

1 HOUSE BILL NO. 267
2 INTRODUCED BY Van Valkenburg
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO THE OFFICE OF PUBLIC
5 INSTRUCTION FOR STATE EQUALIZATION AID IN ORDER TO REDUCE THE PROPERTY TAX MILL LEVY
6 TO COMPENSATE TAXPAYERS FOR TAXES LEVIED DUE TO REDUCTIONS IN STATE SUPPORT OF PUBLIC
7 SCHOOLS; AMENDING SECTION 20-9-360, MCA; AND PROVIDING EFFECTIVE DATES, A RETROACTIVE
8 APPLICABILITY DATE, AND A TERMINATION DATE."
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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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12 **NEW SECTION. Section 1. Appropriation.** There is appropriated from the general fund \$19 million
13 to the office of public instruction to be used for state equalization aid as provided in 20-9-346.
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15 **Section 2.** Section 20-9-360, MCA, is amended to read:

16 "20-9-360. **State equalization aid levy.** (1) There is a levy of ~~40~~ 29.5 mills imposed by the county
17 commissioners of each county on all taxable property within the state, except property for which a tax or
18 fee is required under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204. Except as
19 provided in subsection (2), proceeds of the levy must be remitted to the state treasurer and must be
20 deposited to the credit of the state special revenue fund for state equalization aid to the public schools of
21 Montana.

22 (2) For the benefit of each municipality that created an urban renewal area and adopted a tax
23 increment financing provision for the urban renewal area prior to July 1, 1990, the state treasurer shall
24 distribute each fiscal year from the state equalization aid levy to the municipality the amount, if any, equal
25 to the product of the incremental taxable value of the urban renewal area times the reduced school levy
26 for the area, each calculated for the fiscal year. The reduced school levy for a fiscal year is the difference
27 between the aggregate amount of all property tax levies for school purposes in the urban renewal area,
28 expressed in mills, in the fiscal year ended June 30, 1989, and the aggregate amount of all property tax
29 levies for school purposes in the area or the district, expressed in mills, in the fiscal year, including the state
30 equalization aid levy. The state treasurer shall distribute the amounts to municipalities in two equal



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1 installments on December 31 and June 30 of the fiscal year."

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3 NEW SECTION. Section 3. Retroactive applicability. (1) [Section 2] applies retroactively, within
4 the meaning of 1-2-109, to the tax year beginning January 1, 1995.

5 (2) [Section 2] applies only to the tax year beginning January 1, 1995, and includes the tax
6 payment in May 1996.

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8 NEW SECTION. Section 4. Termination. [Section 2] terminates December 31, 1995.

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10 NEW SECTION. Section 5. Effective dates. (1) [Section 1] is effective July 1, 1995.

11 (2) [Sections 2 through 4 and this section] are effective on passage and approval.

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