SENATE BILL NO. 102

INTRODUCED BY BECK

A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE REQUIREMENT THAT COUNTY TREASURERS INVEST CERTAIN SCHOOL MONEY COLLECTED ON BEHALF OF THE STATE IF THE MONEY IS REMITTED TO THE STATE BY THE 25TH DAY OF THE MONTH FOLLOWING ITS COLLECTION; AND AMENDING SECTION 20-9-212, MCA."

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

Section 1. Section 20-9-212, MCA, is amended to read:

"**20-9-212. Duties of county treasurer.** The county treasurer of each county shall:

(1) receive and hold all school money subject to apportionment and keep a separate accounting of its apportionment to the several districts that are entitled to a portion of the money according to the apportionments ordered by the county superintendent or by the superintendent of public instruction. A separate accounting must be maintained for each county fund supported by a countywide levy for a specific, authorized purpose, including:

(a) the basic county tax in support of the elementary BASE aid;

(b) the basic special tax for high schools in support of the high school BASE aid;

(c) the county tax in support of the transportation schedules;

(d) the county tax in support of the elementary and high school district retirement obligations; and

(e) any other county tax for schools, including the community colleges, that may be authorized by law and levied by the county commissioners.

(2) whenever requested, notify the county superintendent and the superintendent of public instruction of the amount of county school money on deposit in each of the funds enumerated in subsection (1) and the amount of any other school money subject to apportionment and apportion the county and other school money to the districts in accordance with the apportionment ordered by the county superintendent or the superintendent of public instruction;

(3) keep a separate accounting of the receipts, expenditures, and cash balances for each fund;

(4) except as otherwise limited by law, pay all warrants properly drawn on the county or district

school money;

(5) receive all revenue collected by and for each district and deposit these receipts in the fund designated by law or by the district if a fund is not designated by law. Interest and penalties on delinquent school taxes must be credited to the same fund and district for which the original taxes were levied.

(6) send all revenue received for a joint district, part of which is situated in the county, to the county treasurer designated as the custodian of the revenue, no later than December 15 of each year and every 3 months after that date until the end of the school fiscal year;

(7) at the direction of the trustees of a district, assist the district in the issuance and sale of tax and revenue anticipation notes as provided in Title 7, chapter 6, part 11;

(8) register district warrants drawn on a budgeted fund in accordance with 7-6-2604 when there is insufficient money available in all funds of the district to make payment of the warrant. Redemption of registered warrants must be made in accordance with 7-6-2116, 7-6-2605, and 7-6-2606.

(9) invest the money of any district as directed by the trustees of the district within 3 working days of the direction;

(10) each month give to the trustees of each district an itemized report for each fund maintained by the district, showing the paid warrants, registered warrants, interest distribution, amounts and types of revenue received, and the cash balance;

(11) remit promptly to the state treasurer receipts for the county tax for a vocational-technical program within a unit of the university system when levied by the board of county commissioners under the provisions of 20-25-439;

(12) invest the money received from the basic county tax, the basic special tax, the county levy in support of the elementary and high school district retirement obligations, and the county levy in support of the transportation schedules within 3 working days of receipt. The money must be invested until the working day before it is required to be distributed to school districts within the county or remitted to the state. Permissible investments are specified in 20-9-213(4). All investment income must be deposited, and credited proportionately, in the funds established to account for the taxes received for the purposes specified in subsections (1)(a) through (1)(d). <u>However, money collected on behalf of the state and remitted to the state by the 25th of the month following its collection is not subject to the investment provisions of this subsection.</u>

(13) remit on a monthly basis to the state treasurer, in accordance with the provisions of 15-1-504,

all county equalization revenue received under the provisions of 20-9-331 and 20-9-333, ~~including all interest earned and~~ excluding any amount required for high school out-of-county tuition under the provisions of 20-9-334, in repayment of the state advance for county equalization prescribed in 20-9-347. Any funds in excess of a state advance must be used as required in 20-9-331(1)(b) and 20-9-333(1)(b)."

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0102, as introduced

DESCRIPTION OF PROPOSED LEGISLATION: An act eliminating the requirement that county treasurers invest certain school money collected on behalf of the state if the money is remitted to the state by the 25th day of the month following its collection.

ASSUMPTIONS:

1. In FY96, only 38 of 56 counties reported investment earnings in the county equalization funds. These 38 counties reported investment earnings of $286,404 credited to the county equalization funds and remitted to the State of Montana.

2. Reappraisal will increase the tax collections from the 55 mill levy and interest earnings will increase because of higher investable balances. Property tax collections comprise 77% of the revenues deposited in the county equalization accounts. Non-levy revenue comprises the remaining 23%.

3. The statewide taxable valuation will be $2,227,536 for FY98 and $2,257,149 for FY99. Compared to FY96, these valuations reflect a 22.8% and 24.5% increase for FY98 and FY99 respectively.

4. Receipts to the state from the monthly remittances of the county treasurers will be reduced by approximately $336,700 in FY98 and $340,400 in FY99.

FISCAL IMPACT:

Revenues:	FY98 Difference	FY99 Difference
General Fund	(336,700)	(340,400)

Expenditures: None.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES: Counties will gain the investment earnings that the state would give up under this law.

Dave Lewis 1-11-97

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

Tom Beck 1/14/97

TOM BECK, PRIMARY SPONSOR DATE

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