

1 HOUSE BILL NO. 164

2 INTRODUCED BY A. OLSON, LAWSON, BIXBY, CYR, LEHMAN, LENHART, PATTISON, RIPLEY, RYAN
3 BY REQUEST OF THE OFFICE OF PUBLIC INSTRUCTION

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING A SCHOOL DISTRICT'S GENERAL FUND BUDGET
6 LIMITATIONS; ELIMINATING THE PROVISION PROHIBITING THE TRUSTEES OF A DISTRICT FROM
7 ADOPTING A GENERAL FUND BUDGET THAT EXCEEDS THE GREATER OF 104 PERCENT OF THE
8 PREVIOUS YEAR'S GENERAL FUND BUDGET OR 104 PERCENT OF THE PREVIOUS YEAR'S GENERAL
9 FUND BUDGET PER-ANB MULTIPLIED BY THE CURRENT YEAR'S ANB FOR BUDGETING PURPOSES;
10 AMENDING SECTION 20-9-308, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY
11 DATE."

12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14
15 **Section 1.** Section 20-9-308, MCA, is amended to read:

16 **"20-9-308. BASE budgets and maximum general fund budgets.** (1) The trustees of a district shall
17 adopt a general fund budget that is at least equal to the BASE budget established for the district and,
18 except as provided in subsection (3) ~~of this section~~, does not exceed the maximum general fund budget
19 established for the district.

20 (2) ~~(a)~~ Whenever the trustees of a district adopt a general fund budget that exceeds the BASE
21 budget for the district but does not exceed the maximum general fund budget for the district, the trustees
22 shall submit a proposition to the electors of the district, as provided in 20-9-353.

23 ~~(b) A general fund budget adopted under this subsection (2) may not exceed the greater of:~~

24 ~~(i) 104% of the previous year's general fund budget; or~~

25 ~~(ii) 104% of the previous year's general fund budget per-ANB multiplied by the current year's ANB~~
26 ~~for budgeting purposes.~~

27 (3) (a) (i) Except as provided in ~~subsections~~ subsection (3)(a)(ii), the trustees of a school district
28 whose previous year's general fund budget exceeds the current year's maximum general fund budget
29 amount may adopt a general fund budget up to the maximum general fund budget amount or up to 94%
30 of the previous year's general fund budget, whichever is greater. A school district may adopt a budget

1 under the criteria of this subsection (3)(a)(i) for a maximum of 5 consecutive years. A school district
2 whose adopted general fund budget for the previous year exceeds the maximum general fund budget for
3 the current year and whose ANB for the previous year exceeds the ANB for the current year by 30% or
4 more shall reduce its adopted budget by:

5 (A) in the first year, 20% of the range between the district's adopted general fund budget for the
6 previous school fiscal year and the maximum general fund budget for the current school fiscal year;

7 (B) in the second year, 25% of the range between the district's adopted general fund budget for
8 the previous school fiscal year and the maximum general fund budget for the current school fiscal year;

9 (C) in the third year, 33.3% of the range between the district's adopted general fund budget for
10 the previous school fiscal year and the maximum general fund budget for the current school fiscal year;

11 (D) in the fourth year, 50% of the range between the district's adopted general fund budget for
12 the previous school fiscal year and the maximum general fund budget for the current school fiscal year;

13 and

14 (E) in the fifth year, the remainder of the range between the district's adopted general fund budget
15 for the previous school fiscal year and the maximum general fund budget for the current school fiscal year.

16 (ii) The trustees of a district whose general fund budget was above the maximum general fund
17 budget established by Chapter 38, Special Laws of November 1993, and whose general fund budget has
18 continued to exceed the district's maximum general fund budget in each school fiscal year after school
19 fiscal year 1993 may continue to adopt a general fund budget that exceeds the maximum general fund
20 budget. However, the budget adopted for the current year may not exceed the lesser of:

21 (A) the adopted budget for the previous year; or

22 (B) the district's maximum general fund budget for the current year plus the over maximum budget
23 amount adopted for the previous year.

24 (b) The trustees of the district shall submit a proposition to raise any general fund budget amount
25 that is in excess of the maximum general fund budget for the district to the electors who are qualified
26 under 20-20-301 to vote on the proposition, as provided in 20-9-353.

27 (4) The BASE budget for the district must be financed by the following sources of revenue:

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

30 (b) county equalization aid, as provided in 20-9-331 and 20-9-333;

1 (c) a district levy for support of a school not approved as an isolated school under the provisions
2 of 20-9-302;

3 (d) payments in support of special education programs under the provisions of 20-9-321;

4 (e) nonlevy revenue, as provided in 20-9-141; and

5 (f) a BASE budget levy on the taxable value of all property within the district.

6 (5) The over-BASE budget amount of a district must be financed by a levy on the taxable value
7 of all property within the district or other revenue available to the district, as provided in 20-9-141."

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9 NEW SECTION. **Section 2. Effective date -- applicability.** [This act] is effective July 1, 2001, and
10 applies to school budgets for the school fiscal year beginning on or after July 1, 2001.

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- END -