

HOUSE BILL NO. 577

INTRODUCED BY R. OSMUNDSON

BY REQUEST OF THE HOUSE JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING PRIORITIZATION OF DISTRIBUTIONS MADE FROM THE SCHOOL FACILITY AND TECHNOLOGY ACCOUNT; ALLOWING FOR CERTAIN ADMINISTRATIVE COST TO BE PAID FROM THE ACCOUNT; AMENDING SECTIONS 20-9-343, 20-9-516, 20-9-620, AND 90-6-802, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

**Section 1.** Section 20-9-343, MCA, is amended to read:

**"20-9-343. Definition of and revenue for state equalization aid.** (1) As used in this title, the term "state equalization aid" means revenue as required in this section for:

(a) distribution to the public schools for guaranteed tax base aid, BASE aid, and state reimbursement for school facilities; and

(b) negotiated payments authorized under 20-7-420(3) up to \$500,000 a biennium.

(2) The superintendent of public instruction may spend throughout the biennium funds appropriated for the purposes of guaranteed tax base aid, BASE aid for the BASE funding program, state reimbursement for school facilities, and negotiated payments authorized under 20-7-420(3).

(3) The following money must be paid into the guarantee account provided for in 20-9-622 for the public schools of the state as indicated:

(a) subject to ~~20-9-516(2)(a)~~ 20-9-516(3)(a), interest and income money described in 20-9-341 and 20-9-342; and

(b) investment income earned by investing interest and income money described in 20-9-341 and 20-9-342."

**Section 2.** Section 20-9-516, MCA, is amended to read:



1           **"20-9-516. School facility and technology account.** (1) There is a school facility and technology  
 2 account in the state special revenue fund provided for in 17-2-102. The purpose of the account is to provide  
 3 money to schools. After the distribution pursuant to 20-9-534 is made, the remainder of the account must be used  
 4 for:

- 5       ~~\_\_\_\_\_ (a) major deferred maintenance;~~
- 6       ~~\_\_\_\_\_ (b) improving energy efficiency in school facilities;~~
- 7       ~~\_\_\_\_\_ (c) critical infrastructure in school districts;~~
- 8       ~~\_\_\_\_\_ (d) emergency facility needs;~~
- 9       ~~\_\_\_\_\_ (e) technological improvements; and~~
- 10      ~~\_\_\_\_\_ (f) state reimbursement for school facilities as provided in 20-9-371.~~

11           (2) If funds remain in the account after the distributions in subsection (1) are made, the budget director  
 12 shall certify the amount of unencumbered funds available in the account. These available funds must be used  
 13 for grants made by the department of commerce under 90-6-802. Grants made pursuant 90-6-802 must be for:

- 14           (a) emergency facility needs;
- 15           (b) critical infrastructure in school districts;
- 16           (c) major deferred maintenance;
- 17           (d) improving energy efficiency in school facilities; and
- 18           (e) technological improvements.

19           ~~(2)~~(3) There must be deposited in the account:

- 20           (a) an amount of money equal to the income attributable to the difference between the average sale  
 21 value of 18 million board feet and the total income produced from the annual timber harvest on common school  
 22 trust lands during the fiscal year;
- 23           (b) the mineral royalties transferred from the guarantee account as provided in 20-9-622; and
- 24           (c) the income received from certain lands and riverbeds as provided in 17-3-1003(5)."

26           **Section 3.** Section 20-9-620, MCA, is amended to read:

27           **"20-9-620. Definition.** (1) As used in 20-9-621, 20-9-622, and this section, "distributable revenue"  
 28 means, except for that portion of revenue described in ~~20-9-516(2)(a)~~ 20-9-516(3)(a) and 77-1-109, 95% of all  
 29 revenue from the management of school trust lands and the permanent fund, including timber sale proceeds,  
 30 lease fees, interest, dividends, and net realized capital gains.

1           (2) The term does not include mineral royalties or land sale proceeds that are deposited directly in the  
2 permanent fund or net unrealized capital gains that remain in the permanent fund until realized."

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4           **Section 4.** Section 90-6-802, MCA, is amended to read:

5           **"90-6-802. Purpose.** (1) The purpose of this part is to establish a mechanism to distribute grants to  
6 public school districts for school facility and technology projects from the school facility and technology account  
7 established in 20-9-516. The account is to be used to assist schools in addressing major deferred maintenance,  
8 energy efficiency, critical infrastructure needs, emergency facility needs, and technological improvements and  
9 establishes an ongoing flow of state revenue into the account. Grants must be distributed for projects that:

10           ~~(1)~~(a) enhance the quality of life and protect the health, safety, and welfare of Montana's public school  
11 students;

12           ~~(2)~~(b) ensure the successful delivery of an educational system that meets the accreditation standards  
13 provided for in 20-7-111;

14           ~~(3)~~(c) extend the life of Montana's existing public school facilities;

15           ~~(4)~~(d) promote energy conservation and reduction;

16           ~~(5)~~(e) integrate technology into Montana's education framework to support student educational needs  
17 for the 21st century; and

18           ~~(6)~~(f) are fiscally responsible by considering both long-term and short-term needs of the public school  
19 district, the local community, and the state.

20           (2) The department may charge reasonable administrative costs for administering the grant program.  
21 Costs must be paid out of the account established in 20-9-516."

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23           NEW SECTION. **Section 5. Effective date.** [This act] is effective July 1, 2013.

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