

## 1 SENATE BILL NO. 97

2 INTRODUCED BY B. STORY

3 BY REQUEST OF THE OFFICE OF PUBLIC INSTRUCTION

4  
 5 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE COUNTY SUPERINTENDENT IN EACH COUNTY  
 6 TO REPORT THE REVENUE AMOUNTS USED TO ESTABLISH THE LEVY REQUIREMENTS FOR THE  
 7 COUNTYWIDE TRANSPORTATION AND RETIREMENT FUNDS TO THE SUPERINTENDENT OF PUBLIC  
 8 INSTRUCTION; PROVIDING THAT BUDGETING PROCEDURES APPLY TO COUNTY FUNDS SUPPORTING  
 9 SCHOOL DISTRICT TRANSPORTATION AND RETIREMENT OBLIGATIONS; AMENDING SECTIONS  
 10 20-3-209, 20-9-101, 20-9-501, AND 20-10-146, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE  
 11 AND AN APPLICABILITY DATE."  
 12

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 14

15 **Section 1.** Section 20-3-209, MCA, is amended to read:

16 **"20-3-209. Annual report.** The county superintendent of each county shall submit an annual report to  
 17 the superintendent of public instruction not later than the second Monday in September. The report must be  
 18 completed on the forms supplied by the superintendent of public instruction and must include:

19 (1) the final budget information for each district of the county, as prescribed by 20-9-134(1);

20 (2) the revenue amounts used to establish the levy requirements for the county school fund supporting  
 21 school district transportation schedules, as prescribed by 20-10-146, and for the county school funds supporting  
 22 elementary and high school district retirement obligations, as prescribed by 20-9-501;

23 ~~(2)(3)~~ the financial activities of each district of the county for the immediately preceding school fiscal  
 24 year as provided by the trustees' annual report to the county superintendent under the provisions of 20-9-213(6);  
 25 and

26 ~~(3)(4)~~ any other information that may be requested by the superintendent of public instruction that is  
 27 within the superintendent's authority prescribed by this title."  
 28

29 **Section 2.** Section 20-9-101, MCA, is amended to read:

30 **"20-9-101. Application of budget system for districts and counties.** The school budgeting procedure

1 and provisions of this title apply to elementary and high school districts, to county funds supporting school district  
2 transportation and retirement obligations, and, whenever specified, to community college districts and to all funds  
3 requiring the adoption of a budget. Each district shall separately propose and adopt a budget in accordance with  
4 the requirements of this title."

5

6 **Section 3.** Section 20-9-501, MCA, is amended to read:

7 **"20-9-501. Retirement fund.** (1) The trustees of a district employing personnel who are members of  
8 the teachers' retirement system or the public employees' retirement system or who are covered by  
9 unemployment insurance or who are covered by any federal social security system requiring employer  
10 contributions shall establish a retirement fund for the purposes of budgeting and paying the employer's  
11 contributions to the systems. The district's contribution for each employee who is a member of the teachers'  
12 retirement system must be calculated in accordance with Title 19, chapter 20, part 6. The district's contribution  
13 for each employee who is a member of the public employees' retirement system must be calculated in  
14 accordance with 19-3-316. The district's contributions for each employee covered by any federal social security  
15 system must be paid in accordance with federal law and regulation. The district's contribution for each employee  
16 who is covered by unemployment insurance must be paid in accordance with Title 39, chapter 51, part 11.

17 (2) The trustees of a district required to make a contribution to a system referred to in subsection (1)  
18 shall include in the retirement fund of the final budget the estimated amount of the employer's contribution. After  
19 the final retirement fund budget has been adopted, the trustees shall pay the employer contributions to the  
20 systems in accordance with the financial administration provisions of this title.

21 (3) When the final retirement fund budget has been adopted, the county superintendent shall establish  
22 the levy requirement by:

23 (a) determining the sum of the money available to reduce the retirement fund levy requirement by  
24 adding:

25 (i) any anticipated money that may be realized in the retirement fund during the ensuing school fiscal  
26 year;

27 (ii) oil and natural gas production taxes;

28 (iii) coal gross proceeds taxes under 15-23-703;

29 (iv) countywide school retirement block grants distributed under section 245, Chapter 574, Laws of 2001;

30 (v) any fund balance available for reappropriation as determined by subtracting the amount of the

1 end-of-the-year fund balance earmarked as the retirement fund operating reserve for the ensuing school fiscal  
2 year by the trustees from the end-of-the-year fund balance in the retirement fund. The retirement fund operating  
3 reserve may not be more than 35% of the final retirement fund budget for the ensuing school fiscal year and  
4 must be used for the purpose of paying retirement fund warrants issued by the district under the final retirement  
5 fund budget.

6 (vi) any other revenue anticipated that may be realized in the retirement fund during the ensuing school  
7 fiscal year, excluding any guaranteed tax base aid.

8 (b) notwithstanding the provisions of subsection (8), subtracting the money available for reduction of  
9 the levy requirement, as determined in subsection (3)(a), from the budgeted amount for expenditures in the final  
10 retirement fund budget.

11 (4) The county superintendent shall:

12 (a) total the net retirement fund levy requirements separately for all elementary school districts, all high  
13 school districts, and all community college districts of the county, including any prorated joint district or special  
14 education cooperative agreement levy requirements; and

15 (b) report each levy requirement to the county commissioners on the fourth Monday of August as the  
16 respective county levy requirements for elementary district, high school district, and community college district  
17 retirement funds.

18 (5) The county commissioners shall fix and set the county levy or district levy in accordance with  
19 20-9-142.

20 (6) The net retirement fund levy requirement for a joint elementary district or a joint high school district  
21 must be prorated to each county in which a part of the district is located in the same proportion as the district  
22 ANB of the joint district is distributed by pupil residence in each county. The county superintendents of the  
23 counties affected shall jointly determine the net retirement fund levy requirement for each county as provided  
24 in 20-9-151.

25 (7) The net retirement fund levy requirement for districts that are members of special education  
26 cooperative agreements must be prorated to each county in which the district is located in the same proportion  
27 as the special education cooperative budget is prorated to the member school districts. The county  
28 superintendents of the counties affected shall jointly determine the net retirement fund levy requirement for each  
29 county in the same manner as provided in 20-9-151, and the county commissioners shall fix and levy the net  
30 retirement fund levy for each county in the same manner as provided in 20-9-152.

1 (8) The county superintendent shall calculate the number of mills to be levied on the taxable property  
 2 in the county to finance the retirement fund net levy requirement by dividing the amount determined in  
 3 subsection (4)(a) by the sum of:

4 (a) the amount of guaranteed tax base aid that the county will receive for each mill levied, as certified  
 5 by the superintendent of public instruction; and

6 (b) the taxable valuation of the district divided by 1,000.

7 (9) The levy for a community college district may be applied only to property within the district.

8 (10) The county superintendent of each county shall submit a report of the revenue amounts used to  
 9 establish the levy requirements for county school funds supporting elementary and high school district retirement  
 10 obligations to the superintendent of public instruction not later than the second Monday in September. The report  
 11 must be completed on forms supplied by the superintendent of public instruction."

12

13 **Section 4.** Section 20-10-146, MCA, is amended to read:

14 **"20-10-146. County transportation reimbursement.** (1) The apportionment of the county  
 15 transportation reimbursement by the county superintendent for school bus transportation or individual  
 16 transportation that is actually rendered by a district in accordance with this title, board of public education  
 17 transportation policy, and the transportation rules of the superintendent of public instruction must be the same  
 18 as the state transportation reimbursement payment, except that:

19 (a) if any cash was used to reduce the budgeted county transportation reimbursement under the  
 20 provisions of 20-10-144(2)(b), the annual apportionment is limited to the budget amount;

21 (b) when the county transportation reimbursement for a school bus has been prorated between two or  
 22 more counties because the school bus is conveying pupils of more than one district located in the counties, the  
 23 apportionment of the county transportation reimbursement must be adjusted to pay the amount computed under  
 24 the proration; and

25 (c) when county transportation reimbursement is required under the mandatory attendance agreement  
 26 provisions of 20-5-321.

27 (2) The county transportation net levy requirement for the financing of the county transportation fund  
 28 reimbursements to districts is computed by:

29 (a) totaling the net requirement for all districts of the county, including reimbursements to a special  
 30 education cooperative or prorated reimbursements to joint districts or reimbursements under the mandatory

1 attendance agreement provisions of 20-5-321;

2 (b) determining the sum of the money available to reduce the county transportation net levy requirement  
3 by adding:

4 (i) anticipated money that may be realized in the county transportation fund during the ensuing school  
5 fiscal year;

6 (ii) oil and natural gas production taxes;

7 (iii) anticipated local government severance tax payments for calendar year 1995 production;

8 (iv) coal gross proceeds taxes under 15-23-703;

9 (v) countywide school transportation block grants distributed under section 246, Chapter 574, Laws of  
10 2001;

11 (vi) any fund balance available for reappropriation from the end-of-the-year fund balance in the county  
12 transportation fund;

13 (vii) federal forest reserve funds allocated under the provisions of 17-3-213; and

14 (viii) other revenue anticipated that may be realized in the county transportation fund during the ensuing  
15 school fiscal year; and

16 (c) subtracting the money available, as determined in subsection (2)(b), to reduce the levy requirement  
17 from the county transportation net levy requirement.

18 (3) The net levy requirement determined in subsection (2)(c) must be reported to the county  
19 commissioners on the fourth Monday of August by the county superintendent, and a levy must be set by the  
20 county commissioners in accordance with 20-9-142.

21 (4) The county superintendent of each county shall submit a report of the revenue amounts used to  
22 establish the levy requirements to the superintendent of public instruction not later than the second Monday in  
23 September. The report must be completed on forms supplied by the superintendent of public instruction.

24 ~~(4)~~(5) The county superintendent shall apportion the county transportation reimbursement from the  
25 proceeds of the county transportation fund. The county superintendent shall order the county treasurer to make  
26 the apportionments in accordance with 20-9-212(2) and after the receipt of the semiannual state transportation  
27 reimbursement payments."

28  
29 **NEW SECTION. Section 5. Effective date -- applicability.** [This act] is effective on passage and  
30 approval and applies to school fiscal years beginning on or after July 1, 2003.

31 - END -