

HOUSE BILL NO. 624

INTRODUCED BY VILLA, COHENOUR, PARKER, NOONAN, JOPEK, MCALPIN, JACOBSON, FACEY,
 SESSO, BIXBY, MUSGROVE, WANZENRIED, MANGAN, GROESBECK, SQUIRES, GRINDE, GALLIK,
 DOWELL, COONEY, A. OLSON, TROPILA, DRISCOLL, FUREY, HINER, LARSON, WINDY BOY, RYAN,
 FRANKLIN, SCHMIDT

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A SCHOOL DISTRICT TO ADOPT FOR FISCAL
 YEARS 2006 AND 2007 THE GREATER OF ITS MAXIMUM GENERAL FUND BUDGET OR THE HIGHEST
 ACTUAL BUDGET ADOPTED BETWEEN FISCAL YEAR 2001 AND FISCAL YEAR 2005; AMENDING
 SECTION 20-9-308, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, AN APPLICABILITY DATE,
 AND A TERMINATION DATE."

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

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

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

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

(3) (a) (i) Except as provided in ~~subsection~~ subsections (3)(a)(ii) and (3)(b), the trustees of a school
 district whose previous year's general fund budget exceeds the current year's maximum general fund budget
 amount may adopt a general fund budget up to the maximum general fund budget amount or the previous year's
 general fund budget, whichever is greater. ~~A~~ Except as provided in subsection (3)(b), a school district may adopt
 a budget under the criteria of this subsection (3)(a)(i) for a maximum of 5 consecutive years, but the trustees
 shall adopt a plan to reach the maximum general fund budget by no later than the end of the 5-year period. ~~A~~
Except as provided in subsection (3)(b), a school district whose adopted general fund budget for the previous
 year exceeds the maximum general fund budget for the current year and whose ANB for the previous year
 exceeds the ANB for the current year by 30% or more shall reduce its adopted budget by:

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

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

5 (C) in the third year, 33.3% 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 (D) in the fourth year, 50% of the range between the district's adopted general fund budget for the
8 previous school fiscal year and the maximum general fund budget for the current school fiscal year; and

9 (E) in the fifth year, the remainder 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 (ii) ~~The~~ Except as provided in subsection (3)(b), the trustees of a district whose general fund budget was
12 above the maximum general fund budget established by Chapter 38, Special Laws of November 1993, and
13 whose general fund budget has continued to exceed the district's maximum general fund budget in each school
14 fiscal year after school fiscal year 1993 may continue to adopt a general fund budget that exceeds the maximum
15 general fund budget. However, the budget adopted for the current year may not exceed the lesser of:

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

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

19 (b) A school district that adopted a general fund budget over its maximum general fund budget under
20 any provision of subsection (3)(a) at any time between fiscal year 2001 and fiscal year 2005 may, for fiscal year
21 2006 and fiscal year 2007, adopt the greater of its maximum general fund budget or the highest actual budget
22 adopted between fiscal year 2001 and fiscal year 2005.

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

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

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

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

30 (c) a district levy for support of a school not approved as an isolated school under the provisions of

1 20-9-302;

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

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

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

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

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8 NEW SECTION. **Section 2. Effective date -- applicability.** [This act] is effective on passage and
9 approval and applies to school budgets for the school fiscal year beginning July 1, 2005.

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11 NEW SECTION. **Section 3. Termination.** [This act] terminates June 30, 2007.

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