

HOUSE BILL NO. 123

INTRODUCED BY E. MCCLAFFERTY

BY REQUEST OF THE EDUCATION AND LOCAL GOVERNMENT INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING CERTAIN DEADLINES RELATIVE TO SCHOOL AND LOCAL GOVERNMENT FINANCING LAWS; AMENDING SECTIONS 7-6-4036, 15-10-305, 20-3-205, 20-3-209, 20-7-705, 20-9-115, 20-9-121, 20-9-131, 20-9-134, 20-9-141, 20-9-142, 20-9-151, 20-9-152, 20-9-213, 20-9-439, 20-9-501, 20-9-503, 20-9-506, 20-9-533, 20-9-534, 20-9-604, 20-10-144, 20-10-146, 20-10-147, AND 20-15-313, MCA; REPEALING SECTION 20-9-211, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 7-6-4036, MCA, is amended to read:

"7-6-4036. Fixing tax levy. (1) The governing body shall fix the tax levy for each taxing jurisdiction within the county or municipality:

(a) by the later of the ~~second first Monday~~ Thursday in August ~~September~~ or within ~~45~~ 30 calendar days after receiving certified taxable values;

(b) after the approval and adoption of the final budget; and

(c) at levels that will balance the budgets as provided in 7-6-4034.

(2) Each levy:

(a) must be made in the manner provided by 15-10-201; and

(b) except for a judgment levy under 2-9-316 or 7-6-4015, is subject to 15-10-420."

Section 2. Section 15-10-305, MCA, is amended to read:

"15-10-305. Clerk and recorder to report mill levy -- department to compute and enter taxes. (1)

(a) The county clerk and recorder shall by the ~~third~~ second Monday in ~~August~~ September or within 30 calendar days after receiving certified taxable values notify the department of the number of mills needed to be levied for each taxing jurisdiction in the county. Except as provided in subsection (1)(b), the department shall compute the taxes by multiplying the number of mills times the taxable value of the property to be taxed and shall add any fees or assessments required to be levied against a person owning property. All taxes, fees, and assessments must

1 be itemized for the property listed in the property tax record.

2 (b) In conveyances that result in a land split, the taxes must be based on the property as assessed on
3 January 1 preceding the conveyance. The department is not required to include the name of the new owner in
4 the computation of the amount of taxes, fees, and assessments to be levied against property that is part of a land
5 conveyance if including the new owner's name would cause the department to violate the deadline provided in
6 subsection (2).

7 (2) The department shall complete the computation of the amount of taxes, fees, and assessments to
8 be levied against the property and shall notify the county clerk and recorder and the county treasurer by the
9 second Monday in October. NOTWITHSTANDING THE PROVISIONS OF 15-10-321, IF A COUNTY CLERK AND RECORDER
10 FAILS TO TIMELY NOTIFY THE DEPARTMENT OF THE NUMBER OF MILLS NEEDED TO BE LEVIED FOR EACH TAXING
11 JURISDICTION IN THAT COUNTY IN ACCORDANCE WITH SUBSECTION (1)(A), THE DEPARTMENT MUST HAVE ADDITIONAL TIME
12 TO MEET THE NOTIFICATION REQUIREMENT OF THIS SUBSECTION (2) EQUAL TO THE NUMBER OF DAYS THAT THE
13 NOTIFICATION REQUIRED IN SUBSECTION (1)(A) WAS RECEIVED LATE BY THE DEPARTMENT."

14

15 **Section 3.** Section 20-3-205, MCA, is amended to read:

16 **"20-3-205. Powers and duties.** (1) The county superintendent has general supervision of the schools
17 of the county within the limitations prescribed by this title and shall perform the following duties or acts:

18 (a) determine, establish, and reestablish trustee nominating districts in accordance with the provisions
19 of 20-3-352, 20-3-353, and 20-3-354;

20 (b) administer and file the oaths of members of the boards of trustees of the districts in the county in
21 accordance with the provisions of 20-3-307;

22 (c) register the teacher or specialist certificates or emergency authorization of employment of any person
23 employed in the county as a teacher, specialist, principal, or district superintendent in accordance with the
24 provisions of 20-4-202;

25 (d) file a copy of the audit report for a district in accordance with the provisions of 20-9-203;

26 (e) classify districts in accordance with the provisions of 20-6-201 and 20-6-301;

27 (f) keep a transcript of the district boundaries of the county;

28 (g) fulfill all responsibilities assigned under the provisions of this title regulating the organization,
29 alteration, or abandonment of districts;

30 (h) act on any unification proposition and, if approved, establish additional trustee nominating districts

1 in accordance with 20-6-312 and 20-6-313;

2 (i) estimate the average number belonging (ANB) of an opening school in accordance with the provisions
3 of 20-6-502, 20-6-503, 20-6-504, or 20-6-506;

4 (j) process and, when required, act on school isolation applications in accordance with the provisions
5 of 20-9-302;

6 (k) complete the budgets, compute the budgeted revenue and tax levies, file final budgets and budget
7 amendments, and fulfill other responsibilities assigned under the provisions of this title ~~regulating school~~
8 ~~budgeting systems~~;

9 ~~_____ (l) submit an annual financial report to the superintendent of public instruction in accordance with the~~
10 ~~provisions of 20-9-211;~~

11 ~~_____ (m)(l) monthly, unless otherwise provided by law, order the county treasurer to apportion state money,~~
12 ~~county school money, and any other school money subject to apportionment in accordance with the provisions~~
13 ~~of 20-9-212, 20-9-347, 20-10-145, or 20-10-146;~~

14 ~~(n)(m)~~ act on any request to transfer average number belonging (ANB) in accordance with the provisions
15 of 20-9-313(1)(c);

16 ~~(o)(n)~~ calculate the estimated budgeted general fund sources of revenue in accordance with the general
17 fund revenue provisions of the general fund part of this title;

18 ~~(p)(o)~~ compute the revenue and compute the district and county levy requirements for each fund included
19 in each district's final budget and report the computations to the board of county commissioners in accordance
20 with the provisions of the general fund, transportation, bonds, and other school funds parts of this title;

21 ~~(q)(p)~~ file and forward bus driver certifications, transportation contracts, and state transportation
22 reimbursement claims in accordance with the provisions of 20-10-103, 20-10-143, or 20-10-145;

23 ~~(r)(q)~~ for districts that do not employ a district superintendent or principal, recommend library book and
24 textbook selections in accordance with the provisions of 20-7-204 or 20-7-602;

25 ~~(s)(r)~~ notify the superintendent of public instruction of a textbook dealer's activities when required under
26 the provisions of 20-7-605 and otherwise comply with the textbook dealer provisions of this title;

27 ~~(t)(s)~~ act on district requests to allocate federal money for indigent children for school food services in
28 accordance with the provisions of 20-10-205;

29 ~~(u)(t)~~ perform any other duty prescribed from time to time by this title, any other act of the legislature, the
30 policies of the board of public education, the policies of the board of regents relating to community college

1 districts, or the rules of the superintendent of public instruction;

2 ~~(v)~~(u) administer the oath of office to trustees without the receipt of pay for administering the oath;

3 ~~(w)~~(v) keep a record of official acts, preserve all reports submitted to the superintendent under the
4 provisions of this title, preserve all books and instructional equipment or supplies, keep all documents applicable
5 to the administration of the office, and surrender all records, books, supplies, and equipment to the next
6 superintendent;

7 ~~(x)~~(w) within 90 days after the close of the school fiscal year, publish an annual report in the county
8 newspaper stating the following financial information for the school fiscal year just ended for each district of the
9 county:

10 (i) the total of the cash balances of all funds maintained by the district at the beginning of the year;

11 (ii) the total receipts that were realized in each fund maintained by the district;

12 (iii) the total expenditures that were made from each fund maintained by the district; and

13 (iv) the total of the cash balances of all funds maintained by the district at the end of the school fiscal
14 year; and

15 ~~(y)~~(x) hold meetings for the members of the trustees from time to time at which matters for the good of
16 the districts must be discussed.

17 (2) (a) When a district in one county annexes a district in another county, the county superintendent of
18 the county where the annexing district is located shall perform the duties required by this section.

19 (b) When two or more districts in more than one county consolidate, the duties required by this section
20 must be performed by the county superintendent designated in the same manner as other county officials in
21 20-9-202."

22

23 **Section 4.** Section 20-3-209, MCA, is amended to read:

24 **"20-3-209. Annual report.** The county superintendent of each county shall submit an annual report to
25 the superintendent of public instruction ~~not later than the second Monday in~~ on or before September 15. The
26 report must be completed on the forms supplied by the superintendent of public instruction and must include:

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

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

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

3 (4) any other information that may be requested by the superintendent of public instruction that is within
4 the superintendent's authority prescribed by this title."
5

6 **Section 5.** Section 20-7-705, MCA, is amended to read:

7 **"20-7-705. Adult education fund.** (1) A separate adult education fund must be established when an
8 adult education program is operated by a district or community college district. The financial administration of the
9 fund must comply with the budgeting, financing, and expenditure provisions of the laws governing the schools.

10 (2) Whenever the trustees of a district establish an adult education program under the provisions of
11 20-7-702, they shall establish an adult education fund under the provisions of this section. The adult education
12 fund is the depository for all district money received by the district in support of the adult education program.
13 Federal and state adult education program money must be deposited in the miscellaneous programs fund.

14 (3) The trustees of a district may authorize the levy of a tax on the taxable value of all taxable property
15 within the district for the operation of an adult education program.

16 (4) Whenever the trustees of a district decide to offer an adult education program during the ensuing
17 school fiscal year, they shall budget for the cost of the program in the adult education fund of the final budget.
18 Any expenditures in support of the adult education program under the final adult education budget must be made
19 in accordance with the financial administration provisions of this title for a budgeted fund.

20 (5) When a tax levy for an adult education program is included as a revenue item on the final adult
21 education budget, the county superintendent shall report the levy requirement to the county commissioners ~~on~~
22 ~~the fourth Monday of August by the~~ LATER OF THE first Tuesday in September OR WITHIN 30 CALENDAR DAYS AFTER
23 RECEIVING CERTIFIED TAXABLE VALUES and a levy on the district must be made by the county commissioners in
24 accordance with 20-9-142."
25

26 **Section 6.** Section 20-9-115, MCA, is amended to read:

27 **"20-9-115. Notice of final budget meeting.** Between July 1 and August 4 10 of each year, the clerk
28 of each district shall publish one notice, in the local or county newspaper that the trustees of the district determine
29 to be the newspaper with the widest circulation in the district, stating the date, time, and place that the trustees
30 will meet for the purpose of considering and adopting the final budget of the district, stating that the meeting of

1 the trustees may be continued from day to day until the final adoption of the district's budget, and stating that any
2 taxpayer in the district may appear at the meeting and be heard for or against any part of the budget."

3

4 **Section 7.** Section 20-9-121, MCA, is amended to read:

5 **"20-9-121. County treasurer's statement of cash balances and bond information.** (1) By July 4~~0~~
6 20, the county treasurer shall prepare a statement for each district showing the amount of cash on hand for each
7 fund maintained by the district at the close of the last-completed school fiscal year. The county treasurer shall
8 also include on each district's statement the details on the obligation for bond retirement and interest for the
9 school fiscal year just beginning. The format of the statement on fund cash balances and bond information must
10 be prescribed by the superintendent of public instruction.

11 (2) By July 4~~0~~ 20, the county treasurer shall prepare a statement for each county school fund supported
12 by countywide levies, showing the amount of cash on hand at the beginning of the school fiscal year, the receipts
13 and apportionments, and the amount of cash on hand at the end of the school fiscal year, for each county school
14 fund maintained during the immediately preceding school fiscal year. The format of this statement must be
15 prescribed by the superintendent of public instruction.

16 (3) ~~On or before~~ By July 4~~0~~ 20, the county treasurer shall deliver the statements of district and county
17 fund cash balances and the bond information for each district to the county superintendent, who shall forward
18 the information to each district."

19

20 **Section 8.** Section 20-9-131, MCA, is amended to read:

21 **"20-9-131. Final budget meeting.** (1) On or before August 4~~5~~ 20, on the date and at the time and place
22 stated in the notice published pursuant to 20-9-115, the trustees of each district shall meet to consider all budget
23 information and any attachments required by law.

24 (2) The trustees may continue the meeting from day to day but shall adopt the final budget for the district
25 and determine the amounts to be raised by tax levies for the district not later than ~~the fourth Monday in~~ August
26 15 25 and before the computation of the general fund net levy requirement by the county superintendent and the
27 fixing of the tax levies for each district. Any taxpayer in the district may attend any portion of the trustees' meeting
28 and be heard on the budget of the district or on any item or amount contained in the budget.

29 (3) Upon final approval, the trustees shall deliver the adopted budget, including the amounts to be raised
30 by tax levies, to the county superintendent of schools within 5 3 days."

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Section 9. Section 20-9-134, MCA, is amended to read:

"20-9-134. Completion, filing, and delivery of final budgets. After the final budget of the elementary, high school, or community college district has been adopted by the trustees, the county superintendent shall complete all the remaining portions of the budget forms and shall:

(1) send the final budget information to the superintendent of public instruction, on the forms provided by the superintendent, on or before ~~the second Monday in September~~ September 15; and

(2) in the case of the community college districts, send the final budget information to the board of regents, on the forms provided by the community college coordinator, on or before September 1."

Section 10. Section 20-9-141, MCA, is amended to read:

"20-9-141. Computation of general fund net levy requirement by county superintendent. (1) The county superintendent shall compute the levy requirement for each district's general fund on the basis of the following procedure:

(a) Determine the funding required for the district's final general fund budget less the sum of direct state aid and the special education allowable cost payment for the district by totaling:

(i) the district's nonisolated school BASE budget requirement to be met by a district levy as provided in 20-9-303; and

(ii) any general fund budget amount adopted by the trustees of the district under the provisions of 20-9-308 and 20-9-353.

(b) Determine the money available for the reduction of the property tax on the district for the general fund by totaling:

(i) the general fund balance reappropriated, as established under the provisions of 20-9-104;

(ii) amounts received in the last fiscal year for which revenue reporting was required for each of the following:

(A) interest earned by the investment of general fund cash in accordance with the provisions of 20-9-213(4); and

(B) any other revenue received during the school fiscal year that may be used to finance the general fund, excluding any guaranteed tax base aid;

(iii) anticipated oil and natural gas production taxes;

1 (iv) pursuant to subsection (4), anticipated revenue from coal gross proceeds under 15-23-703; and
 2 (v) school district block grants distributed under 20-9-630.

3 (c) Notwithstanding the provisions of subsection (2), subtract the money available to reduce the property
 4 tax required to finance the general fund that has been determined in subsection (1)(b) from any general fund
 5 budget amount adopted by the trustees of the district, up to the BASE budget amount, to determine the general
 6 fund BASE budget levy requirement.

7 (d) Determine the sum of any amount remaining after the determination in subsection (1)(c) and any
 8 tuition payments for out-of-district pupils to be received under the provisions of 20-5-320 through 20-5-324, except
 9 the amount of tuition received for a pupil who is a child with a disability in excess of the amount received for a
 10 pupil without disabilities, as calculated under 20-5-323(2).

11 (e) Subtract the amount determined in subsection (1)(d) from any additional funding requirement to be
 12 met by an over-BASE budget amount, a district levy as provided in 20-9-303, and any additional financing as
 13 provided in 20-9-353 to determine any additional general fund levy requirements.

14 (2) The county superintendent shall calculate the number of mills to be levied on the taxable property
 15 in the district to finance the general fund levy requirement for any amount that does not exceed the BASE budget
 16 amount for the district by dividing the amount determined in subsection (1)(c) by the sum of:

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

19 (b) the current total taxable valuation of the district, as certified by the department of revenue under
 20 15-10-202, divided by 1,000.

21 (3) The net general fund levy requirement determined in subsections (1)(c) and (1)(d) must be reported
 22 to the county commissioners ~~on the fourth Monday of August~~ by the LATER OF THE first Tuesday in September
 23 OR WITHIN 30 CALENDAR DAYS AFTER RECEIVING CERTIFIED TAXABLE VALUES by the county superintendent as the
 24 general fund net levy requirement for the district, and a levy must be set by the county commissioners in
 25 accordance with 20-9-142.

26 (4) For each school district, the department of revenue shall calculate and report to the county
 27 superintendent the amount of revenue anticipated for the ensuing fiscal year from revenue from coal gross
 28 proceeds under 15-23-703."
 29

30 **Section 11.** Section 20-9-142, MCA, is amended to read:

1 **"20-9-142. Fixing and levying taxes by board of county commissioners.** ~~On the fourth Monday in~~
 2 ~~August~~ By the LATER OF THE first Tuesday in September OR WITHIN 30 CALENDAR DAYS AFTER RECEIVING CERTIFIED
 3 TAXABLE VALUES, the county superintendent shall place before the board of county commissioners the final
 4 adopted budget of the district. It is the duty of the board of county commissioners, as provided in 7-6-4036, to fix
 5 and levy on all the taxable value of all the real and personal property within the district all district and county
 6 taxation required to finance, within the limitations provided by law, the final budget."

7
 8 **Section 12.** Section 20-9-151, MCA, is amended to read:
 9 **"20-9-151. Budgeting procedure for joint districts.** (1) The trustees of a joint district shall adopt a
 10 budget according to the school budgeting laws and send a copy of the budget to the county superintendent of
 11 each county in which a part of the joint district is located. After approval by the trustees of the joint district, the
 12 final budgets of joint districts must be filed in the office of the county superintendent of each county in which a
 13 part of a joint district is located.

14 (2) The county superintendents receiving the budget of a joint district shall jointly compute the estimated
 15 budget revenue and determine the number of mills that need to be levied in the joint district for each fund for
 16 which a levy is to be made. The superintendent of public instruction shall establish a communication procedure
 17 to facilitate the joint estimation of revenue and determination of the tax levies.

18 (3) After determining, in accordance with law, the number of mills that need to be levied for each fund
 19 included on the final budget of the joint district, a joint statement of the required mill levies must be prepared and
 20 signed by the county superintendents involved in the computation. A copy of the statement must be delivered to
 21 the board of county commissioners of each county in which a part of the joint district is located ~~not later than the~~
 22 Friday immediately preceding the fourth Monday in August by the LATER OF THE first Tuesday in September OR
 23 WITHIN 30 CALENDAR DAYS AFTER RECEIVING CERTIFIED TAXABLE VALUES."

24
 25 **Section 13.** Section 20-9-152, MCA, is amended to read:
 26 **"20-9-152. Fixing and levying taxes for joint districts.** (1) At the time of fixing levies for county and
 27 school purposes ~~on the fourth Monday in August~~ by the later of the first Thursday in September or within 30
 28 calendar days after receiving certified taxable values, the board of county commissioners of each county in which
 29 a part of a joint district is located shall fix and levy taxes on that portion of the joint district located in each board's
 30 county at the number of mills for each levy recommended by the joint statement of the county superintendents.

1 (2) The board of county commissioners shall include in the amounts to be raised by the county levies
2 for schools all the amounts required for the final budget of each part of a joint district located in the county, in
3 accordance with the recommendations of the county superintendent."

4

5 **Section 14.** Section 20-9-213, MCA, is amended to read:

6 **"20-9-213. Duties of trustees.** The trustees of each district have the authority to transact all fiscal
7 business and execute all contracts in the name of the district. A person other than the trustees acting as a
8 governing board may not expend money of the district. In conducting the fiscal business of the district, the
9 trustees shall:

10 (1) cause the keeping of an accurate, detailed accounting of all receipts and expenditures of school
11 money for each fund and account maintained by the district in accordance with generally accepted accounting
12 principles and the rules prescribed by the superintendent of public instruction. The record of the accounting must
13 be open to public inspection at any meeting of the trustees.

14 (2) authorize all expenditures of district money and cause warrants or checks, as applicable, to be issued
15 for the payment of lawful obligations;

16 (3) issue warrants or checks, as applicable, on any budgeted fund in anticipation of budgeted revenue,
17 except that the expenditures may not exceed the amount budgeted for the fund;

18 (4) invest any money of the district, whenever in the judgment of the trustees the investment would be
19 advantageous to the district, either by directing the county treasurer to invest any money of the district or by
20 directly investing the money of the district in eligible securities, as identified in 7-6-202, in savings or time deposits
21 in a state or national bank, building or loan association, savings and loan association, or credit union insured by
22 the FDIC or NCUA located in the state, or in a repurchase agreement that meets the criteria provided for in
23 7-6-213. All interest collected on the deposits or investments must be credited to the fund from which the money
24 was withdrawn, except that interest earned on account of the investment of money realized from the sale of bonds
25 must be credited to the debt service fund or the building fund, at the discretion of the board of trustees. The
26 placement of the investment by the county treasurer is not subject to ratable distribution laws and must be done
27 in accordance with the directive from the board of trustees. A district may invest money under the state unified
28 investment program established in Title 17, chapter 6, or in a unified investment program with the county
29 treasurer, with other school districts, or with any other political subdivision if the unified investment program is
30 limited to investments that meet the requirements of this subsection (4), including those investments authorized

1 by the board of investments under Title 17, chapter 6. A school district that enters into a unified investment
 2 program with another school district or political subdivision other than the state shall do so under the auspices
 3 of and by complying with the provisions governing interlocal cooperative agreements authorized under Title 7,
 4 chapter 11, and educational cooperative agreements authorized under Title 20, chapter 9, part 7. A school district
 5 either shall contract for investment services with any company complying with the provisions of Title 30, chapter
 6 10, or shall contract with the state board of investments for investment services.

7 (5) cause the district to record each transaction in the appropriate account before the accounts are
 8 closed at the end of the fiscal year in order to properly report the receipt, use, and disposition of all money and
 9 property for which the district is accountable;

10 (6) report annually to the county superintendent, not later than August 15, the financial activities of each
 11 fund maintained by the district during the last-completed school fiscal year, on the forms prescribed and furnished
 12 by the superintendent of public instruction. Annual fiscal reports for joint school districts must be submitted ~~not~~
 13 ~~later than September 4~~ on or before August 15 to the county superintendent of each county in which part of the
 14 joint district is situated.

15 (7) whenever requested, report any other fiscal activities to the county superintendent, superintendent
 16 of public instruction, or board of public education;

17 (8) cause the accounting records of the district to be audited as required by 2-7-503; and

18 (9) perform, in the manner permitted by law, other fiscal duties that are in the best interests of the
 19 district."

20

21 **Section 15.** Section 20-9-439, MCA, is amended to read:

22 **"20-9-439. Computation of net levy requirement for general obligation bonds -- procedure when**
 23 **levy inadequate.** Subject to 20-6-326, the following provisions apply:

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

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

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

30 (ii) anticipated interest to be earned by the investment of debt service cash in accordance with the

1 provisions of 20-9-213(4) or by the investment of bond proceeds under the provisions of 20-9-435;

2 (iii) any state advance for school facilities distributed to a qualified district under the provisions of
3 20-9-346, 20-9-370, and 20-9-371;

4 (iv) funds transferred from the impact aid fund established pursuant to 20-9-514 that are authorized by
5 20-9-437(2) to be used to repay the district's bonds; and

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

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

11 (2) The net debt service fund levy requirement determined in subsection (1)(b) must be reported to the
12 county commissioners ~~on the fourth Monday of August by the~~ LATER OF THE first Tuesday in September OR WITHIN
13 30 CALENDAR DAYS AFTER RECEIVING CERTIFIED TAXABLE VALUES by the county superintendent as the net debt
14 service fund levy requirement for the district, and a levy must be made by the county commissioners in
15 accordance with 20-9-142.

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

1

2 **Section 16.** Section 20-9-501, MCA, is amended to read:

3 **"20-9-501. Retirement costs and retirement fund.** (1) The trustees of a district or the management
4 board of a cooperative employing personnel who are members of the teachers' retirement system or the public
5 employees' retirement system, who are covered by unemployment insurance, or who are covered by any federal
6 social security system requiring employer contributions shall establish a retirement fund for the purposes of
7 budgeting and paying the employer's contributions to the systems as provided in subsection (2)(a). The district's
8 or the cooperative's contribution for each employee who is a member of the teachers' retirement system must
9 be calculated in accordance with Title 19, chapter 20, part 6. The district's or the cooperative's contribution for
10 each employee who is a member of the public employees' retirement system must be calculated in accordance
11 with 19-3-316. The district's or the cooperative's contributions for each employee covered by any federal social
12 security system must be paid in accordance with federal law and regulation. The district's or the cooperative's
13 contribution for each employee who is covered by unemployment insurance must be paid in accordance with Title
14 39, chapter 51, part 11.

15 (2) (a) The district or the cooperative shall pay the employer's contributions to the retirement, federal
16 social security, and unemployment insurance systems from the retirement fund for the following:

17 (i) a district employee whose salary and health-related benefits, if any health-related benefits are
18 provided to the employee, are paid from state or local funding sources;

19 (ii) a cooperative employee whose salary and health-related benefits, if any health-related benefits are
20 provided to the employee, are paid from the cooperative's interlocal cooperative fund if the fund is supported
21 solely from districts' general funds and state special education allowable cost payments, pursuant to 20-9-321,
22 or are paid from the miscellaneous programs fund, provided for in 20-9-507, from money received from the
23 medicaid program, pursuant to 53-6-101;

24 (iii) a district employee whose salary and health-related benefits, if any health-related benefits are
25 provided to the employee, are paid from the district's school food services fund provided for in 20-10-204; and

26 (iv) a district employee whose salary and health-related benefits, if any health-related benefits are
27 provided to the employee, are paid from the district impact aid fund, pursuant to 20-9-514; and

28 ~~(v) for the 2011 biennium only, a district employee whose salary and health-related benefits, if any~~
29 ~~health-related benefits are provided to the employee, are budgeted in the district general fund but are paid from~~
30 ~~state fiscal stabilization funds received pursuant the American Recovery and Reinvestment Act of 2009, Public~~

1 ~~Law 111-5:~~

2 (b) For an employee whose benefits are not paid from the retirement fund, the district or the cooperative
3 shall pay the employer's contributions to the retirement, federal social security, and unemployment insurance
4 systems from the funding source that pays the employee's salary.

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

9 (4) When the final retirement fund budget has been adopted, the county superintendent shall establish
10 the levy requirement by:

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

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

14 (ii) oil and natural gas production taxes;

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

16 (iv) any fund balance available for reappropriation as determined by subtracting the amount of the
17 end-of-the-year fund balance earmarked as the retirement fund operating reserve for the ensuing school fiscal
18 year by the trustees from the end-of-the-year fund balance in the retirement fund. The retirement fund operating
19 reserve may not be more than 35% of the final retirement fund budget for the ensuing school fiscal year and must
20 be used for the purpose of paying retirement fund warrants issued by the district under the final retirement fund
21 budget.

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

24 (b) notwithstanding the provisions of subsection (9), subtracting the money available for reduction of the
25 levy requirement, as determined in subsection (4)(a), from the budgeted amount for expenditures in the final
26 retirement fund budget.

27 (5) The county superintendent shall:

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

1 (b) report each levy requirement to the county commissioners ~~on the fourth Monday of August by the~~
 2 LATER OF THE first Tuesday in September OR WITHIN 30 CALENDAR DAYS AFTER RECEIVING CERTIFIED TAXABLE VALUES
 3 as the respective county levy requirements for elementary district, high school district, and community college
 4 district retirement funds.

5 (6) The county commissioners shall fix and set the county levy or district levy in accordance with
 6 20-9-142.

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

11 (8) The net retirement fund levy requirement for districts that are members of special education
 12 cooperative agreements must be prorated to each county in which the district is located in the same proportion
 13 as the special education cooperative budget is prorated to the member school districts. The county
 14 superintendents of the counties affected shall jointly determine the net retirement fund levy requirement for each
 15 county in the same manner as provided in 20-9-151, and the county commissioners shall fix and levy the net
 16 retirement fund levy for each county in the same manner as provided in 20-9-152.

17 (9) The county superintendent shall calculate the number of mills to be levied on the taxable property
 18 in the county to finance the retirement fund net levy requirement by dividing the amount determined in subsection
 19 (5)(a) by the sum of:

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

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

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

24 (11) The county superintendent of each county shall submit a report of the revenue amounts used to
 25 establish the levy requirements for county school funds supporting elementary and high school district retirement
 26 obligations to the superintendent of public instruction ~~not later than~~ ON OR BEFORE ~~the second Monday in~~
 27 September 15. The report must be completed on forms supplied by the superintendent of public instruction."
 28

29 **Section 17.** Section 20-9-503, MCA, is amended to read:

30 **"20-9-503. Budgeting, tax levy, and use of building reserve fund.** (1) Whenever an annual building

1 reserve authorization to budget is available to a district, the trustees shall include the authorized amount in the
 2 building reserve fund of the final budget. The county superintendent shall report the amount as the building
 3 reserve fund levy requirement to the county commissioners ~~on the fourth Monday of August~~ by the LATER OF THE
 4 first Tuesday in September OR WITHIN 30 CALENDAR DAYS AFTER RECEIVING CERTIFIED TAXABLE VALUES, and a levy
 5 on the district must be made by the county commissioners in accordance with 20-9-142.

6 (2) The trustees of any district maintaining a building reserve fund may:

7 (a) pledge the revenue for loans from the building reserve fund levy for up to 5 years. However, loan
 8 proceeds may be used only for projects authorized by 20-9-502.

9 (b) expend money from the fund for the purpose or purposes for which it was authorized without the
 10 specific expenditures being included in the final budget when, in their discretion, there is a sufficient amount of
 11 money to begin the authorized projects. The expenditures may not invalidate the district's authority to continue
 12 the annual imposition of the building reserve taxation authorized by the electors of the district.

13 (3) Whenever there is money credited to the building reserve fund for which there is no immediate need,
 14 the trustees may invest the money in accordance with 20-9-213(4). The interest earned from the investment must
 15 be credited to the building reserve fund or the debt service fund, at the discretion of the trustees, and expended
 16 for any purpose authorized by law for the fund."

17

18 **Section 18.** Section 20-9-506, MCA, is amended to read:

19 **"20-9-506. Budgeting and net levy requirement for nonoperating fund.** (1) The trustees of any
 20 district ~~which that~~ does not operate a school or will not operate a school during the ensuing school fiscal year
 21 shall adopt a nonoperating school district budget in accordance with the school budgeting provisions of this title.
 22 ~~Such The~~ nonoperating budget ~~shall must~~ contain the nonoperating fund and, when appropriate, a debt service
 23 fund. The nonoperating budget form ~~shall must~~ be promulgated and distributed by the superintendent of public
 24 instruction under the provisions of 20-9-103.

25 (2) After the adoption of a final budget for the nonoperating fund, the county superintendent shall
 26 compute the net levy requirement for ~~such the~~ fund by subtracting from the amount authorized by ~~such the~~ budget
 27 the sum of:

28 (a) the end-of-the-year cash balance of the nonoperating fund or, if it is the first year of nonoperation,
 29 the cash balance determined under the transfer provisions of 20-9-505;

30 (b) the estimated state and county transportation reimbursements; and

1 (c) any other ~~moneys~~ money that may become available during the ensuing school fiscal year.

2 (3) The county superintendent shall report the net nonoperating fund levy requirement and any net debt
3 service fund levy requirement determined under the provisions of 20-9-439 to the county commissioners ~~on the~~
4 ~~fourth Monday of August~~ on or before the LATER OF THE first Tuesday in September OR WITHIN 30 CALENDAR DAYS
5 AFTER RECEIVING CERTIFIED TAXABLE VALUES, and ~~such levies shall be made on the district by~~ the county
6 commissioners shall impose the required levies on the district in accordance with 20-9-142."

7

8 **Section 19.** Section 20-9-533, MCA, is amended to read:

9 **"20-9-533. Technology acquisition and depreciation fund -- limitations.** (1) The trustees of a district
10 may establish a technology acquisition and depreciation fund for school district expenditures incurred and
11 depreciation accrued for:

12 (a) the purchase, rental, repair, maintenance, and depreciation of technological equipment, including
13 computers and computer network access; and

14 (b) associated technical training for school district personnel.

15 (2) Any expenditures from the technology acquisition and depreciation fund must be made in accordance
16 with the financial administration requirements for a budgeted fund pursuant to this title. The trustees of a district
17 shall fund the technology acquisition and depreciation fund with:

18 (a) the state money received under 20-9-534; and

19 (b) other local, state, private, and federal funds received for the purpose of funding technology or
20 technology-associated training.

21 (3) In depreciating the technological equipment of a school district, the trustees may include in the
22 district's budget, contingent upon voter approval of a levy under subsection (6) and pursuant to the school
23 budgeting requirements of this title, an amount each fiscal year that does not exceed 20% of the original cost of
24 any technological equipment, including computers and computer network access, that is owned by the district.
25 The amount budgeted may not, over time, exceed 150% of the original cost of the equipment.

26 (4) The annual revenue requirement for each district's technology acquisition and depreciation fund
27 determined within the limitations of this section must be reported by the county superintendent of schools to the
28 board of county commissioners ~~on the fourth Monday of August~~ or before the LATER OF THE first Tuesday in
29 September OR WITHIN 30 CALENDAR DAYS AFTER RECEIVING CERTIFIED TAXABLE VALUES as the technology acquisition
30 and depreciation fund levy requirement for that district, and a levy must be made by the county commissioners

1 in accordance with 20-9-142.

2 (5) Any expenditure of technology acquisition and depreciation fund money must be within the limitations
3 of the district's final technology acquisition and depreciation fund budget and the school financial administration
4 provisions of this title.

5 (6) In addition to the funds received pursuant to subsection (2), the trustees of a school district may
6 submit a proposition to the qualified electors of the district to approve an additional levy to fund the depreciation
7 of technological equipment authorized under this section. The election must be called and conducted in the
8 manner prescribed by this title for school elections and in the manner prescribed by 15-10-425.

9 (7) The technology proposition is approved if a majority of those electors voting at the election approve
10 the levy. Notwithstanding any other provision of law, the levy under subsection (6) is subject to 15-10-420.

11 (8) The trustees of a district may not use revenue in the technology acquisition and depreciation fund
12 to finance contributions to the teachers' retirement system, the public employees' retirement system, or the federal
13 social security system or for unemployment compensation insurance."
14

15 **Section 20.** Section 20-9-534, MCA, is amended to read:

16 **"20-9-534. Statutory appropriation for school technology purposes.** (1) The amount of \$1 million
17 a year is statutorily appropriated, as provided in 17-7-502, from the school facility and technology account
18 established in 20-9-516 for grants for school technology purposes.

19 (2) By ~~September 1~~ the third Friday in July, the superintendent of public instruction shall allocate the
20 annual statutory appropriation for school technology purposes to each district based on the ratio that each
21 district's BASE budget bears to the statewide BASE budget amount for all school districts multiplied by the
22 amount of money provided in 20-9-343 for the purposes of 20-9-533 in the prior fiscal year."
23

24 **Section 21.** Section 20-9-604, MCA, is amended to read:

25 **"20-9-604. Gifts, legacies, devises, and administration of endowment fund.** (1) The trustees of a
26 district may accept gifts, legacies, and devises, subject to the conditions imposed by the deed of the donor or the
27 will of the testator or without any conditions imposed. Unless otherwise specified by the donor, devisor, or
28 testator, when a district receives a gift, legacy, or devise, the trustees shall deposit the gift, legacy, devise, or the
29 proceeds in an endowment fund. The trustees shall administer the endowment fund so as to preserve the
30 principal from loss, and only the income from the fund may be appropriated for any purpose.

1 (2) Unless the conditions of the endowment instrument require an immediate disbursement of the money,
 2 the money deposited in the endowment fund must be invested by the trustees according to the provisions of the
 3 Uniform Management of Institutional Funds Act, Title 72, chapter 30.

4 (3) All interest collected on the deposits or investments must be credited to the endowment fund. No
 5 portion of the endowment fund may be loaned to the district, nor may any money of the fund be invested in
 6 warrants of the district.

7 (4) Whenever a district has been abandoned, the endowment fund of the abandoned district must be
 8 transferred and placed in the endowment fund in the district to which the territory is attached.

9 (5) As the custodian of the endowment fund, the county treasurer is liable on the treasurer's official bond
 10 for the endowment fund of any district of the county. ~~No later than~~ By July 4 20 ~~each school fiscal year~~, the county
 11 treasurer shall report to the trustees of each district on the condition of its endowment fund, including the status
 12 of the investments that have been made with the money of the fund. The county treasurer shall also include the
 13 endowment fund in the treasurer's reports to the board of county commissioners.

14 (6) The trustees of any district having an endowment fund shall provide suitable memorials for all
 15 persons or associations of persons making gifts to the district that become a part of the endowment fund."
 16

17 **Section 22.** Section 20-10-144, MCA, is amended to read:

18 **"20-10-144. Computation of revenue and net tax levy requirements for district transportation fund**
 19 **budget.** Before the second Monday of August, the county superintendent shall compute the revenue available
 20 to finance the transportation fund budget of each district. The county superintendent shall compute the revenue
 21 for each district on the following basis:

22 (1) The "schedule amount" of the budget expenditures that is derived from the rate schedules in
 23 20-10-141 and 20-10-142 must be determined by adding the following amounts:

24 (a) the sum of the maximum reimbursable expenditures for all approved school bus routes maintained
 25 by the district (to determine the maximum reimbursable expenditure, multiply the applicable rate for each bus mile
 26 by the total number of miles to be traveled during the ensuing school fiscal year on each bus route approved by
 27 the county transportation committee and maintained by the district); plus

28 (b) the total of all individual transportation per diem reimbursement rates for the district as determined
 29 from the contracts submitted by the district multiplied by the number of pupil-instruction days scheduled for the
 30 ensuing school attendance year; plus

1 (c) any estimated costs for supervised home study or supervised correspondence study for the ensuing
2 school fiscal year; plus

3 (d) the amount budgeted in the budget for the contingency amount permitted in 20-10-143, except if the
4 amount exceeds 10% of the total of subsections (1)(a), (1)(b), and (1)(c) or \$100, whichever is larger, the
5 contingency amount on the budget must be reduced to the limitation amount and used in this determination of
6 the schedule amount; plus

7 (e) any estimated costs for transporting a child out of district when the child has mandatory approval to
8 attend school in a district outside the district of residence.

9 (2) (a) The schedule amount determined in subsection (1) or the total transportation fund budget,
10 whichever is smaller, is divided by 2 and is used to determine the available state and county revenue to be
11 budgeted on the following basis:

12 (i) one-half is the budgeted state transportation reimbursement; and

13 (ii) one-half is the budgeted county transportation fund reimbursement and must be financed in the
14 manner provided in 20-10-146.

15 (b) When the district has a sufficient amount of fund balance for reappropriation and other sources of
16 district revenue, as determined in subsection (3), to reduce the total district obligation for financing to zero, any
17 remaining amount of district revenue and fund balance reappropriated must be used to reduce the county
18 financing obligation in subsection (2)(a)(ii) and, if the county financing obligations are reduced to zero, to reduce
19 the state financial obligation in subsection (2)(a)(i).

20 (c) The county revenue requirement for a joint district, after the application of any district money under
21 subsection (2)(b), must be prorated to each county incorporated by the joint district in the same proportion as the
22 ANB of the joint district is distributed by pupil residence in each county.

23 (3) The total of the money available for the reduction of property tax on the district for the transportation
24 fund must be determined by totaling:

25 (a) anticipated federal money received under the provisions of 20 U.S.C. 7701, et seq., or other
26 anticipated federal money received in lieu of that federal act;

27 (b) anticipated payments from other districts for providing school bus transportation services for the
28 district;

29 (c) anticipated payments from a parent or guardian for providing school bus transportation services for
30 a child;

- 1 (d) anticipated or reappropriated interest to be earned by the investment of transportation fund cash in
 2 accordance with the provisions of 20-9-213(4);
- 3 (e) anticipated revenue from coal gross proceeds under 15-23-703;
- 4 (f) anticipated oil and natural gas production taxes;
- 5 (g) anticipated local government severance tax payments for calendar year 1995 production;
- 6 (h) anticipated transportation payments for out-of-district pupils under the provisions of 20-5-320 through
 7 20-5-324;
- 8 (i) school district block grants distributed under 20-9-630;
- 9 (j) any other revenue anticipated by the trustees to be earned during the ensuing school fiscal year that
 10 may be used to finance the transportation fund; and
- 11 (k) any fund balance available for reappropriation as determined by subtracting the amount of the
 12 end-of-the-year fund balance earmarked as the transportation fund operating reserve for the ensuing school fiscal
 13 year by the trustees from the end-of-the-year fund balance in the transportation fund. The operating reserve may
 14 not be more than 20% of the final transportation fund budget for the ensuing school fiscal year and is for the
 15 purpose of paying transportation fund warrants issued by the district under the final transportation fund budget.
- 16 (4) The district levy requirement for each district's transportation fund must be computed by:
- 17 (a) subtracting the schedule amount calculated in subsection (1) from the total preliminary transportation
 18 budget amount; and
- 19 (b) subtracting the amount of money available to reduce the property tax on the district, as determined
 20 in subsection (3), from the amount determined in subsection (4)(a).
- 21 (5) The transportation fund levy requirements determined in subsection (4) for each district must be
 22 reported to the county commissioners ~~on the fourth Monday of August~~ on or before the LATER OF THE first Tuesday
 23 in September OR WITHIN 30 CALENDAR DAYS AFTER RECEIVING CERTIFIED TAXABLE VALUES by the county
 24 superintendent as the transportation fund levy requirements for the district, and the levy must be made by the
 25 county commissioners in accordance with 20-9-142."

26

27 **Section 23.** Section 20-10-146, MCA, is amended to read:

28 **"20-10-146. County transportation reimbursement.** (1) The apportionment of the county transportation
 29 reimbursement by the county superintendent for school bus transportation or individual transportation that is
 30 actually rendered by a district in accordance with this title, board of public education transportation policy, and

1 the transportation rules of the superintendent of public instruction must be the same as the state transportation
2 reimbursement payment, except that:

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

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

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

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

13 (a) totaling the net requirement for all districts of the county, including reimbursements to a special
14 education cooperative or prorated reimbursements to joint districts or reimbursements under the mandatory
15 attendance agreement provisions of 20-5-321;

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

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

20 (ii) oil and natural gas production taxes;

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

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

23 (v) countywide school transportation block grants distributed under 20-9-632;

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

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

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

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

1 (3) The net levy requirement determined in subsection (2)(c) must be reported to the county
 2 commissioners ~~on the fourth Monday of August~~ on or before the LATER OF THE first Tuesday in September OR
 3 WITHIN 30 CALENDAR DAYS AFTER RECEIVING CERTIFIED TAXABLE VALUES by the county superintendent, and a levy
 4 must be set by the county commissioners in accordance with 20-9-142.

5 (4) The county superintendent of each county shall submit a report of the revenue amounts used to
 6 establish the levy requirements to the superintendent of public instruction ~~not later than the second Monday in~~
 7 on or before September 15. The report must be completed on forms supplied by the superintendent of public
 8 instruction.

9 (5) The county superintendent shall apportion the county transportation reimbursement from the
 10 proceeds of the county transportation fund. The county superintendent shall order the county treasurer to make
 11 the apportionments in accordance with 20-9-212(2) and after the receipt of the semiannual state transportation
 12 reimbursement payments."
 13

14 **Section 24.** Section 20-10-147, MCA, is amended to read:

15 **"20-10-147. Bus depreciation reserve fund.** (1) The trustees of a district owning a bus or a two-way
 16 radio used for purposes of transportation, as defined in 20-10-101, or for purposes of conveying pupils to and
 17 from school functions or activities may establish a bus depreciation reserve fund to be used for the conversion,
 18 remodeling, or rebuilding of a bus or for the replacement of a bus or radio. The trustees of a district may also use
 19 the bus depreciation reserve fund to purchase an additional bus for purposes of transportation, as defined in
 20 20-10-101.

21 (2) Whenever a bus depreciation reserve fund is established, the trustees may include in the district's
 22 budget, in accordance with the school budgeting provisions of this title, an amount each year that does not
 23 exceed 20% of the original cost of a bus or a two-way radio. The amount budgeted may not, over time, exceed
 24 150% of the original cost of a bus or two-way radio. The annual revenue requirement for each district's bus
 25 depreciation reserve fund, determined within the limitations of this section, must be reported by the county
 26 superintendent to the county commissioners ~~on the fourth Monday of August~~ by the LATER OF THE first Tuesday
 27 in September OR WITHIN 30 CALENDAR DAYS AFTER RECEIVING CERTIFIED TAXABLE VALUES as the bus depreciation
 28 reserve fund levy requirement for that district, and a levy must be made by the county commissioners in
 29 accordance with 20-9-142.

30 (3) Any expenditure of bus depreciation reserve fund money must be within the limitations of the district's

1 final bus depreciation reserve fund budget and the school financial administration provisions of this title and may
 2 be made only to convert, remodel, or rebuild buses, to replace the buses or radios, or for the purchase of an
 3 additional bus as provided in subsection (1), for which the bus depreciation reserve fund was created.

4 (4) Whenever the trustees of a district maintaining a bus depreciation reserve fund sell all of the district's
 5 buses and consider it to be in the best interest of the district to transfer any portion or all of the bus depreciation
 6 reserve fund balance to any other fund maintained by the district, the trustees shall submit the proposition to the
 7 electors of the district. The electors qualified to vote at the election shall qualify under 20-20-301, and the election
 8 must be called and conducted in the manner prescribed by this title for school elections. If a majority of those
 9 electors voting at the election approve the proposed transfer from the bus depreciation reserve fund, the transfer
 10 is approved and the trustees shall immediately order the county treasurer to make the approved transfer."
 11

12 **Section 25.** Section 20-15-313, MCA, is amended to read:

13 **"20-15-313. Tax levy.** ~~On the second Monday in August~~ By the LATER OF THE first Thursday in
 14 September OR WITHIN 30 CALENDAR DAYS AFTER RECEIVING CERTIFIED TAXABLE VALUES, the board of county
 15 commissioners of any county where a community college district is located shall, subject to 15-10-420, fix and
 16 levy a tax on all the real and personal property within the community college district at the rate required to finance
 17 the mandatory mill levy prescribed by 20-15-312(1)(b) and the voted levy prescribed by 20-15-311(5) if one has
 18 been approved by the voters. When a community college district has territory in more than one county, the board
 19 of county commissioners in each county shall fix and levy the community college district tax on all the real and
 20 personal property of the community college district situated in its county."
 21

22 NEW SECTION. **Section 26. Repealer.** The following section of the Montana Code Annotated is
 23 repealed:

24 20-9-211. Annual financial report of county superintendent.
 25

26 NEW SECTION. **Section 27. Effective date.** [This act] is effective on passage and approval.
 27

- END -