

House BILL NO. 238
K. Healy

INTRODUCED BY

A BILL FOR AN ACT ENTITLED: "AN ACT REPLACING THE COUNTY TRANSPORTATION REIMBURSEMENT WITH A STATEWIDE 6-MILL LEVY; AMENDING SECTIONS 17-3-213, 20-3-205, 20-7-442, 20-10-104, 20-10-141, 20-10-142, 20-10-144, AND 20-10-145, MCA; REPEALING SECTION 20-10-146, MCA; AND PROVIDING AN EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

NEW SECTION. Section 1. State transportation levy. There is levied 6 mills upon the taxable value of all real and personal property subject to taxation in the state of Montana. Proceeds of the levy must be deposited in the general fund for the purpose of funding state school transportation costs.

Section 2. Section 17-3-213, MCA, is amended to read:

"17-3-213. Allocation to general road fund and countywide school levies. (1) The forest reserve funds ~~se~~ apportioned to each county must be apportioned by the county treasurer in each county as follows:

- (a) to the general road fund, 66 2/3% of the total amount received;
- (b) to the following countywide school levies, 33 1/3% of the total sum received:
 - (i) county equalization for elementary schools provided for in 20-9-331; ~~and~~
 - (ii) county equalization for high schools provided for in 20-9-333; and
 - ~~(iii) the county transportation fund provided for in 20-10-146; and~~
 - ~~(iv)~~ (iii) the elementary and high school district retirement fund obligations provided for in 20-9-501.

(2) The apportionment of money to the funds provided for under subsection (1)(b) must be made by the county superintendent based on the proportion that the mill levy of each fund bears to the total number of mills for all the funds. Whenever the total amount of money available for apportionment under this section is greater than the total requirements of a levy, the excess money and any interest income must be retained in a separate reserve fund, to be reapportioned in the ensuing school fiscal year to the levies designated in subsection (1)(b).



1 (3) In counties in which special road districts have been created according to law, the board of
2 county commissioners shall distribute a proportionate share of the 66 2/3% of the total amount received
3 for the general road fund to the special road districts within the county based upon the percentage that the
4 total area of the road district bears to the total area of the entire county."

5
6 **Section 3.** Section 20-3-205, MCA, is amended to read:

7 **"20-3-205. Powers and duties.** The county superintendent has general supervision of the schools
8 of the county within the limitations prescribed by this title and shall perform the following duties or acts:

9 (1) determine, establish, and reestablish trustee nominating districts in accordance with the
10 provisions of 20-3-352, 20-3-353, and 20-3-354;

11 (2) administer and file the oaths of members of the boards of trustees of the districts in the county
12 in accordance with the provisions of 20-3-307;

13 (3) register the teacher or specialist certificates or emergency authorization of employment of any
14 person employed in the county as a teacher, specialist, principal, or district superintendent in accordance
15 with the provisions of 20-4-202;

16 (4) act on each tuition and transportation obligation submitted in accordance with the provisions
17 of 20-5-323 and 20-5-324;

18 (5) file a copy of the audit report for a district in accordance with the provisions of 20-9-203;

19 (6) classify districts in accordance with the provisions of 20-6-201 and 20-6-301;

20 (7) keep a transcript and reconcile the district boundaries of the county in accordance with the
21 provisions of 20-6-103;

22 (8) fulfill all responsibilities assigned under the provisions of this title regulating the organization,
23 alteration, or abandonment of districts;

24 (9) act on any unification proposition and, if approved, establish additional trustee nominating
25 districts in accordance with 20-6-312 and 20-6-313;

26 (10) estimate the average number belonging (ANB) of an opening school in accordance with the
27 provisions of 20-6-502, 20-6-503, 20-6-504, or 20-6-506;

28 (11) process and, when required, act on school isolation applications in accordance with the
29 provisions of 20-9-302;

30 (12) complete the budgets, compute the budgeted ~~revenues~~ revenue and tax levies, file final

1 budgets and budget amendments, and fulfill other responsibilities assigned under the provisions of this title
2 regulating school budgeting systems;

3 (13) submit an annual financial report to the superintendent of public instruction in accordance with
4 the provisions of 20-9-211;

5 (14) monthly, unless otherwise provided by law, order the county treasurer to apportion state
6 money, county school money, and any other school money subject to apportionment in accordance with
7 the provisions of 20-9-212, 20-9-334, 20-9-347, or 20-10-145, ~~or 20-10-146~~;

8 (15) act on any request to transfer average number belonging (ANB) in accordance with the
9 provisions of 20-9-313(3);

10 (16) calculate the estimated budgeted general fund sources of revenue in accordance with the
11 general fund revenue provisions of the general fund part of this title;

12 (17) compute the ~~revenues~~ revenue and the district and county levy requirements for each fund
13 included in each district's final budget and report the computations to the board of county commissioners
14 in accordance with the provisions of the general fund, transportation, bonds, and other school funds parts
15 of this title;

16 (18) file and forward bus driver certifications, transportation contracts, and state transportation
17 reimbursement claims in accordance with the provisions of 20-10-103, 20-10-143, or 20-10-145;

18 (19) for districts that do not employ a district superintendent or principal, recommend library book
19 and textbook selections in accordance with the provisions of 20-7-204 or 20-7-602;

20 (20) notify the superintendent of public instruction of a textbook dealer's activities when required
21 under the provisions of 20-7-605 and otherwise comply with the textbook dealer provisions of this title;

22 (21) act on district requests to allocate federal money for indigent children for school food services
23 in accordance with the provisions of 20-10-205;

24 (22) perform any other duty prescribed from time to time by this title, any other act of the
25 legislature, the policies of the board of public education, the policies of the board of regents relating to
26 community college districts, or the rules of the superintendent of public instruction;

27 (23) administer the oath of office to trustees without the receipt of pay for administering the oath;

28 (24) keep a record of official acts, preserve all reports submitted to the superintendent under the
29 provisions of this title, preserve all books and instructional equipment or supplies, keep all documents
30 applicable to the administration of the office, and surrender all records, books, supplies, and equipment to

1 the next superintendent;

2 (25) within 90 days after the close of the school fiscal year, publish an annual report in the county
3 newspaper stating the following financial information for the school fiscal year just ended for each district
4 of the county:

5 (a) the total of the cash balances of all funds maintained by the district at the beginning of the
6 year;

7 (b) the total receipts that were realized in each fund maintained by the district;

8 (c) the total expenditures that were made from each fund maintained by the district; and

9 (d) the total of the cash balances of all funds maintained by the district at the end of the school
10 fiscal year; and

11 (26) hold meetings for the members of the trustees from time to time at which matters for the good
12 of the districts must be discussed."

13

14 **Section 4.** Section 20-7-442, MCA, is amended to read:

15 **"20-7-442. State transportation reimbursement for special education children.** Districts providing
16 children with transportation to a special education class or program and complying with the special
17 education transportation regulations promulgated by the superintendent of public instruction ~~shall be~~ are
18 eligible for a transportation reimbursement. The reimbursement ~~shall~~ must be calculated from a schedule
19 established by the superintendent of public instruction with the state providing ~~50%~~ 100% of the
20 reimbursement."

21

22 **Section 5.** Section 20-10-104, MCA, is amended to read:

23 **"20-10-104. Penalty for violating law or rules.** (1) Every district, its trustees and employees, and
24 every person under a transportation contract with a district ~~shall be~~ is subject to the policies prescribed by
25 the board of public education and the rules prescribed by the superintendent of public instruction. When
26 a district knowingly violates a transportation law or board of public education transportation policy, ~~such~~
27 the district shall forfeit forfeits any reimbursement otherwise payable under 20-10-145 ~~and 20-10-146~~ for
28 bus miles actually traveled during that fiscal year in violation of ~~such~~ the law or policies. The county
29 superintendent shall suspend all ~~such~~ reimbursements payable to the district until the district corrects the
30 violation. When the district corrects the violation, the county superintendent shall resume paying

1 reimbursements to the district, but the amount forfeited may not be paid to the district.

2 (2) When a person operating a bus under contract with a district knowingly fails to comply with
 3 the transportation law or the board of public education transportation policies, the district may not pay ~~him~~
 4 the person for any bus miles traveled during the contract year in violation of ~~such~~ the law or policies. Upon
 5 discovering ~~such~~ a violation, the trustees of the district shall give written notice to the person that unless
 6 the violation is corrected within 10 days of the giving of notice, the contract will be canceled. The trustees
 7 of a district shall order the operation of a bus operated under contract suspended when the bus is being
 8 operated in violation of transportation law or policies and the trustees find that ~~such~~ the violation
 9 jeopardizes the safety of pupils."

10

11 **Section 6.** Section 20-10-141, MCA, is amended to read:

12 **"20-10-141. Schedule of maximum reimbursement by mileage rates.** (1) The following mileage
 13 rates for school transportation constitute the maximum reimbursement to districts for school transportation
 14 from the state ~~and county sources of transportation revenue~~ under the provisions of 20-10-145 ~~and~~
 15 ~~20-10-146~~. These rates may not limit the amount that a district may budget in its transportation fund
 16 budget in order to provide for the estimated and necessary cost of school transportation during the ensuing
 17 school fiscal year. All bus miles traveled on routes approved by the county transportation committee are
 18 reimbursable. Nonbus mileage is reimbursable for a vehicle driven by a bus driver to and from an overnight
 19 location of a school bus when the location is more than 10 miles from the school. A district may approve
 20 additional bus or nonbus miles within its own district or approved service area but may not claim
 21 reimbursement for the mileage. Any vehicle, the operation of which is reimbursed for bus mileage under
 22 the rate provisions of this schedule, must be a school bus, as defined by this title, driven by a qualified
 23 driver on a bus route approved by the county transportation committee and the superintendent of public
 24 instruction.

25 (2) The rate ~~per~~ for each bus mile traveled must be determined in accordance with the following
 26 schedule when the number of eligible transportees that board a school bus on an approved route is not less
 27 than one-half of its rated capacity:

28 (a) 85 cents ~~per~~ for each bus mile for a school bus with a rated capacity of not less than 12 but
 29 not more than 45 children; and

30 (b) when the rated capacity is more than 45 children, an additional 2.13 cents ~~per~~ for each bus

1 mile for each additional child in the rated capacity in excess of 45 ~~must be~~ added to a the base rate of 85
2 cents ~~per for each~~ bus mile.

3 (3) Reimbursement for nonbus mileage provided for in subsection (1) may not exceed 50% of the
4 maximum reimbursement rate determined under subsection (2).

5 (4) When the number of eligible transportees boarding a school bus on an approved route is less
6 than one-half of its rated capacity, the rate ~~per for each~~ bus mile traveled must be computed as follows:

7 (a) determine the number of eligible transportees that board the school bus on the route;

8 (b) multiply the number determined in subsection (4)(a) by two and round off to the nearest whole
9 number; and

10 (c) use the adjusted rated capacity determined in subsection (4)(b) as the rated capacity of the bus
11 to determine the rate ~~per for each~~ bus mile traveled from the rate schedule in subsection (2).

12 (5) The rated capacity is the number of riding positions of a school bus as determined under the
13 policy adopted by the board of public education."

14

15 **Section 7.** Section 20-10-142, MCA, is amended to read:

16 **"20-10-142. Schedule of maximum reimbursement for individual transportation.** The following rates
17 for individual transportation constitute the maximum reimbursement to districts for individual transportation
18 from ~~the state and county sources of transportation revenue~~ under the provisions of 20-10-145 ~~and~~
19 ~~20-10-146~~. These rates constitute the limitation of the budgeted amounts for individual transportation for
20 the ensuing school fiscal year. The schedules provided in this section may not be altered by any authority
21 other than the legislature ~~of the state of Montana~~. When the trustees contract with the parent or guardian
22 of ~~any~~ an eligible transportee to provide individual transportation for each day of school attendance, they
23 shall reimburse the parent or guardian on the basis of the following schedule:

24 (1) When a parent or guardian transports an eligible transportee or transportees from the residence
25 of the parent or guardian to a school or to schools located within 3 miles of one another, the total
26 reimbursement ~~per for each~~ day of attendance is determined by multiplying the distance in miles between
27 the residence and the school, or the most distant school if more than one, by 2, subtracting 6 miles from
28 the product, and multiplying the difference by 21.25 cents, provided that:

29 (a) if two or more eligible transportees are transported by a parent or guardian to two or more
30 schools located within 3 miles of one another and if the schools are operated by different school districts,

1 the total amount of the reimbursement must be divided equally between the districts;

2 (b) if two or more eligible transportees are transported by a parent or guardian to two or more
3 schools located more than 3 miles from one another, the parent or guardian must be separately reimbursed
4 for transporting the eligible transportee or transportees to each school;

5 (c) if a parent transports two or more eligible transportees to a school and a bus stop that are
6 located within 3 miles of one another, the total reimbursement must be determined under the provisions
7 of this subsection and must be divided equally between the district operating the school and the district
8 operating the bus;

9 (d) if a parent transporting two or more eligible transportees to a school or bus stop ~~must~~ is
10 required, because of varying arrival and departure times, to make more than one round-trip journey to the
11 bus stop or school, the total reimbursement allowed by this section is limited to one round trip ~~per~~ a day
12 for each scheduled arrival or departure time;

13 (e) notwithstanding subsection (1)(a), (1)(b), (1)(c), or (1)(d), a reimbursement may not be less than
14 25 cents a day.

15 (2) When the parent or guardian transports an eligible transportee or transportees from the
16 residence to a bus stop of a bus route approved by the trustees for the transportation of the transportee
17 or transportees, the total reimbursement ~~per~~ for each day of attendance is determined by multiplying the
18 distance in miles between the residence and the bus stop by 2, subtracting 3 miles from the product, and
19 multiplying the difference by 21.25 cents, provided that:

20 (a) if the eligible transportees attend schools in different districts but ride on one bus, the districts
21 shall divide the total reimbursement equally; and

22 (b) if the parent or guardian is required to transport the eligible transportees to more than one bus,
23 the parent or guardian must be separately reimbursed for transportation to each bus.

24 (3) When, due to excessive distances, impassable roads, or other special circumstances of
25 isolation, the rates prescribed in subsection (1) or (2) would be an inadequate reimbursement for the
26 transportation costs or would result in a physical hardship for the eligible transportee, a parent or guardian
27 may request an increase in the reimbursement rate. A request for increased rates due to isolation must be
28 made by the parent or guardian on the contract for individual transportation for the ensuing school fiscal
29 year by indicating the special facts and circumstances that exist to justify the increase. Before an increased
30 rate due to isolation may be paid to the requesting parent or guardian, the rate must be approved by the

1 county transportation committee and the superintendent of public instruction after the trustees have
 2 indicated their approval or disapproval. Regardless of the action of the trustees and when approval is given
 3 by the county transportation committee and the superintendent of public instruction, the trustees shall pay
 4 the increased rate due to isolation. The increased rate is 1 ½ times the rate prescribed in subsection (1).

5 (4) When the isolated conditions of the household where an eligible transportee resides require an
 6 eligible transportee to live away from the household in order to attend school, the eligible transportee is
 7 eligible for the room and board reimbursement. Approval to receive the room and board reimbursement must
 8 be obtained in the same manner prescribed in subsection (3). The per diem rate for room and board is \$5.31
 9 for one eligible transportee and \$3.19 for each additional eligible transportee of the same household.

10 (5) When the individual transportation provision is to be satisfied by supervised home study or
 11 supervised correspondence study, the reimbursement rate is the cost of the study, provided that the course
 12 of instruction is approved by the trustees and supervised by the district."
 13

14 **Section 8.** Section 20-10-144, MCA, is amended to read:

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

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

21 (a) the sum of the maximum reimbursable expenditures for all approved school bus routes
 22 maintained by the district (to determine the maximum reimbursable expenditure, multiply the applicable rate
 23 ~~per~~ for each bus mile by the total number of miles to be traveled during the ensuing school fiscal year on
 24 each bus route approved by the county transportation committee and maintained by the district); plus

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

28 (c) any estimated costs for supervised home study or supervised correspondence study for the
 29 ensuing school fiscal year; plus

30 (d) the amount budgeted on the preliminary budget for the contingency amount permitted in

1 20-10-143, except if the amount exceeds 10% of the total of subsections (1)(a), (1)(b), and (1)(c) or \$100,
 2 whichever is larger, the contingency amount on the preliminary budget must be reduced to the limitation
 3 amount and used in this determination of the schedule amount; plus

4 (e) any estimated costs for transporting a child out of district when the child has mandatory
 5 approval to attend school in a district outside the district of residence.

6 (2) (a) The schedule amount determined in subsection (1) or the total preliminary transportation
 7 fund budget, whichever is smaller, is ~~divided by 2 and is used to determine the available state and county~~
 8 ~~revenue to be budgeted on the following basis:~~

9 ~~(i) one half is the budgeted state transportation reimbursement, except that the state transportation~~
 10 ~~reimbursement for the transportation of special education pupils under the provisions of 20-7-442 must be~~
 11 ~~60% of the schedule amount attributed to the transportation of special education pupils; and~~

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

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

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

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

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

26 ~~(b)(a)~~ anticipated payments from other districts for providing school bus transportation services
 27 for the district;

28 ~~(b)(b)~~ anticipated payments from a parent or guardian for providing school bus transportation
 29 services for a child;

30 ~~(b)(c)~~ anticipated or reappropriated interest to be earned by the investment of transportation fund

1 cash in accordance with the provisions of 20-9-213(4);

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

4 ~~(e)~~ anticipated revenue from coal gross proceeds under 15-23-703;

5 ~~(f)~~ anticipated net proceeds taxes for new production, production from horizontally completed
6 wells, and incremental production, as defined in 15-23-601, and local government severance taxes on any
7 other production occurring after December 31, 1988;

8 ~~(g)~~ anticipated transportation payments for out-of-district pupils under the provisions of
9 20-5-320 through 20-5-324;

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

12 ~~(i)~~ any fund balance available for reappropriation as determined by subtracting the amount of the
13 end-of-the-year fund balance earmarked as the transportation fund operating reserve for the ensuing school
14 fiscal year by the trustees from the end-of-the-year fund balance in the transportation fund. The operating
15 reserve may not be more than 20% of the final transportation fund budget for the ensuing school fiscal year
16 and is for the purpose of paying transportation fund warrants issued by the district under the final
17 transportation fund budget.

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

19 (a) subtracting the schedule amount calculated in subsection (1) from the total preliminary
20 transportation budget amount; and

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

23 (5) The transportation fund levy requirements determined in subsection (4) for each district must
24 be reported to the county commissioners on the fourth Monday of August by the county superintendent
25 as the transportation fund levy requirements for the district, and the levy must be made by the county
26 commissioners in accordance with 20-9-142."

27
28 **Section 9.** Section 20-10-145, MCA, is amended to read:

29 **"20-10-145. State transportation reimbursement.** (1) A district providing school bus transportation
30 or individual transportation in accordance with this title, board of public education transportation policy,

1 and superintendent of public instruction transportation rules must receive a state reimbursement of its
2 transportation expenditures under the transportation reimbursement rate provisions of 20-10-141 and
3 20-10-142. The state transportation reimbursement is ~~one-half~~ of the reimbursement amounts established
4 in 20-10-141 and 20-10-142 or ~~one-half~~ of the district's transportation fund budget, whichever is smaller,
5 and must be computed on the basis of the number of days the transportation services were actually
6 rendered, not to exceed 180 pupil-instruction days. In determining the amount of the state transportation
7 reimbursement, an amount claimed by a district may not be considered for reimbursement unless the
8 amount has been paid in the regular manner provided for the payment of other financial obligations of the
9 district.

10 (2) Requests for the state transportation reimbursement must be made by each district
11 semiannually during the school fiscal year on the claim forms and procedure promulgated by the
12 superintendent of public instruction. The claims for state transportation reimbursements must be routed by
13 the district to the county superintendent, who after reviewing the claims shall send them to the
14 superintendent of public instruction. The superintendent of public instruction shall establish the validity and
15 accuracy of the claims for the state transportation reimbursements by determining compliance with this
16 title, board of public education transportation policy, and the transportation rules of the superintendent of
17 public instruction. After making any necessary adjustments to the claims, the superintendent of public
18 instruction shall order a disbursement from the state money appropriated by the legislature ~~of the state of~~
19 ~~Montana~~ for the state transportation reimbursement. The payment of all the district's claims within one
20 county must be made to the county treasurer of the county, and the county superintendent shall apportion
21 the payment in accordance with the apportionment order supplied by the superintendent of public
22 instruction."

23

24 **NEW SECTION. Section 10. Repealer.** Section 20-10-146, MCA, is repealed.

25

26 **NEW SECTION. Section 11. Codification instruction.** [Section 1] is intended to be codified as an
27 integral part of Title 15, chapter 10, part 1, and the provisions of Title 15, chapter 10, part 1, apply to
28 [section 1].

29

30 **NEW SECTION. Section 12. Effective date -- retroactive applicability.** [This act] is effective July

1 1, 1995, and applies retroactively, within the meaning of 1-2-109, to all tax years beginning after December
2 31, 1994.

3 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0238, as introduced

DESCRIPTION OF PROPOSED LEGISLATION: An act replacing the county transportation reimbursement with a statewide 6-mill levy;

ASSUMPTIONS:

1. FY94 state on-schedule transportation costs were \$10.2M and county on-schedule transportation costs were \$9.7M.
2. FY94 ANB is 156,950 and FY95 ANB is 162,569. FY96 ANB will be 164,461 and FY97 ANB will be 166,511.
3. Transportation on-schedule costs increase proportionately to increases in ANB.
4. Forest Reserve funds deposited in the county transportation fund in FY95 were approximately \$218,000. These funds will be redirected to the county equalization and retirement accounts in FY96 and FY97.
5. The ROC estimates of statewide taxable valuation are \$1,814,833 for FY96 and \$1,869,654 for FY97. Non levy revenues will add 10 percent to tax collections. Six mills levied statewide will generate \$11,978,000 in FY96 and \$12,340,000 in FY97.
6. The county transportation reimbursement reported on FY95 school transportation budgets is \$10,601,878. Actual claims paid for transportation reimbursements will be less than the budgeted amount. The county transportation reimbursement for FY96 is estimated to be \$10.6 million in FY96 and \$10.7 million in FY97.

FISCAL IMPACT:

Expenditures:

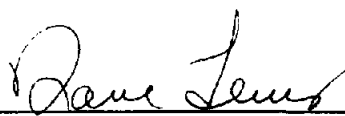
State expenditures will increase by \$10,600,000 in FY96 and \$10,700,000 to fund the transportation reimbursement costs that were formerly paid by counties.

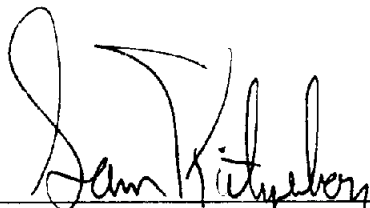
Revenues: State revenue collections will increase by \$11,978,000 in FY96 and by \$12,340,000 in FY97 to replace taxes that were formerly levied and retained by counties.

Net Impact: State revenues will exceed expenditures by \$1,378,000 in FY96 and by \$1,640,000 in FY97.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Mill levies will increase in those counties levying fewer (29 counties in FY95) than 6 mills for county transportation and will decrease in counties levying more (27 counties in FY95) than 6 mills.

 1-23-95
DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 1-24-95
S. KITZENBERG, PRIMARY SPONSOR DATE

Fiscal Note for HB0238, as introduced

HB 238

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Over time the cost of the state transportation reimbursement is likely to grow at a faster rate than collections from the 6 mill levy. At that point, additional state revenues will be needed to supplement the revenue collected from the 6 mill statewide levy.

TECHNICAL NOTES:

1. While this bill eliminates the county transportation levy, it does not close out the county transportation fund. Section 20-9-212, MCA still requires the county treasurer to maintain the county transportation fund. If the intent of the bill is to close the county transportation fund. Section 20-9-212, MCA needs to be amended and the legislature needs to indicate where the county transportation fund balances will be directed.