

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

House BILL NO. *178*
WJB

INTRODUCED BY _____

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A GENERAL FUND BUDGET STABILIZATION AND CASH RESERVE FUND; PROVIDING FOR FUNDING FROM THE EXCESS ENDING GENERAL FUND BALANCE; STATUTORILY APPROPRIATING THE RESERVE FUND FOR CERTAIN DESIGNATED USES; LIMITING THE AMOUNT IN THE FUND; PROVIDING THAT EXCESS AMOUNTS BE USED TO REDUCE THE STATE EQUALIZATION AID LEVY; AMENDING SECTIONS 17-7-502 AND 20-9-360, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

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

NEW SECTION. Section 1. Definitions. As used in [sections 1 through 4], the following definitions

apply:

- (1) "Disaster" has the meaning provided in 10-3-103.
- (2) "Emergency" has the meaning provided in 10-3-103.
- (3) "Excess ending fund balance" means the amount of audited unreserved general fund balance at the end of a biennium that is in excess of the projected ending general fund balance contained in the revenue estimating resolution provided for in 5-18-107(5).
- (4) "Significant revenue shortfall" means the amount certified by the governor by which state general revenue collections are less than the amount necessary to fund appropriations after implementation of the authority to reduce spending provided for in 17-7-140.

NEW SECTION. Section 2. Budget stabilization and cash reserve fund. (1) There is a general fund

budget stabilization and cash reserve fund in the state treasury.
(2) Subject to [section 3], there must be transferred to the budget stabilization and cash reserve fund the excess ending general fund balance at the end of each biennium. The fund must be invested by the board of investments. Interest and earnings on investments must be deposited in the fund.

NEW SECTION. Section 3. Limit on budget stabilization and cash reserve fund -- use of excess



1 **funds.** (1) The balance in the budget stabilization and cash reserve fund may not exceed 2.5% of the total
 2 amount of general fund money appropriated in the general appropriations act by the legislature in the prior
 3 regular legislative session.

4 (2) If, at the end of a biennium, the transfer of the excess ending fund balance would cause the
 5 balance in the budget stabilization and cash reserve fund to exceed the limit in subsection (1), the excess
 6 ending fund balance must be used to reduce the state equalization aid levy provided for in 20-9-360 for the
 7 following year. The governor shall by executive order specify to county commissioners the number of mills
 8 to levy for statewide equalization in that year.

9

10 **NEW SECTION. Section 4. Use of budget stabilization and cash reserve fund -- appropriation.** (1)
 11 The budget stabilization and cash reserve fund is statutorily appropriated, as provided in 17-7-502, to the
 12 office of the governor for:

- 13 (a) fire suppression;
 14 (b) response to a disaster or emergency declared by the governor; and
 15 (c) response to a significant revenue shortfall.

16 (2) The legislature may by a two-thirds vote of each house appropriate the budget stabilization and
 17 cash reserve fund for other purposes. The legislature shall provide for the repayment of funds appropriated
 18 from the budget stabilization and cash reserve fund in the legislation making the appropriation.

19

20 **Section 5.** Section 17-7-502, MCA, is amended to read:

21 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
 22 appropriation is an appropriation made by permanent law that authorizes spending by a state agency
 23 without the need for a biennial legislative appropriation or budget amendment.

24 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply
 25 with both of the following provisions:

- 26 (a) The law containing the statutory authority must be listed in subsection (3).
 27 (b) The law or portion of the law making a statutory appropriation must specifically state that a
 28 statutory appropriation is made as provided in this section.

29 (3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105;
 30 2-18-812; 3-5-901; 5-13-403; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706;

1 15-30-195; 15-31-702; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-1-404; 16-1-410; 16-1-411;
 2 16-11-308; 17-3-106; 17-3-212; 17-5-404; 17-5-424; 17-5-804; 17-6-101; 17-6-201; 17-7-304; [section
 3 4]; 18-11-112; 19-2-502; 19-6-709; 19-9-1007; 19-17-301; 19-18-512; 19-18-513; 19-18-606;
 4 19-19-205; 19-19-305; 19-19-506; 20-8-107; 20-8-111; 20-9-361; 20-26-1503; 23-5-136; 23-5-306;
 5 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402; 32-1-537; 37-43-204; 37-51-501;
 6 39-71-503; 39-71-907; 39-71-2321; 39-71-2504; 44-12-206; 44-13-102; 50-4-623; 50-5-232;
 7 50-40-206; 53-6-150; 53-6-703; 53-24-206; 60-2-220; 67-3-205; 75-1-1101; 75-5-1108; 75-6-214;
 8 75-11-313; 76-12-123; 80-2-103; 80-2-222; 80-4-416; 81-5-111; 82-11-136; 82-11-161; 85-1-220;
 9 85-20-402; 90-3-301; 90-4-215; 90-6-331; 90-7-220; 90-7-221; and 90-9-306.

10 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
 11 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued
 12 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of
 13 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as
 14 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the
 15 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec.
 16 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for
 17 supplemental benefit; and pursuant to sec. 7(2), Ch. 29, L. 1995, the inclusion of 15-30-195 terminates
 18 July 1, 2001.)"

19

20 **Section 6.** Section 20-9-360, MCA, is amended to read:

21 **"20-9-360. State equalization aid levy.** (1) ~~There~~ Except as provided in [section 3], there is a levy
 22 of 40 mills imposed by the county commissioners of each county on all taxable property within the state,
 23 except property for which a tax or fee is required under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521,
 24 61-3-527, 61-3-537, and 67-3-204. Except as provided in subsection (2), proceeds of the levy must be
 25 remitted to the state treasurer and must be deposited to the credit of the state general fund for state
 26 equalization aid to the public schools of Montana.

27 (2) For the benefit of each municipality that created an urban renewal area and adopted a tax
 28 increment financing provision for the urban renewal area ~~prior to~~ before July 1, 1990, the state treasurer
 29 shall distribute each fiscal year from the state equalization aid levy to the municipality the amount, if any,
 30 equal to the product of the incremental taxable value of the urban renewal area times the reduced school

1 levy for the area, each calculated for the fiscal year. The reduced school levy for a fiscal year is the
2 difference between the aggregate amount of all property tax levies for school purposes in the urban renewal
3 area, expressed in mills, in the fiscal year ended June 30, 1989, and the aggregate amount of all property
4 tax levies for school purposes in the area or the district, expressed in mills, in the fiscal year, including the
5 state equalization aid levy. The state treasurer shall distribute the amounts to municipalities in two equal
6 installments on December 31 and June 30 of the fiscal year."

7
8 **NEW SECTION. Section 7. Codification instruction.** [Sections 1 through 4] are intended to be
9 codified as an integral part of Title 17, chapter 7, and the provisions of Title 17, chapter 7, apply to
10 [sections 1 through 4].

11
12 **NEW SECTION. Section 8. Effective date.** [This act] is effective January 1, 1998.

13 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0178, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act creating a general fund budget stabilization and cash reserve fund; providing for funding from the excess ending general fund balance; statutorily appropriating the reserve fund for certain designated uses; limiting the amount in the fund; providing that excess amounts be used to reduce the state equalization aid levy.

ASSUMPTIONS:

1. A second general fund accounting entity will be established for the budget stabilization and cash reserve fund. For financial reporting purposes, the two general fund accounting entities will be rolled together at fiscal year end.
2. Once the excess general fund balance is transferred to the budget stabilization fund, these funds will be available to the Governor for fire suppression, response to a disaster or to a significant revenue shortfall. In the case of an extreme emergency or wildfire year, use of this fund could prevent calling a special session.
3. The legislature will be able to appropriate the stabilization fund for other purposes by a two-thirds vote of each house.
4. It would take a two-thirds vote of the Legislature to use reserve fund for tax cuts.
5. The bill will have no impact on revenue mill levy collections in the 1999 biennium. If the bill results in a reduction in the state equalization aid levy, that reduction would not occur until FY2000.

FISCAL IMPACT:

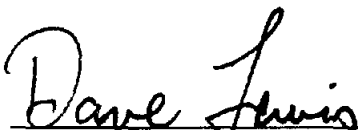
No impact for the 1999 biennium.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

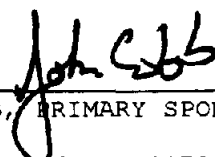
No impact on local revenues or expenditures.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

State vulnerability to economic fluctuations and disasters will be reduced.

 1-16-97

DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 _____
JOHN COBB, PRIMARY SPONSOR DATE
Fiscal Note for HB0178, as introduced

HB 178

APPROVED BY COM ON
APPROPRIATIONS

1

2

INTRODUCED BY

CSB House BILL NO. 178

3

4

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A GENERAL FUND BUDGET STABILIZATION AND CASH RESERVE FUND; PROVIDING FOR FUNDING FROM THE EXCESS ENDING GENERAL FUND BALANCE; STATUTORILY APPROPRIATING THE RESERVE FUND FOR CERTAIN DESIGNATED USES; LIMITING THE AMOUNT IN THE FUND; PROVIDING THAT EXCESS AMOUNTS BE USED TO REDUCE THE STATE EQUALIZATION AID LEVY; AMENDING SECTIONS 17-7-502 AND 20-9-360, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

10

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

12

13

NEW SECTION. **Section 1. Definitions.** As used in [sections 1 through 4], the following definitions apply:

15

(1) "Disaster" has the meaning provided in 10-3-103.

16

(2) "Emergency" has the meaning provided in 10-3-103.

17

(3) "Excess ending fund balance" means the amount of audited unreserved general fund balance at the end of a biennium that is in excess of the projected ending general fund balance contained in the revenue estimating resolution provided for in 5-18-107(5).

20

(4) "Significant revenue shortfall" means the amount certified by the governor by which state general revenue collections are less than the amount necessary to fund appropriations after implementation of the authority to reduce spending provided for in 17-7-140.

23

24

NEW SECTION. **Section 2. Budget stabilization and cash reserve fund.** (1) There is a general fund budget stabilization and cash reserve fund in the state treasury.

26

(2) Subject to [section 3], there must be transferred to the budget stabilization and cash reserve fund the excess ending general fund balance at the end of each biennium. The fund must be invested by the board of investments. Interest and earnings on investments must be deposited in the fund.

29

30

NEW SECTION. **Section 3. Limit on budget stabilization and cash reserve fund -- use of excess**

1 **funds.** (1) The balance in the budget stabilization and cash reserve fund may not exceed 2.5% of the total
 2 amount of general fund money appropriated in the general appropriations act by the legislature in the prior
 3 regular legislative session.

4 (2) If, at the end of a biennium, the transfer of the excess ending fund balance would cause the
 5 balance in the budget stabilization and cash reserve fund to exceed the limit in subsection (1), the excess
 6 ending fund balance must be used to reduce the state equalization aid levy provided for in 20-9-360 for the
 7 following year. The governor shall by executive order specify to county commissioners the number of mills
 8 to levy for statewide equalization in that year.

9

10 **NEW SECTION. Section 4. Use of budget stabilization and cash reserve fund -- appropriation.** (1)

11 The budget stabilization and cash reserve fund is statutorily appropriated, as provided in 17-7-502, to the
 12 office of the governor for:

13 (a) fire suppression;

14 (b) response to a disaster or emergency declared by the governor; and

15 (c) response to a significant revenue shortfall.

16 (2) The legislature may by a two-thirds vote of each house appropriate the budget stabilization and
 17 cash reserve fund for other purposes. The legislature shall provide for the repayment of funds appropriated
 18 from the budget stabilization and cash reserve fund in the legislation making the appropriation.

19

20 **Section 5.** Section 17-7-502, MCA, is amended to read:

21 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
 22 appropriation is an appropriation made by permanent law that authorizes spending by a state agency
 23 without the need for a biennial legislative appropriation or budget amendment.

24 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply
 25 with both of the following provisions:

26 (a) The law containing the statutory authority must be listed in subsection (3).

27 (b) The law or portion of the law making a statutory appropriation must specifically state that a
 28 statutory appropriation is made as provided in this section.

29 (3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105;
 30 2-18-812; 3-5-901; 5-13-403; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706;

1 15-30-195; 15-31-702; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-1-404; 16-1-410; 16-1-411;
 2 16-11-308; 17-3-106; 17-3-212; 17-5-404; 17-5-424; 17-5-804; 17-6-101; 17-6-201; 17-7-304; [section
 3 4]; 18-11-112; 19-2-502; 19-6-709; 19-9-1007; 19-17-301; 19-18-512; 19-18-513; 19-18-606;
 4 19-19-205; 19-19-305; 19-19-506; 20-8-107; 20-8-111; 20-9-361; 20-26-1503; 23-5-136; 23-5-306;
 5 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402; 32-1-537; 37-43-204; 37-51-501;
 6 39-71-503; 39-71-907; 39-71-2321; 39-71-2504; 44-12-206; 44-13-102; 50-4-623; 50-5-232;
 7 50-40-206; 53-6-150; 53-6-703; 53-24-206; 60-2-220; 67-3-205; 75-1-1101; 75-5-1108; 75-6-214;
 8 75-11-313; 76-12-123; 80-2-103; 80-2-222; 80-4-416; 81-5-111; 82-11-136; 82-11-161; 85-1-220;
 9 85-20-402; 90-3-301; 90-4-215; 90-6-331; 90-7-220; 90-7-221; and 90-9-306.

10 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
 11 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued
 12 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of
 13 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as
 14 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the
 15 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec.
 16 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for
 17 supplemental benefit; and pursuant to sec. 7(2), Ch. 29, L. 1995, the inclusion of 15-30-195 terminates
 18 July 1, 2001.)"

19

20 **Section 6.** Section 20-9-360, MCA, is amended to read:

21 **"20-9-360. State equalization aid levy.** (1) ~~There~~ Except as provided in [section 3], there is a levy
 22 of 40 mills imposed by the county commissioners of each county on all taxable property within the state,
 23 except property for which a tax or fee is required under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521,
 24 61-3-527, 61-3-537, and 67-3-204. Except as provided in subsection (2), proceeds of the levy must be
 25 remitted to the state treasurer and must be deposited to the credit of the state general fund for state
 26 equalization aid to the public schools of Montana.

27 (2) For the benefit of each municipality that created an urban renewal area and adopted a tax
 28 increment financing provision for the urban renewal area ~~prior to~~ before July 1, 1990, the state treasurer
 29 shall distribute each fiscal year from the state equalization aid levy to the municipality the amount, if any,
 30 equal to the product of the incremental taxable value of the urban renewal area times the reduced school

1 levy for the area, each calculated for the fiscal year. The reduced school levy for a fiscal year is the
2 difference between the aggregate amount of all property tax levies for school purposes in the urban renewal
3 area, expressed in mills, in the fiscal year ended June 30, 1989, and the aggregate amount of all property
4 tax levies for school purposes in the area or the district, expressed in mills, in the fiscal year, including the
5 state equalization aid levy. The state treasurer shall distribute the amounts to municipalities in two equal
6 installments on December 31 and June 30 of the fiscal year."

7
8 **NEW SECTION. Section 7. Codification instruction.** [Sections 1 through 4] are intended to be
9 codified as an integral part of Title 17, chapter 7, and the provisions of Title 17, chapter 7, apply to
10 [sections 1 through 4].

11

12 **NEW SECTION. Section 8. Effective date.** [This act] is effective January 1, 1998.

13

-END-

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

House BILL NO. *178*
COB

INTRODUCED BY _____

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A GENERAL FUND BUDGET STABILIZATION AND CASH RESERVE FUND; PROVIDING FOR FUNDING FROM THE EXCESS ENDING GENERAL FUND BALANCE; STATUTORILY APPROPRIATING THE RESERVE FUND FOR CERTAIN DESIGNATED USES; LIMITING THE AMOUNT IN THE FUND; PROVIDING THAT EXCESS AMOUNTS BE USED TO REDUCE THE STATE EQUALIZATION AID LEVY; AMENDING SECTIONS 17-7-502 AND 20-9-360, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

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

NEW SECTION. Section 1. Definitions. As used in [sections 1 through 4], the following definitions apply:

- (1) "Disaster" has the meaning provided in 10-3-103.
- (2) "Emergency" has the meaning provided in 10-3-103.
- (3) "Excess ending fund balance" means the amount of audited unreserved general fund balance at the end of a biennium that is in excess of the projected ending general fund balance contained in the revenue estimating resolution provided for in 5-18-107(5).
- (4) "Significant revenue shortfall" means the amount certified by the governor by which state general revenue collections are less than the amount necessary to fund appropriations after implementation of the authority to reduce spending provided for in 17-7-140.

NEW SECTION. Section 2. Budget stabilization and cash reserve fund. (1) There is a general fund budget stabilization and cash reserve fund in the state treasury.

(2) Subject to [section 3], there must be transferred to the budget stabilization and cash reserve fund the excess ending general fund balance at the end of each biennium. The fund must be invested by the board of investments. Interest and earnings on investments must be deposited in the fund.

NEW SECTION. Section 3. Limit on budget stabilization and cash reserve fund -- use of excess

1 funds. (1) The balance in the budget stabilization and cash reserve fund may not exceed 2.5% of the total
 2 amount of general fund money appropriated in the general appropriations act by the legislature in the prior
 3 regular legislative session.

4 (2) If, at the end of a biennium, the transfer of the excess ending fund balance would cause the
 5 balance in the budget stabilization and cash reserve fund to exceed the limit in subsection (1), the excess
 6 ending fund balance must be used to reduce the state equalization aid levy provided for in 20-9-360 for the
 7 following year. The governor shall by executive order specify to county commissioners the number of mills
 8 to levy for statewide equalization in that year.

9
 10 **NEW SECTION. Section 4. Use of budget stabilization and cash reserve fund -- appropriation.** (1)

11 The budget stabilization and cash reserve fund is statutorily appropriated, as provided in 17-7-502, to the
 12 office of the governor for:

- 13 (a) fire suppression;
 14 (b) response to a disaster or emergency declared by the governor; and
 15 (c) response to a significant revenue shortfall.

16 (2) The legislature may by a two-thirds vote of each house appropriate the budget stabilization and
 17 cash reserve fund for other purposes. The legislature shall provide for the repayment of funds appropriated
 18 from the budget stabilization and cash reserve fund in the legislation making the appropriation.

19
 20 **Section 5. Section 17-7-502, MCA, is amended to read:**

21 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
 22 appropriation is an appropriation made by permanent law that authorizes spending by a state agency
 23 without the need for a biennial legislative appropriation or budget amendment.

24 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply
 25 with both of the following provisions:

- 26 (a) The law containing the statutory authority must be listed in subsection (3).
 27 (b) The law or portion of the law making a statutory appropriation must specifically state that a
 28 statutory appropriation is made as provided in this section.

29 (3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105;
 30 2-18-812; 3-5-901; 5-13-403; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706;

1 15-30-195; 15-31-702; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-1-404; 16-1-410; 16-1-411;
 2 16-11-308; 17-3-106; 17-3-212; 17-5-404; 17-5-424; 17-5-804; 17-6-101; 17-6-201; 17-7-304; section
 3 4; 18-11-112; 19-2-502; 19-6-709; 19-9-1007; 19-17-301; 19-18-512; 19-18-513; 19-18-606;
 4 19-19-205; 19-19-305; 19-19-506; 20-8-107; 20-8-111; 20-9-361; 20-26-1503; 23-5-136; 23-5-306;
 5 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402; 32-1-537; 37-43-204; 37-51-501;
 6 39-71-503; 39-71-907; 39-71-2321; 39-71-2504; 44-12-206; 44-13-102; 50-4-623; 50-5-232;
 7 50-40-206; 53-6-150; 53-6-703; 53-24-206; 60-2-220; 67-3-205; 75-1-1101; 75-5-1108; 75-6-214;
 8 75-11-313; 76-12-123; 80-2-103; 80-2-222; 80-4-416; 81-5-111; 82-11-136; 82-11-161; 85-1-220;
 9 85-20-402; 90-3-301; 90-4-215; 90-6-331; 90-7-220; 90-7-221; and 90-9-306.

10 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
 11 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued
 12 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of
 13 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as
 14 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the
 15 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec.
 16 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for
 17 supplemental benefit; and pursuant to sec. 7(2), Ch. 29, L. 1995, the inclusion of 15-30-195 terminates
 18 July 1, 2001.)”

19

20 **Section 6.** Section 20-9-360, MCA, is amended to read:

21 **“20-9-360. State equalization aid levy.** (1) ~~There~~ Except as provided in [section 3], there is a levy
 22 of 40 mills imposed by the county commissioners of each county on all taxable property within the state,
 23 except property for which a tax or fee is required under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521,
 24 61-3-527, 61-3-537, and 67-3-204. Except as provided in subsection (2), proceeds of the levy must be
 25 remitted to the state treasurer and must be deposited to the credit of the state general fund for state
 26 equalization aid to the public schools of Montana.

27 (2) For the benefit of each municipality that created an urban renewal area and adopted a tax
 28 increment financing provision for the urban renewal area ~~prior to~~ before July 1, 1990, the state treasurer
 29 shall distribute each fiscal year from the state equalization aid levy to the municipality the amount, if any,
 30 equal to the product of the incremental taxable value of the urban renewal area times the reduced school

1 levy for the area, each calculated for the fiscal year. The reduced school levy for a fiscal year is the
2 difference between the aggregate amount of all property tax levies for school purposes in the urban renewal
3 area, expressed in mills, in the fiscal year ended June 30, 1989, and the aggregate amount of all property
4 tax levies for school purposes in the area or the district, expressed in mills, in the fiscal year, including the
5 state equalization aid levy. The state treasurer shall distribute the amounts to municipalities in two equal
6 installments on December 31 and June 30 of the fiscal year."

7

8 **NEW SECTION.** Section 7. Codification instruction. [Sections 1 through 4] are intended to be
9 codified as an integral part of Title 17, chapter 7, and the provisions of Title 17, chapter 7, apply to
10 [sections 1 through 4].

11

12 **NEW SECTION.** Section 8. Effective date. [This act] is effective January 1, 1998.

13

-END-