HOUSE BILL 76

Introduced by Brandewie, et al.

- 12/08 Fiscal Note Requested
- 12/09 Introduced
- 12/09 Referred to Education & Cultural Resources
- 12/09 First Reading
- 12/13 Hearing
- 12/14 Committee Report--Bill Passed
- 12/14 Fiscal Note Received
- 12/14 Fiscal Note Printed 12/15 2nd Reading Passed
- 12/15 3rd Reading Passed

Transmitted to Senate

- 12/15 First Reading
- 12/15 Referred to Education & Cultural Resources
- 12/17 Hearing
- 12/17 Tabled in Committee

53rd Legislature Special Session 11/93 LC 0205/01

1 BILL NO. 76 INTRODUCED BY 2 LUAN ZONA (S) GRUNDE DENCOUT Simpling 3 **COTER** A BILL FOR AN ACT ENTITLED: "AN ACT REOUIRING 4 5 APPROVAL FOR THE OVER-BASE BUDGET OF A SCHOOL DISTRICT IF THE BUDGET EXCEEDS THE PREVIOUS YEAR'S GENERAL FUND BUDGET б OR THE PREVIOUS YEAR'S GENERAL FUND BUDGET PER-ANB: LIMITING 7 THE OVER-BASE BUDGET OF A DISTRICT TO 104 PERCENT OF THE 8 PREVIOUS YEAR'S GENERAL FUND BUDGET OR 104 PERCENT OF THE 9 10 PREVIOUS YEAR'S GENERAL FUND BUDGET PER-ANB; CLARIFYING THE VOTER APPROVAL REQUIREMENTS FOR A SCHOOL DISTRICT GENERAL 11 FUND BUDGET THAT EXCEEDS THE BASE AMOUNT IN PART; LIMITING 12 THE REFERRAL OF THE REQUESTS FOR VOTER APPROVAL TO TWICE A 13 14 YEAR: AMENDING SECTIONS 20-9-308 AND 20-9-353, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY 15 DATE." 16

17

18 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) Por-the-school-fiscal-year-beginning-on-July-17
19937-the The trustees of a district shall adopt a general
fund budget that:

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

4 (2) (a) If the BASE budget for a district for--the
5 school--fiscal--year--beginning--on-duly-l7-19937 is greater
6 than the general fund budget of the district for the prior
7 school fiscal year, the trustees of the district:

8 (i) may increase the general fund budget for the 9 district by 4% of the previous year's general fund budget or 10 by 4% of the previous year's general fund budget per-ANB 11 multiplied by the current year's ANB for budgeting purposes; 12 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:

16 (A) 20%-of-the-range-between-the-district-general--fund
17 budget--for-the-school-fiscal-year-ending-dune-307-19937-and
18 the-BASE-budget-for-the-district-for-the-school-fiscal--year
19 beginning-duly-17-19937

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

24 (C)(B) 33.3% of the range between the district general
25 fund budget for the school fiscal year ending June 30, 1995,

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1	the electors of the district, as provided in 20-9-353.
2	(B) A proposition submitted to the electors under
3	subsection (2)(b)(ii)(A) may be submitted only twice in any
4	year.
5	(c) Nothing in this section is intended to require a
6	district to budget in excess of its BASE budget.
7	(3) Whenever (a) (i) Except as provided in subsection
8	(2)(b)(ii), whenever the trustees of a district adopt a
9	general fund budget that exceeds the BASE budget for the
10	district but does not exceed the maximum general fund budget
11	for the district, the trustees shall:
12	<pre>ta)adopt-a-resolution-stating-the-reasons-and-purposes</pre>
13	for-exceedingtheBASEbudgetamountifthe <u>submit a</u>
14	proposition to the electors of the district, as provided in
15	20-9-353, for any budget amount that exceeds the previous
16	year's general fund budget amount or the previous year's
17	general fund budget per-ANB multiplied by the current year's
18	ANB for budgeting purposes.
19	(ii) A proposition submitted to the electors under
20	subsection (3)(a)(i) may be submitted only twice in any
21	year.
22	(b) A general fund budget adopted under this subsection
23	(3) does may not exceed the greater of:
24	(i) 104% of the previous year's general fund budget; or
25	(ii) 104% of the previous year's general fund budget

and the BASE budget for the district for the school fiscal
 year beginning July 1, 1995;

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

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

11 (b) (i)-Por--the--school--fiscal-year-beginning-July-1; 12 i993;--a--district--may--not--exceed--the---limitations---in 13 subsection-(2)(a);

14 (ii)-Except-for-the-school-fiscal-year-beginning-July-17
15 19937--whenever (i) Whenever the trustees of a district
16 adopt a general fund budget that exceeds one of the
17 limitations in subsection (2)(a) but does not exceed the
18 BASE budget for the district, the trustees shall submit a
19 proposition on the amount that exceeds the limitation to the
20 electors of the district, as provided in 20-9-353.

21 (ii) (A) Whenever the trustees of a district adopt a 22 general fund budget that does not exceed one of the 23 limitations in subsection (2)(a) but does exceed the BASE 24 budget for the district, the trustees shall submit a 25 proposition on the amount that exceeds the BASE budget to

per-ANB multiplied by the current year's ANB for budgeting
purposes;-or.

3 (b)--except-for-the-school-fiscal-year-beginning-duly-l7
4 19937--submit--a--proposition-on-any-amount-of-the-over-BASE
5 budget-that-exceeds-one-of--the--limitations--in--subsection
6 (3)(a)--the--electors--of--the--districty-as-provided-in
7 20-9-353= '

8 (c)--Por-the-school-fiscal-year-beginning-July-17--19937
9 a--district--may--not--exceed--the-limitations-in-subsection
10 (3)(a);

11 (4) (a) If the maximum general fund budget for a 12 district for an ensuing school fiscal year is less than the 13 general fund budget for the district for the current school 14 fiscal year, the trustees of the district may not adopt a 15 general fund budget for the ensuing school fiscal year that 16 is greater than the district's general fund budget for the 17 current school fiscal year.

(b) Except for the school fiscal years year beginning July-17-19937-and 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.

25 (5) Whenever the trustees of a district adopt a general

1 fund budget that does not exceed the BASE budget for the 2 district, the trustees shall finance this amount with the 3 following sources of revenue:

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

7 (b) county equalization aid, as provided in 20-9-331 8 and 20-9-333;

9 (c) a district levy for support of a school not 10 approved as an isolated school under the provisions of 11 20-9-302;

12 (d) payments in support of special education programs13 under the provisions of 20-9-321;

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

15 (f) a BASE budget levy on the taxable value of all 16 property within the district.

17 (6) The over-BASE budget amount of a district must be 18 financed by a levy on the taxable value of all property 19 within the district or other revenue available to the 20 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).]"

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

6 ***20-9-353.** Additional financing for general fund --7 election for authorization to impose. (1) Except as limited 8 by 20-9-308, the trustees of a district may propose to adopt 9 a general fund budget in excess of the maximum general fund 10 budget amount for the district.

11 (2) Except-as-provided-in-20-9-308(4)(b);-when When the trustees of a district determine that an additional amount 12 13 of financing is required for the general fund budget that is 14 in excess of the maximum general fund budget amount, the trustees shall submit the proposition to finance the excess 15 amount of general fund financing to the electors who are 16 qualified under 20-20-301 to vote upon the proposition. The 17 18 special election must be called and conducted in the manner 19 prescribed by this title for school elections. The ballot for the election must state the amount of money to be 20 financed, the approximate number of mills required to raise 21 22 all or a portion of the money, and the purpose for which the 23 money will be expended. The ballot must be in the following 24 format:

25

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)?

5 FOR budget authority and any levy.

6 AGAINST budget authority and any levy.

7 (3) If the election on any additional financing for the 8 general fund is approved by a majority vote of the electors 9 voting at the election, the proposition carries and the trustees may use any portion or all of the authorized amount 10 11 in adopting the preliminary general fund budget. The 12 trustees shall certify any additional levy amount authorized by the special election on the budget form that is submitted 13 14 to the county superintendent, and the county commissioners 15 shall levy the authorized number of mills on the taxable 16 value of all taxable property within the district, as 17 prescribed in 20-9-141, to raise the amount of the additional levy. 18

19 (4) Authorization to levy an additional tax under the 20 provisions of this section is effective for only 1 school 21 fiscal year and must be authorized by a special election 22 conducted before August 1 of the school fiscal year for 23 which it is effective.

24 (5) If the trustees of a district are required to25 submit a proposition to finance a base BASE budget amount,

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1 as provided in 20-9-308(2)(b), or an over-BASE budget 2 amount, as provided in 20-9-308(3)(b), to the electors of 3 the district, the trustees shall comply with the provisions 4 of subsections (2) through (4)."

5 <u>NEW SECTION.</u> Section 3. Effective date --6 applicability. [This act] is effective on passage and 7 approval and applies to budgets for the school year 8 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 <u>HB0076, as introduced</u>.

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 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; limiting the referral of the requests for voter approval to twice a year.

ASSUMPTIONS:

- 1. For districts below the BASE funding level, current law requires voter approval for any budget growth that exceeds the greater of the growth amount required by 20-9-308(2)(a)(ii) or a 4% increase over the previous year's budget or budget per-ANB.
- 2. House Bill 76 limits the number of times that a proposition may be submitted to the voter to two.

FISCAL IMPACT: None.

<u>EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES</u>: 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 Office of Budget and Program Planning

BRANDEWIE. THIMARY SPONSOR DATE Fiscal Note for HB0076, as introduced

53rd Legislature Special Session 11/93

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APPROVED BY COMM. ON EDUCATION

AND CULTURAL RESOURCES

BILL NO. <u>76</u> 1 INTRODUCED BY Grunde 2 LUNNIZONA SD DENEDICT Simplino 3 A BILL FOR AN ACT ENTITLED: "AN ACT REOUIRING OTER APPROVAL FOR THE OVER-BASE BUDGET OF A SCHOOL DISTRICT IF 5 THE BUDGET EXCEEDS THE PREVIOUS YEAR'S GENERAL FUND BUDGET б OR THE PREVIOUS YEAR'S GENERAL FUND BUDGET PER-ANB; LIMITING 7 THE OVER-BASE BUDGET OF A DISTRICT TO 104 PERCENT OF THE 8 9 PREVIOUS YEAR'S GENERAL FUND BUDGET OR 104 PERCENT OF THE PREVIOUS YEAR'S GENERAL FUND BUDGET PER-ANB; CLARIFYING THE 10 VOTER APPROVAL REQUIREMENTS FOR A SCHOOL DISTRICT GENERAL 11 FUND BUDGET THAT EXCEEDS THE BASE AMOUNT IN PART: LIMITING 12 13 THE REFERRAL OF THE REQUESTS FOR VOTER APPROVAL TO TWICE A YEAR; AMENDING SECTIONS 20-9-308 AND 20-9-353, MCA; AND 14 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY 15 16 DATE."

17

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 18

Section 1. Section 20-9-308, MCA, is amended to read: 19 20 "20-9-308, BASE budgets and maximum general fund 21 budgets. (1) For-the-school-fiscal-year-beginning-on-July-17 22 19937-the The trustees of a district shall adopt a general 23 fund budget that:

24 (a) except as provided in subsection (2), is at least 25 equal to the BASE budget established for the district; or



1 (b) except as provided in subsection (4), does not 2 exceed the maximum general fund budget established for the ٦ district.

4 (2) (a) If the BASE budget for a district for--the 5 school--fiscal--year--beginning--on-July-17-19937 is greater than the general fund budget of the district for the prior 6 7 school fiscal year, the trustees of the district:

8 (i) may increase the general fund budget for the 9 district by 4% of the previous year's general fund budget or 10 by 4% of the previous year's general fund budget per-ANB 11 multiplied by the current year's ANB for budgeting purposes; 12 but

13 (ii) may not adopt a general fund budget that reflects 14 less than the following general fund budget growth amounts 15 for the appropriate school fiscal year:

16 (A) 20%-of-the-range-between-the-district-general--fund 17 budget--for-the-school-fiscal-year-ending-June-307-19937-and 18 the-BASE-budget-for-the-district-for-the-school-fiscal--year 19 beginning-July-17-1993;

20 (B) 25% of the range between the district general fund 21 budget for the school fiscal year ending June 30, 1994, and 22 the BASE budget for the district for the school fiscal year 23 beginning July 1, 1994;

24 (e) (B) 33.3% of the range between the district general fund budget for the school fiscal year ending June 30, 1995, 25

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and the BASE budget for the district for the school fiscal	1	the electors of the district, as provided in 20-9-353.
year beginning July 1, 1995;		(B) A proposition submitted to the electors under
(B)(C) 50% of the range between the district general	3	<pre>subsection (2)(b)(ii)(A) may be submitted only twice in any</pre>
fund budget for the school fiscal year ending June 30, 1996,		year.
and the BASE budget for the district for the school fiscal	5	(c) Nothing in this section is intended to require a
year beginning July 1, 1996; or		district to budget in excess of its BASE budget.
(E) (D) the remainder of the range between the district	7	(3) Whenever (a) (i) Except as provided in subsection
general fund budget for the school fiscal year ending June	8	<pre>(2)(b)(ii), whenever the trustees of a district adopt a</pre>
30, 1997, and the BASE budget for the district for the	9	general fund budget that exceeds the BASE budget for the
school fiscal year beginning July 1, 1997.	10	district but does not exceed the maximum general fund budget
(b) (i)-Portheschoolfiscal-year-beginning-duly-ly	11	for the district, the trustees shall:
19937adistrictmaynotexceedthelimitationsin	12	(a)adopt-a-resolution-stating-the-reasons-and-purposes
subsection-t2)tat.		
subsection-t2)tatt	13	for-exceedingtheBASEbudgetamountifthe <u>submit</u> a
subsection-{2}tat tit-Except-for-the-school-fiscal-year-beginning-duly-lt	13 14	for-exceedingtheBASEbudgetamountifthe submit a proposition to the electors of the district, as provided in
tii)-Except-for-the-school-fiscal-year-beginning-July-17	14	proposition to the electors of the district, as provided in
(ii)-Except-for-the-school-fiscal-year-beginning-duly-1, 1993,whenever (i) Whenever the trustees of a district	14 15	proposition to the electors of the district, as provided in 20-9-353, for any budget amount that exceeds the previous
(ii)-Except-for-the-school-fiscal-year-beginning-duly-l7 19937whenever (i) Whenever the trustees of a district adopt a general fund budget that exceeds one of the	14 15 16	proposition to the electors of the district, as provided in 20-9-353, for any budget amount that exceeds the previous year's general fund budget amount or the previous year's
(ii)-Except-for-the-school-fiscal-year-beginning-July-17 19937whenever (i) Whenever the trustees of a district adopt a general fund budget that exceeds one of the limitations in subsection (2)(a) but does not exceed the	14 15 16 17	proposition to the electors of the district, as provided in 20-9-353, for any budget amount that exceeds the previous year's general fund budget amount or the previous year's general fund budget per-ANB multiplied by the current year's
(ii)-Except-for-the-school-fiscal-year-beginning-duly-17 19937whenever (i) Whenever the trustees of a district adopt a general fund budget that exceeds one of the limitations in subsection (2)(a) but does not exceed the BASE budget for the district, the trustees shall submit a	14 15 16 17 18	proposition to the electors of the district, as provided in 20-9-353, for any budget amount that exceeds the previous year's general fund budget amount or the previous year's general fund budget per-ANB multiplied by the current year's ANB for budgeting purposes.
(ii)-Except-for-the-school-fiscal-year-beginning-duly-17 19937whenever (i) Whenever the trustees of a district adopt a general fund budget that exceeds one of the limitations in subsection (2)(a) 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	14 15 16 17 18 19	proposition to the electors of the district, as provided in 20-9-353, for any budget amount that exceeds the previous year's general fund budget amount or the previous year's general fund budget per-ANB multiplied by the current year's ANB for budgeting purposes. (ii) A proposition submitted to the electors under
(ii)-Except-for-the-school-fiscal-year-beginning-duly-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) 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.	14 15 16 17 18 19 20	proposition to the electors of the district, as provided in 20-9-353, for any budget amount that exceeds the previous year's general fund budget amount or the previous year's general fund budget per-ANB multiplied by the current year's ANB for budgeting purposes. (ii) A proposition submitted to the electors under subsection (3)(a)(i) may be submitted only twice in any
(ii)-Except-for-the-school-fiscal-year-beginning-duly-17 19937whenever (i) Whenever the trustees of a district adopt a general fund budget that exceeds one of the limitations in subsection (2)(a) 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) (A) Whenever the trustees of a district adopt a	14 15 16 17 18 19 20 21	proposition to the electors of the district, as provided in 20-9-353, for any budget amount that exceeds the previous year's general fund budget amount or the previous year's general fund budget per-ANB multiplied by the current year's ANB for budgeting purposes. (ii) A proposition submitted to the electors under subsection (3)(a)(i) may be submitted only twice in any year.
(ii)-Except-for-the-school-fiscal-year-beginning-duly-17 19937whenever (i) Whenever the trustees of a district adopt a general fund budget that exceeds one of the limitations in subsection (2)(a) 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) (A) Whenever the trustees of a district adopt a general fund budget that does not exceed one of the	14 15 16 17 18 19 20 21 22	proposition to the electors of the district, as provided in 20-9-353, for any budget amount that exceeds the previous year's general fund budget amount or the previous year's general fund budget per-ANB multiplied by the current year's ANB for budgeting purposes. (ii) A proposition submitted to the electors under subsection (3)(a)(i) may be submitted only twice in any year. (b) A general fund budget adopted under this subsection
(iii)-Except-for-the-school-fiscal-year-beginning-duly-17 19937whenever (i) Whenever the trustees of a district adopt a general fund budget that exceeds one of the limitations in subsection (2)(a) 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) (A) 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	14 15 16 17 18 19 20 21 22 23	<pre>proposition to the electors of the district, as provided in 20-9-353, for any budget amount that exceeds the previous year's general fund budget amount or the previous year's general fund budget per-ANB multiplied by the current year's ANB for budgeting purposes. (ii) A proposition submitted to the electors under subsection (3)(a)(i) may be submitted only twice in any year. (b) A general fund budget adopted under this subsection (3) does may not exceed the greater of:</pre>

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1 per-ANB multiplied by the current year's ANB for budgeting
2 purposes;-or.

3 (b)--except-for-the-school-fiscal-year-beginning-July-17
4 19937--submit--a--proposition-on-any-amount-of-the-over-BASE
5 budget-that-exceeds-one-of--the--limitations--in--subsection
6 (3)(a)--the--electors--of--the--district7-as-provided-in
7 20-9-353-

8 (c)--Por-the-school-fiscal-year-beginning-July-17--19937
9 a--district--may--not--exceed--the-limitations-in-subsection
10 (3)(a)7

11 (4) (a) If the maximum general fund budget for a 12 district for an ensuing school fiscal year is less than the 13 general fund budget for the district for the current school 14 fiscal year, the trustees of the district may not adopt a 15 general fund budget for the ensuing school fiscal year that 16 is greater than the district's general fund budget for the 17 current school fiscal year.

(b) Except for the school fiscal years year beginning duly-i7-i9937-and 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.

25 (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:

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

7 (b) county equalization aid, as provided in 20-9-331 8 and 20-9-333;

9 (c) a district levy for support of a school not
10 approved as an isolated school under the provisions of
11 20-9-302;

12 (d) payments in support of special education programs13 under the provisions of 20-9-321;

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

15 (f) a BASE budget levy on the taxable value of all 16 property within the district.

17 (6) The over-BASE budget amount of a district must be 18 financed by a levy on the taxable value of all property 19 within the district or other revenue available to the 20 district as provided in 20-9-141.

21 {(7) For the purpose of this section, the general fund 22 budget or general fund per-ANB budget for the school fiscal 23 year ending June 30, 1993, is the general fund budget funded 24 by any state, local, and federal revenue, excluding Public 25 Law 81-874 receipts received in the school fiscal year

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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).]"

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

6 "20-9-353. Additional financing for general fund --7 election for authorization to impose. (1) Except as limited 8 by 20-9-308, the trustees of a district may propose to adopt 9 a general fund budget in excess of the maximum general fund 10 budget amount for the district.

11 (2) Except-as-provided-in-20-9-300(4)(b);-when When the 12 trustees of a district determine that an additional amount of financing is required for the general fund budget that is 13 in excess of the maximum general fund budget amount, the 14 trustees shall submit the proposition to finance the excess 15 16 amount of general fund financing to the electors who are 17 gualified under 20-20-301 to vote upon the proposition. The 18 special election must be called and conducted in the manner prescribed by this title for school elections. The ballot 19 20 for the election must state the amount of money to be 21 financed, the approximate number of mills required to raise all or a portion of the money, and the purpose for which the 22 money will be expended. The ballot must be in the following 23 24 format:

PROPOSITION

LC 0205/01

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)?

5 FOR budget authority and any levy.

6 AGAINST budget authority and any levy.

7 (3) If the election on any additional financing for the 8 general fund is approved by a majority vote of the electors voting at the election, the proposition carries and the 9 10 trustees may use any portion or all of the authorized amount in adopting the preliminary general fund budget. The 11 trustees shall certify any additional levy amount authorized 12 13 by the special election on the budget form that is submitted 14 to the county superintendent, and the county commissioners 15 shall levy the authorized number of mills on the taxable value of all taxable property within the district, as 16 17 prescribed in 20-9-141, to raise the amount of the 18 additional levy.

19 (4) Authorization to levy an additional tax under the 20 provisions of this section is effective for only 1 school 21 fiscal year and must be authorized by a special election 22 conducted before August 1 of the school fiscal year for 23 which it is effective.

24 (5) If the trustees of a district are required to
25 submit a proposition to finance a base BASE budget amount,

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1 as provided in 20-9-308(2)(b), or an over-BASE budget 2 amount, as provided in 20-9-308(3)(b), to the electors of 3 the district, the trustees shall comply with the provisions 4 of subsections (2) through (4)."

5 <u>NEW SECTION</u>, Section 3. Effective date --6 applicability. [This act] is effective on passage and 7 approval and applies to budgets for the school year 8 beginning July 1, 1994.

-End-

53rd Legislature Special Session 11/93

BILL NO. <u>76</u> 1 INTRODUCED BY 2 GRINDS BENEDICT limptins 3 "AN ACT REQUIRING OTER A BILL FOR AN ACT ENTITLED: APPROVAL FOR THE OVER-BASE BUDGET OF A SCHOOL DISTRICT IF 5 THE BUDGET EXCEEDS THE PREVIOUS YEAR'S GENERAL FUND BUDGET К OR THE PREVIOUS YEAR'S GENERAL FUND BUDGET PER-ANB: LIMITING 7 THE OVER-BASE BUDGET OF A DISTRICT TO 104 PERCENT OF THE R 9 PREVIOUS YEAR'S GENERAL FUND BUDGET OR 104 PERCENT OF THE PREVIOUS YEAR'S GENERAL FUND BUDGET PER-ANB: CLARIFYING THE 10 11 VOTER APPROVAL REQUIREMENTS FOR A SCHOOL DISTRICT GENERAL FUND BUDGET THAT EXCEEDS THE BASE AMOUNT IN PART; LIMITING 12 13 THE REFERRAL OF THE REQUESTS FOR VOTER APPROVAL TO TWICE A 14 YEAR: AMENDING SECTIONS 20-9-308 AND 20-9-353, MCA; AND 15 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY 16 DATE."

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18 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-duly-ly
i993y-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

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

4 (2) (a) If the BASE budget for a district for--the
5 school--fiscal--year--beginning--on-duly-ly-ly937 is greater
6 than the general fund budget of the district for the prior
7 school fiscal year, the trustees of the district:

8 (i) may increase the general fund budget for the
9 district by 4% of the previous year's general fund budget or
10 by 4% of the previous year's general fund budget per-ANB
11 multiplied by the current year's ANB for budgeting purposes;
12 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:

16 (A) 200-of-the-range-between-the-district-general--fund
17 budget--for-the-school-fiscal-year-ending-dune-307-19937-and
18 the-BASE-budget-for-the-district-for-the-school-fiscal--year
19 beginning-duly-17-19937

tB; 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;

24 (C)(B) 33.3% of the range between the district general
25 fund budget for the school fiscal year ending June 30, 1995,

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1	and the .BASE budget for the district for the school fiscal	1	the electors of the district, as provided in 20-9-353.
2	year beginning July 1, 1995;	2	(B) A proposition submitted to the electors under
3	(B)<u>(</u>C) 50% of the range between the district general	3	<pre>subsection (2)(b)(ii)(A) may be submitted only twice in any</pre>
. 4	fund budget for the school fiscal year ending June 30, 1996,	4	year.
5	and the BASE budget for the district for the school fiscal	5	(c) Nothing in this section is intended to require a
6	year beginning July 1, 1996; or	б	district to budget in excess of its BASE budget.
7	(E) the remainder of the range between the district	7	(3) Whenever (a) (i) Except as provided in subsection
8	general fund budget for the school fiscal year ending June	8	(2)(b)(ii), whenever the trustees of a district adopt a
9	30, 1997, and the BASE budget for the district for the	9	general fund budget that exceeds the BASE budget for the
10	school fiscal year beginning July 1, 1997.	10	district but does not exceed the maximum general fund budget
11	(b) (i)-Fortheschoolfiscal-year-beginning-July-l7	11	for the district, the trustees shall-
12	19937adistrictmaynotexceedthelimitationsin	12	(a)adopt-a-resolution-stating-the-reasons-and-purposes
13	subsection-(2)(a)-	13	for-exceedingtheBASEbudgetamountifthe <u>submit</u> a
14	{ii} -Except-for-the-school-fiscal-year-beginning-July-l7	14	proposition to the electors of the district, as provided in
15	19937whenever (i) Whenever the trustees of a district	15	20-9-353, for any budget amount that exceeds the previous
16	adopt a general fund budget that exceeds one of the	16	year's general fund budget amount or the previous year's
17	limitations in subsection (2)(a) but does not exceed the	17	general fund budget per-ANB multiplied by the current year's
18	BASE budget for the district, the trustees shall submit a	18	ANB for budgeting purposes.
19	proposition on the amount that exceeds the limitation to the	19	(ii) A proposition submitted to the electors under
20	electors of the district, as provided in 20-9-353.	20	<pre>subsection (3)(a)(i) may be submitted only twice in any</pre>
21	(ii) (A) Whenever the trustees of a district adopt a	21	year.
22	general fund budget that does not exceed one of the	22	(b) A general fund budget adopted under this subsection
23	limitations in subsection (2) (a) but does exceed the BASE	23	(3) does may not exceed the greater of:
24	budget for the district, the trustees shall submit a	24	(i) 104% of the previous year's general fund budget; or
25	proposition on the amount that exceeds the BASE budget to	25	(ii) 104% of the previous year's general fund budget

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per-ANB multiplied by the current year's ANB for budgeting

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3 (b)--except-for-the-school-fiscal-year-beginning-July-l7
4 19937--submit--a--proposition-on-any-amount-of-the-over-BASE
5 budget-that-exceeds-one-of--the--limitations--in--subsection
6 (3)(a)--to--the--electors--of--the--district7-as-provided-in
7 20-9-353- '

11 (4) (a) If the maximum general fund budget for a 12 district for an ensuing school fiscal year is less than the 13 general fund budget for the district for the current school 14 fiscal year, the trustees of the district may not adopt a 15 general fund budget for the ensuing school fiscal year that 16 is greater than the district's general fund budget for the 17 current school fiscal year.

(b) Except for the school fiscal years year beginning duty-iy-i9937-and 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.

25 (5) Whenever the trustees of a district adopt a general

1 fund budget that does not exceed the BASE budget for the 2 district, the trustees shall finance this amount with the 3 following sources of revenue:

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

7 (b) county equalization aid, as provided in 20-9-331 8 and 20-9-333;

9 (c) a district levy for support of a school not 10 approved as an isolated school under the provisions of 11 20-9-302;

12 (d) payments in support of special education programs13 under the provisions of 20-9-321;

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

15 (f) a BASE budget levy on the taxable value of all 16 property within the district.

17 (6) The over-BASE budget amount of a district must be 18 financed by a levy on the taxable value of all property 19 within the district or other revenue available to the 20 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

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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).]"

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

6 "20-9-353. Additional financing for general fund -7 election for authorization to impose. (1) Except as limited
8 by 20-9-308, the trustees of a district may propose to adopt
9 a general fund budget in excess of the maximum general fund
10 budget amount for the district.

11 (2) Except-as-provided-in-20-9-308(4)(b)7-when When the 12 trustees of a district determine that an additional amount of financing is required for the general fund budget that is 13 14 in excess of the maximum general fund budget amount, the 15 trustees shall submit the proposition to finance the excess 16 amount of general fund financing to the electors who are 17 qualified under 20-20-301 to vote upon the proposition. The special election must be called and conducted in the manner 18 prescribed by this title for school elections. The ballot 19 20 for the election must state the amount of money to be 21 financed, the approximate number of mills required to raise 22 all or a portion of the money, and the purpose for which the money will be expended. The ballot must be in the following 23 24 format:

PROPOSITION

25

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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)?

5 FOR budget authority and any levy.

6 AGAINST budget authority and any levy.

7 (3) If the election on any additional financing for the 8 general fund is approved by a majority vote of the electors 9 voting at the election, the proposition carries and the 10 trustees may use any portion or all of the authorized amount 11 in adopting the preliminary general fund budget. The 12 trustees shall certify any additional levy amount authorized 13 by the special election on the budget form that is submitted 14 to the county superintendent, and the county commissioners 15 shall levy the authorized number of mills on the taxable 16 value of all taxable property within the district, as prescribed in 20-9-141, to raise the amount of the 17 18 additional levy.

19 (4) Authorization to levy an additional tax under the 20 provisions of this section is effective for only 1 school 21 fiscal year and must be authorized by a special election 22 conducted before August 1 of the school fiscal year for 23 which it is effective.

24 (5) If the trustees of a district are required to25 submit a proposition to finance a base BASE budget amount,

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as provided in 20-9-308(2)(b), or an over-BASE budget
 amount, as provided in 20-9-30B(3)(b), to the electors of
 the district, the trustees shall comply with the provisions
 of subsections (2) through (4)."

5 <u>NEW SECTION.</u> Section 3. Effective date --6 applicability. [This act] is effective on passage and 7 approval and applies to budgets for the school year 8 beginning July 1, 1994.

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