 (d) any amount necessary for the purchase, rental, or
 12 insurance of school buses; and

13 (e) any other amount necessary to finance the
 14 administration, operation, or maintenance of the
 15 transportation program of the district, as determined by the
 16 trustees.

17 (2) The trustees may include a contingency amount in
 18 the transportation fund budget for the purpose of enabling
 19 the district to fulfill an obligation to provide
 20 transportation in accordance with this title for:

21 (a) pupils not residing in the district at the time of
 22 the adoption of the preliminary budget and who subsequently
 23 became residents of the district during the school fiscal
 24 year; or

25 (b) pupils who have become eligible transportees since

1 the adoption of the preliminary budget because their legal
 2 residence has been changed. The budgeted contingency amount
 3 may not exceed 10% of the transportation schedule amount as
 4 calculated under the provisions of 20-10-141 and 20-10-142
 5 for all transportation services authorized by the schedules
 6 and provided by the district unless 10% of the
 7 transportation schedule amount is less than \$100, in which
 8 case \$100 is the maximum limitation for the budgeted
 9 contingency amount.

10 (3) A budget amendment to the transportation fund
 11 budget may be adopted subject to the provisions of 20-9-161
 12 through 20-9-166.

13 (4) The transportation fund budgeted expenditures
 14 appropriated by the trustees must be reported on the regular
 15 budget form prescribed by the superintendent of public
 16 instruction in accordance with 20-9-103, and the adoption of
 17 the transportation fund budget must be completed in
 18 accordance with the school budgeting laws. When the adopted
 19 preliminary budget is sent to the county superintendent, the
 20 trustees shall also send copies of all completed
 21 transportation contracts for school bus transportation and
 22 individual transportation to the county superintendent. The
 23 contracts must substantiate all contracted transportation
 24 services incorporated in the preliminary budget, and after
 25 the county superintendent has utilized the contracts for

1 that purpose but before the fourth Monday of July, ~~he the~~
 2 county superintendent shall send all transportation
 3 contracts received to the superintendent of public
 4 instruction. When the county superintendent determines a
 5 deviation between the preliminary transportation fund budget
 6 amount for contracted transportation services and the
 7 contracted amount for the services, ~~he the~~ county
 8 superintendent shall immediately call the deviation to the
 9 attention of the appropriate trustees and shall allow the
 10 trustees to change the preliminary budgeted amount to
 11 compensate for the deviation."

12 **Section 10.** Section 20-15-404, MCA, is amended to read:

13 "20-15-404. Trustees to adhere to certain other laws.
 14 Unless the context clearly indicates otherwise, the trustees
 15 of a community college district shall adhere to:

16 (1) the teachers' retirement provisions of Title 19,
 17 chapter 20;

18 (2) the provisions of 20-1-201, 20-1-205, 20-1-211, and
 19 20-1-212; However, the trustees are not required to comply
 20 with the laws relating to the activities fund provided for
 21 in [section 1].

22 (3) the school property provisions of 20-6-604,
 23 20-6-605, 20-6-621, 20-6-622, 20-6-624, 20-6-631, and
 24 20-6-633 through 20-6-636;

25 (4) the adult education provisions of 20-7-701 through

1 20-7-713;

2 (5) the administration of finances provisions of
3 20-9-115, 20-9-134, 20-9-207, 20-9-208, 20-9-210, 20-9-215,
4 20-9-221 through 20-9-224, and 20-9-512;

5 (6) the school bond provisions of 20-9-401 through
6 20-9-412, 20-9-421 through 20-9-446, 20-9-451 through
7 20-9-456, and 20-9-461 through 20-9-465;

8 (7) the special purpose funds provisions of 20-9-502,
9 20-9-503, 20-9-507, 20-9-508, and 20-9-511;

10 (8) the educational cooperative agreements provisions
11 of 20-9-701 through 20-9-704;

12 (9) the school elections provisions of Title 20,
13 chapter 20;

14 (10) the students' rights provisions of 20-25-511
15 through 20-25-516; and

16 (11) the health provisions of 50-1-206."

17 **Section 11.** Section 2-7-501, MCA, is amended to read:

18 "2-7-501. Definitions. Unless the context requires
19 otherwise, in this part, the following definitions apply:

20 (1) "Audit" means a financial audit and includes
21 financial statement and financial-related audits as defined
22 by government auditing standards as established by the U.S.
23 comptroller general.

24 (2) "Board" means the Montana board of public
25 accountants provided for in 2-15-1866.

1 (3) "Department" means the department of commerce.

2 (4) (a) "Financial assistance" means assistance
3 provided by a federal, state, or local government entity to
4 a local government entity or subrecipient to carry out a
5 program. Financial assistance may be in the form of grants,
6 contracts, cooperative agreements, loans, loan guarantees,
7 property, interest subsidies, insurance, direct
8 appropriations, or other noncash assistance. Financial
9 assistance includes awards received directly from federal
10 and state agencies or indirectly when subrecipients receive
11 funds identified as federal or state funds by recipients.
12 The granting agency is responsible for identifying the
13 source of funds awarded to recipients. The recipient is
14 responsible for identifying the source of funds awarded to
15 subrecipients.

16 (b) Financial assistance does not include direct
17 federal, state, or local government cash assistance to
18 individuals.

19 (5) "Financial report" means a presentation of
20 schedules that reflect a current financial position and the
21 operating results for the 1-year reporting period.

22 (6) "Independent auditor" means:

23 (a) a federal, state, or local government auditor who
24 meets the standards specified in the government auditing
25 standards; or

1 (b) a licensed accountant who meets the standards in
2 subsection (6)(a).

3 (7) (a) "Local government entity" means a county, city,
4 district, or public corporation that:

5 (i) has the power to raise revenue for the purpose of
6 serving the general public;

7 (ii) is governed by a board, commission, or individual
8 elected or appointed by the public or representatives of the
9 public; and

10 (iii) receives local, state, or federal financial
11 assistance.

12 (b) Local government entities include but are not
13 limited to:

14 (i) airport authority districts;

15 (ii) cemetery districts;

16 (iii) counties;

17 (iv) county housing authorities;

18 (v) county road improvement districts;

19 (vi) county sewer districts;

20 (vii) county water districts;

21 (viii) county weed control districts;

22 (ix) drainage districts;

23 (x) fire department relief associations;

24 (xi) fire districts;

25 (xii) hospital districts;

1 (xiii) incorporated cities or towns;

2 (xiv) irrigation districts;

3 (xv) mosquito districts;

4 (xvi) municipal housing authority districts;

5 (xvii) port authorities;

6 (xviii) refuse disposal districts;

7 (xix) rural improvement districts;

8 (xx) school districts, including a district's
9 nonbudgeted extracurricular and budgeted activities funds;

10 (xxi) soil conservation districts;

11 (xxii) special education or other cooperatives;

12 (xxiii) television districts;

13 (xxiv) urban transportation districts;

14 (xxv) volunteer fire departments; and

15 (xxvi) water conservancy districts.

16 (8) "Revenues" means all receipts of a local government
17 entity from any source, excluding the proceeds from bond
18 issuances."

19 NEW SECTION. **Section 12.** Transfer of funds in
20 **extracurricular fund.** On July 1, 1994, the trustees of a
21 district shall transfer any balance remaining in the
22 extracurricular fund that is related to school-related
23 activities and athletics as of June 30, 1994, to the
24 activities fund created in [section 1].

25 NEW SECTION. **Section 13.** Codification instruction.

1 [Sections 1 through 3] are intended to be codified as an
2 integral part of Title 20, chapter 9, part 5, and the
3 provisions of Title 20, chapter 9, part 5, apply to
4 [sections 1 through 3].

5 NEW SECTION. **Section 14.** Effective date --
6 applicability. [This act] is effective on passage and
7 approval and applies to school district budgets for the
8 school fiscal year beginning July 1, 1994.

-End-