

1 HOUSE BILL NO. 4

2 INTRODUCED BY D. KASTEN

3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REDUCING THE GENERAL FUND SHORTFALL IN REVENUE BY
6 TEMPORARILY ELIMINATING THE REVENUE DEDICATED TO THE SCHOOL TECHNOLOGY FUND;
7 AMENDING SECTIONS 20-9-343, 20-9-534, AND 20-9-620, MCA; AND PROVIDING AN IMMEDIATE
8 EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

9

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

11

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

13 **"20-9-343. Definition of and revenue for state equalization aid.** (1) As used in this title, the term
14 "state equalization aid" means revenue as required in this section for:

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

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

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

21 (3) ~~The~~ From July 1, 2001, through June 30, 2003, the following money must be paid into a subfund
22 of the state general fund for the public schools of the state as indicated:

23 (a) ~~(i) subject to subsection (3)(a)(ii);~~ interest and income money described in 20-9-341 and 20-9-342;
24 and

25 ~~(ii) an amount of money equal to the income money attributable to the difference between the average
26 sale value of 18 million board feet and the total income produced from the annual timber harvest on common
27 school trust lands during the fiscal year to the school technology account in the state special revenue fund, which
28 is statutorily appropriated, pursuant to 20-9-534, to be used for the purposes of 20-9-533;~~

29 (b) investment income earned by investing interest and income money described in 20-9-341 and
30 20-9-342.

1 (4) Beginning July 1, 2003, the following money must be paid into a subfund of the state general fund
 2 for the public schools of the state as indicated:

3 (a) (i) subject to subsection (4)(a)(ii), interest and income money described in 20-9-341 and 20-9-342;

4 and

5 (ii) an amount of money equal to the income money attributable to the difference between the average
 6 sale value of 18 million board feet and the total income produced from the annual timber harvest on common
 7 school trust lands during the fiscal year to the school technology account in the state special revenue fund, which
 8 is statutorily appropriated, pursuant to 20-9-534, to be used for the purposes of 20-9-533;

9 (b) investment income earned by investing interest and income money described in 20-9-341 and
 10 20-9-342."

11

12 **Section 2.** Section 20-9-534, MCA, is amended to read:

13 **"20-9-534. School technology purchases.** By September 1, the superintendent of public instruction
 14 shall allocate the annual amount for grants for school technology purchases to each district based on the ratio
 15 that each district's BASE budget bears to the statewide BASE budget amount for all school districts multiplied
 16 by the amount of money provided in 20-9-343~~(3)(a)(ii)~~ for the purposes of 20-9-533 in the prior fiscal year. The
 17 grants for school technology purchases are statutorily appropriated, as provided in 17-7-502."

18

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

20 **"20-9-620. Definition.** (1) As used in 20-9-621, 20-9-622, and this section, "distributable revenue"
 21 means, except for that portion of revenue described in 20-9-343~~(3)(a)(ii)~~ (4)(a)(ii) and available on or after July
 22 1, 2003, 77-1-607, and 77-1-613, 95% of all revenue from the management of school trust lands and the
 23 permanent fund, including timber sale proceeds, lease fees, interest, dividends, and net realized capital gains.

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

26

27 **NEW SECTION. Section 4. Coordination instruction.** If House Bill No.4 and House Bill No.7 are both
 28 passed and approved and if both include a section amending 20-9-343, then 20-9-343 must read as follows:

29 **"20-9-343. Definition of and revenue for state equalization aid.** (1) As used in this title, the term
 30 "state equalization aid" means revenue as required in this section for:

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

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

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

7 (3) ~~The~~ From July 1, 2001, through June 30, 2003, the following money must be paid into a subfund
8 ~~of the state general~~ the dedicated school revenue fund for the public schools of the state as indicated:

9 (a) ~~(i) subject to subsection (3)(a)(ii);~~ interest and income money described in 20-9-341 and 20-9-342;
10 and

11 ~~(ii) an amount of money equal to the income money attributable to the difference between the average~~
12 ~~sale value of 18 million board feet and the total income produced from the annual timber harvest on common~~
13 ~~school trust lands during the fiscal year to the school technology account in the state special revenue fund, which~~
14 ~~is statutorily appropriated, pursuant to 20-9-534, to be used for the purposes of 20-9-533;~~

15 (b) investment income earned by investing interest and income money described in 20-9-331, 20-9-333,
16 20-9-341, and 20-9-342.

17 (4) Beginning July 1, 2003, the following money must be paid into the dedicated school revenue fund
18 for the public schools of the state as indicated:

19 (a) (i) subject to subsection (4)(a)(ii), interest and income money described in 20-9-341 and 20-9-342;
20 and

21 (ii) an amount of money equal to the income money attributable to the difference between the average
22 sale value of 18 million board feet and the total income produced from the annual timber harvest on common
23 school trust lands during the fiscal year, which is statutorily appropriated, pursuant to 20-9-534, to be used for
24 the purposes of 20-9-533;

25 (b) investment income earned by investing interest and income money described in 20-9-331, 20-9-333,
26 20-9-341, and 20-9-342."

27

28 NEW SECTION. Section 5. Effective date -- retroactive applicability. [This act] is effective on
29 passage and approval and applies retroactively, within the meaning of 1-2-109, to school fiscal years beginning
30 July 1, 2001.

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