

Amendments to Senate Bill No. 291
1st Reading Copy

Requested by Senator Bob Hawks

For the Senate Education and Cultural Resources Committee

Prepared by Casey Barrs
February 7, 2007 (10:09am)

1. Title, page 1, line 6.

Following: "DISTRICT;"

Insert: "PROVIDING FOR THE DISPOSITION OF DISTRICT BONDED
INDEBTEDNESS UNDER CERTAIN CIRCUMSTANCES;"

2. Title, page 1, line 7.

Following: "CREATION"

Insert: "OF A HIGH SCHOOL DISTRICT"

Strike: "SECTION"

Insert: "SECTIONS"

Following: "20-6-104,"

Insert: "20-9-366, AND 20-9-439,"

3. Page 1, line 21.

Strike: "the newly created K-12 district will enroll"

4. Page 1, line 21 through line 22.

Strike: "within" on line 21 through "district" on line 22

Insert: "reside in the elementary district"

5. Page 2, line 5.

Strike: "county superintendent determines that the"

Insert: "first school fiscal year in which the"

Strike: "is ready to accept"

Insert: "enrolls"

6. Page 2, line 6.

Following: "students"

Insert: "residing"

7. Page 2, line 7.

Following: "20-5-321."

Insert: "The BASE general fund mills for the existing high school
district must continue to be assessed against the taxable
valuation in the new K-12 district until the beginning of
the first school year in which the high school program is
operational in the new K-12 district."

8. Page 2.

Following: line 7

Insert: "(7) If bonded indebtedness has been approved by the voters of the existing high school district prior to [the effective date of this act] but the bonds have not been sold prior to the creation of the new K-12 district, then the future indebtedness of those bonds when those bonds are sold must be paid by levies on the original territory."

Renumber: subsequent subsection.

9. Page 2.

Following: line 20

Insert: "Section 3. Section 20-9-366, MCA, is amended to read:

"20-9-366. **Definitions.** As used in 20-9-366 through 20-9-371, the following definitions apply:

(1) "County retirement mill value per elementary ANB" or "county retirement mill value per high school ANB" means the sum of the taxable valuation in the previous year of all property in the county divided by 1,000, with the quotient divided by the total county elementary ANB count or the total county high school ANB count used to calculate the elementary school districts' and high school districts' current year total per-ANB entitlement amounts.

(2) (a) "District guaranteed tax base ratio" for guaranteed tax base funding for the BASE budget of an eligible district means the taxable valuation in the previous year of all property in the district, except for property subject to the creation of a new school district under [section 1] prior to the beginning of the first school year in which a high school program is operational in the new district, divided by the sum of the district's current year BASE budget amount less direct state aid and the state special education allowable cost payment.

(b) "District mill value per ANB", for school facility entitlement purposes, means the taxable valuation in the previous year of all property in the district, except for property subject to the creation of a new school district under [section 1] prior to the beginning of the first school year in which a high school program is operational in the new district, divided by 1,000, with the quotient divided by the ANB count of the district used to calculate the district's current year total per-ANB entitlement amount.

(3) "Facility guaranteed mill value per ANB", for school facility entitlement guaranteed tax base purposes, means the sum of the taxable valuation in the previous year of all property in the state, multiplied by 140% and divided by 1,000, with the quotient divided by the total state elementary ANB count or the total state high school ANB count used to calculate the elementary school districts' and high school districts' current year total per-ANB entitlement amounts.

(4) (a) "Statewide elementary guaranteed tax base ratio" or "statewide high school guaranteed tax base ratio", for guaranteed tax base funding for the BASE budget of an eligible district,

means the sum of the taxable valuation in the previous year of all property in the state, multiplied by 175% and divided by the total sum of either the state elementary school districts' or the high school districts' current year BASE budget amounts less total direct state aid.

(b) "Statewide mill value per elementary ANB" or "statewide mill value per high school ANB", for school retirement guaranteed tax base purposes, means the sum of the taxable valuation in the previous year of all property in the state, multiplied by 121% and divided by 1,000, with the quotient divided by the total state elementary ANB count or the total state high school ANB amount used to calculate the elementary school districts' and high school districts' current year total per-ANB entitlement amounts."

{ Internal References to 20-9-366:

| | | | | | | | |
|-----------|---|-----------|---|-----------|---|-----------|-----|
| 20-3-106* | X | 20-3-106* | X | 20-6-702 | X | 20-9-306 | X * |
| 20-9-308* | X | 20-9-308* | X | 20-9-346* | X | 20-9-346* | X |
| 20-9-351* | X | 20-9-366* | X | 20-9-369* | X | 20-9-406 | X } |

Insert: "Section 4. Section 20-9-439, MCA, is amended to read:

"20-9-439. Computation of net levy requirement for general obligation bonds -- procedure when levy inadequate. Subject to [section 1], the following provisions apply:

(1) The county superintendent shall compute the levy requirement for each school district's general obligation debt service fund on the basis of the following procedure:

(a) Determine the total money available in the debt service fund for the reduction of the property tax on the district by totaling:

(i) the end-of-the-year fund balance in the debt service fund, less any limited operating reserve as provided in 20-9-438;

(ii) anticipated interest to be earned by the investment of debt service cash in accordance with the provisions of 20-9-213(4) or by the investment of bond proceeds under the provisions of 20-9-435;

(iii) any state advance for school facilities distributed to a qualified district under the provisions of 20-9-346, 20-9-370, and 20-9-371;

(iv) funds transferred from the impact aid fund established pursuant to 20-9-514 that are authorized by 20-9-437(2) to be used to repay the district's bonds; and

(v) any other money, including money from federal sources, anticipated by the trustees to be available in the debt service fund during the ensuing school fiscal year from sources such as legally authorized money transfers into the debt service fund or from rental income, excluding any guaranteed tax base aid.

(b) Subtract the total amount available to reduce the property tax, determined in subsection (1)(a), from the final budget for the debt service fund as established in 20-9-438.

(2) The net debt service fund levy requirement determined in subsection (1)(b) must be reported to the county commissioners

on the fourth Monday of August by the county superintendent as the net debt service fund levy requirement for the district, and a levy must be made by the county commissioners in accordance with 20-9-142.

(3) If the board of county commissioners fails in any school fiscal year to make a levy for any issue or series of bonds of a school district sufficient to raise the money necessary for payment of interest and principal becoming due during the next ensuing school fiscal year, in any amounts established under the provisions of this section, the holder of any bond of the issue or series or any taxpayer of the district may apply to the district court of the county in which the school district is located for a writ of mandate to compel the board of county commissioners of the county to make a sufficient levy for payment purposes. If, upon the hearing of the application, it appears to the satisfaction of the court that the board of county commissioners of the county has failed to make a levy or has made a levy that is insufficient to raise the amount required to be raised as established in the manner provided in this section, the court shall determine the amount of the deficiency and shall issue a writ of mandate directed to and requiring the board of county commissioners, at the next meeting for the purpose of fixing tax levies for county purposes, to fix and make a levy against all taxable property in the school district that is sufficient to raise the amount of the deficiency. The levy is in addition to any levy required to be made at that time for the ensuing school fiscal year. Any costs that may be allowed or awarded the petitioner in the proceeding must be paid by the members of the board of county commissioners and may not be a charge against the school district or the county."

{ Internal References to 20-9-439:

20-9-438 X 20-9-466* X 20-9-506 X 20-15-404* X }

Renumber: subsequent sections

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