

1 *House* BILL NO. *347*
 2 INTRODUCED BY *Rose Lewis* *Richard Kitzhaber*
 3 *Cochiavella* *Dowell* *Water* *Masolo* *Abner* *Bill*

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN EXCEPTION TO THE 4 PERCENT LIMIT ON
 5 GROWTH IN A SCHOOL DISTRICT'S GENERAL FUND BUDGET IN THE YEAR THAT A SCHOOL DISTRICT
 6 OPENS A NEW SCHOOL; AMENDING SECTIONS 20-9-308 AND 20-9-353, MCA; AND PROVIDING AN
 7 EFFECTIVE DATE AND AN APPLICABILITY DATE."

8
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 **Section 1.** Section 20-9-308, MCA, is amended to read:

12 **"20-9-308. BASE budgets and maximum general fund budgets.** (1) The trustees of a district shall
 13 adopt a general fund budget that:

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

16 (b) ~~except as provided in section 3, Chapter 38, Special Laws of November 1993, and subsection~~
 17 ~~(4) of this section, does not exceed the maximum general fund budget established for the district.~~

18 (2) (a) ~~If the BASE budget for a district for the school fiscal year is greater than the general fund~~
 19 ~~budget of the district for the prior school fiscal year, the trustees of the district:~~

20 (i) ~~shall increase the general fund budget by at least:~~

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

23 (B) ~~33.3% of the range between the district general fund budget for the school fiscal year ending~~
 24 ~~June 30, 1995, and the BASE budget for the district for the school fiscal year beginning July 1, 1995;~~

25 (C) ~~50% of the range between the district general fund budget for the school fiscal year ending~~
 26 ~~June 30, 1996, and the BASE budget for the district for the school fiscal year beginning July 1, 1996; or~~

27 (D) ~~the remainder of the range between the district general fund budget for the school fiscal year~~
 28 ~~ending June 30, 1997, and the BASE budget for the district for the school fiscal year beginning July 1,~~
 29 ~~1997;~~

30 (ii) ~~may increase the general fund budget beyond the amount in subsection (2)(a)(i) but not by more~~

1 ~~than 4% of the previous year's general fund budget or by more than 4% of the previous year's general fund~~
2 ~~per ANB multiplied by the current year's ANB for budgeting purposes pursuant to subsection (2)(b).~~

3 ~~(b) The trustees shall submit a proposition on any amount exceeding the limitations in subsection~~
4 ~~(2)(a)(i) to the electors of the district, as provided in 20-9-353.~~

5 ~~(3)(2)~~ (a) Whenever the trustees of a district adopt a general fund budget that exceeds the BASE
6 budget for the district but does not exceed the maximum general fund budget for the district, the trustees
7 shall submit a proposition to the electors of the district, as provided in 20-9-353, for any budget amount
8 that exceeds the previous year's general fund budget amount or the previous year's general fund budget
9 per-ANB multiplied by the current year's ANB for budgeting purposes.

10 (b) ~~A~~ Except as provided in subsection (6), a general fund budget adopted under this subsection
11 ~~(3) (2)~~ may not exceed the greater of:

12 (i) 104% of the previous year's general fund budget ~~as adjusted by the provisions of section 3,~~
13 ~~Chapter 38, Special Laws of November 1993;~~ or

14 (ii) 104% of the previous year's general fund budget per-ANB multiplied by the current year's ANB
15 for budgeting purposes ~~as adjusted by the provisions of section 3, Chapter 38, Special Laws of November~~
16 ~~1993.~~

17 ~~(4)(3)~~ (a) If the maximum general fund budget for a district for an ensuing school fiscal year is less
18 than the general fund budget for the district for the current school fiscal year, ~~as adjusted by the provisions~~
19 ~~of section 3, Chapter 38, Special Laws of November 1993,~~ the trustees of the district may not adopt a
20 general fund budget for the ensuing school fiscal year that is greater than the district's general fund budget
21 for the current school fiscal year.

22 (b) ~~Except for the school fiscal year beginning July 1, 1994, the~~ The trustees of the district shall
23 submit a proposition to raise any general fund budget amount that is in excess of the maximum general
24 fund budget for the district to the electors who are qualified under 20-20-301 to vote on the proposition,
25 as provided in 20-9-353.

26 ~~(5)(4)~~ Whenever the trustees of a district adopt a general fund budget that does not exceed the
27 ~~BASE budget for the district, the~~ The trustees shall finance ~~this amount~~ the BASE budget for the district
28 with the following sources of revenue:

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

- 1 (b) county equalization aid, as provided in 20-9-331 and 20-9-333;
- 2 (c) a district levy for support of a school not approved as an isolated school under the provisions
3 of 20-9-302;
- 4 (d) payments in support of special education programs under the provisions of 20-9-321;
- 5 (e) nonlevy revenue as provided in 20-9-141; and
- 6 (f) a BASE budget levy on the taxable value of all property within the district.
- 7 ~~(6)(5)~~ The over-BASE budget amount of a district must be financed by a levy on the taxable value
8 of all property within the district or other revenue available to the district as provided in 20-9-141.
- 9 (6) The 4% limit in this section does not apply to the general fund budget of a school district in
10 the year that the district opens a new school under the provisions of Title 20, chapter 6, part 5."

11

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

13 **"20-9-353. Additional financing for general fund -- election for authorization to impose.** (1) The
14 trustees of a district may propose to adopt:

15 (a) a budget amount up to the BASE budget amount for the district general fund ~~that is within the~~
16 ~~limitations and required budget increases~~ provided in 20-9-308~~(2)(1)~~;

17 (b) an over-BASE budget amount for the district general fund that does not exceed the maximum
18 general fund budget for the district or other limitations, as provided in 20-9-308~~(3)(2)~~; or

19 (c) a general fund budget amount in excess of the maximum general fund budget amount for the
20 district, as provided in 20-9-308~~(4)(3)~~.

21 (2) When the trustees of a district determine that a voted amount of financing is required for the
22 general fund budget, the trustees shall submit the proposition to finance the additional amount of general
23 fund financing to the electors who are qualified under 20-20-301 to vote upon the proposition. The special
24 election must be called and conducted in the manner prescribed by this title for school elections. The ballot
25 for the election must state the amount of money to be financed, the approximate number of mills required
26 to raise all or a portion of the money, and the purpose for which the money will be expended. The ballot
27 must be in the following format:

28 PROPOSITION

29 Shall the district be authorized to expend the sum of (state the additional amount to be expended),
30 and being approximately (give number) mills, for the purpose of (insert the purpose for which the additional

1 financing is made)?

2 FOR budget authority and any levy.

3 AGAINST budget authority and any levy.

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

11 (4) Authorization to levy an additional tax to support a budget amount adopted as allowed by
12 20-9-308~~(4)~~(3) is effective for only 1 school fiscal year.

13 (5) All levies adopted under this section must be authorized by a special election conducted before
14 August 1 of the school fiscal year for which it is effective.

15 (6) If the trustees of a district are required to submit a proposition to finance an increased amount
16 up to the BASE budget amount, as provided in 20-9-308~~(2)(b)~~(1), an increased over-BASE budget amount,
17 as provided in 20-9-308~~(3)(a)~~(2)(a), or an amount in excess of the maximum general fund budget amount
18 for the district as allowed by 20-9-308~~(4)~~(3) to the electors of the district, the trustees shall comply with
19 the provisions of subsections (2) through (4) of this section."

20

21 **NEW SECTION. Section 3. Effective date -- applicability.** [This act] is effective July 1, 1997, and
22 applies to budgets for school fiscal years beginning on or after July 1, 1997.

23

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0347, as introduced

DESCRIPTION OF PROPOSED LEGISLATION: An act providing an exception to the 4 percent limit on growth in a school district's general fund budget in the year that a school district opens a new school.

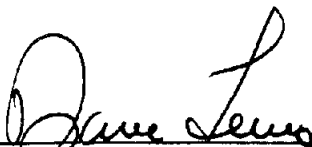
ASSUMPTIONS:

1. As of July 1, 1997, all school districts must adopt at least the BASE budget of the district. Changes in the over-BASE portion of a school district's budget do not affect direct state aid, special education payments or GTB subsidies paid by the state to schools.
2. HB 347 only affects the over-BASE portion of a school district's general fund budget. If a district chooses to increase its budget by more than 4% in a year when it opens a new school, the increases will be borne by the local taxpayers contingent upon voter approval of the budget and tax increase.
3. HB 347 applies only to those school districts that are budgeting in excess of the BASE and less than the maximum general fund budget. HB 347 does not affect the maximum general fund budget cap.

FISCAL IMPACT: No impact to state revenues or expenditures.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

If, when a district opens a new school, the voters approve a general fund budget increase greater than 4%, local taxes will increase by more than they would have if the budget increase were held to 4%.

 1-28-97
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

SAM ROSE, PRIMARY SPONSOR DATE

Fiscal Note for HB0347, as introduced

HB 347

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2 INTRODUCED BY LAWSON, ROSE, DEPRATU, KITZENBERG, COCCHIARELLA, DOWELL, WATERMAN,
3 MASOLO, AHNER, GILLAN, GRIMES
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16 ~~district AND THAT, EXCEPT AS PROVIDED IN SUBSECTION (3), DOES NOT EXCEED THE MAXIMUM~~
17 ~~GENERAL FUND BUDGET ESTABLISHED FOR THE DISTRICT; or~~

18 ~~(b) except as provided in section 3, Chapter 38, Special Laws of November 1993, and subsection~~
19 ~~(4) of this section, does not exceed the maximum general fund budget established for the district.~~

20 ~~(2) (a) If the BASE budget for a district for the school fiscal year is greater than the general fund~~
21 ~~budget of the district for the prior school fiscal year, the trustees of the district:~~

22 ~~(i) shall increase the general fund budget by at least:~~

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

25 ~~(B) 33.3% of the range between the district general fund budget for the school fiscal year ending~~
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27 ~~(C) 50% of the range between the district general fund budget for the school fiscal year ending~~
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29 ~~(D) the remainder of the range between the district general fund budget for the school fiscal year~~
30 ~~ending June 30, 1997, and the BASE budget for the district for the school fiscal year beginning July 1,~~

1 ~~1997;~~

2 ~~(iii) may increase the general fund budget beyond the amount in subsection (2)(a)(ii) but not by more~~
 3 ~~than 4% of the previous year's general fund budget or by more than 4% of the previous year's general fund~~
 4 ~~per ANB multiplied by the current year's ANB for budgeting purposes pursuant to subsection (2)(b).~~

5 ~~(b) The trustees shall submit a proposition on any amount exceeding the limitations in subsection~~
 6 ~~(2)(a)(ii) to the electors of the district, as provided in 20-9-353.~~

7 ~~(3)(2)~~ (a) Whenever the trustees of a district adopt a general fund budget that exceeds the BASE
 8 budget for the district but does not exceed the maximum general fund budget for the district, the trustees
 9 shall submit a proposition to the electors of the district, as provided in 20-9-353, for any budget amount
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9 ~~(6)(5)~~ The over-BASE budget amount of a district must be financed by a levy on the taxable value
 10 of all property within the district or other revenue available to the district as provided in 20-9-141.

11 (6) The 4% limit in this section does not apply to the general fund budget of a school district in
 12 the year that the district opens a new school under the provisions of Title 20, chapter 6, part 5."

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THIRD READING

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