

HOUSE BILL NO. 134

INTRODUCED BY J. ESSMANN

BY REQUEST OF THE SCHOOL FUNDING INTERIM COMMISSION

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5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING FUNDING RELATED TO STATE SUPPORT FOR
6 ~~SCHOOL FACILITIES; RENAMING SCHOOLS; REPURPOSING THE SCHOOL FACILITY AND TECHNOLOGY~~
7 ~~ACCOUNT; CREATING A SCHOOL FACILITY MAJOR MAINTENANCE GRANT PROGRAM STATE SPECIAL~~
8 ~~REVENUE ACCOUNT; AND PROVIDING REVENUE FOR BOTH ACCOUNTS; RENAMING THE FACILITY~~
9 ~~REIMBURSEMENT PROGRAM; ELIMINATING THE NATURAL RESOURCE DEVELOPMENT K-12 PAYMENT;~~
10 ~~REDIRECTING LOTTERY PROCEEDS; REQUIRING THAT ANY WORKERS' COMPENSATION DIVIDENDS~~
11 ~~REFUNDED TO A STATE AGENCY BE TRANSFERRED TO THE SCHOOL FACILITY MAJOR MAINTENANCE~~
12 ~~GRANT PROGRAM DEBT SERVICE ASSISTANCE ACCOUNT; UTILIZING THE 95 MILLS LEVIED ON THE~~
13 ~~INCREMENTAL TAXABLE VALUE WITHIN AN URBAN RENEWAL AREA OR TARGETED ECONOMIC~~
14 ~~DEVELOPMENT DISTRICT FOR SCHOOL FACILITY MAJOR MAINTENANCE GRANTS; REVISING THE~~
15 ~~SOURCE OF THE STATUTORY APPROPRIATION FOR THE STATE TECHNOLOGY PAYMENT TO~~
16 ~~SCHOOLS; REVISING AND RENAMING THE QUALITY SCHOOLS FACILITY GRANT PROGRAM;~~
17 ~~ELIMINATING THE STEM SCHOLARSHIP PROGRAM; PROVIDING A STATUTORY APPROPRIATION;~~
18 ~~AMENDING SECTIONS 7-15-4286, 17-3-1003, 17-7-502, 20-9-104, 20-9-141, 20-9-306, 20-9-342, 20-9-343,~~
19 ~~20-9-344, 20-9-367, 20-9-516, AND 20-9-534, 20-9-620, 20-9-622, 20-26-606, 23-7-202, 23-7-402, 39-71-403,~~
20 ~~90-6-801, 90-6-802, 90-6-803, 90-6-809, 90-6-810, AND 90-6-811, MCA; REPEALING SECTIONS 20-26-614,~~
21 ~~20-26-615, 20-26-616, AND 20-26-617, MCA; AND PROVIDING AN EFFECTIVE DATE."~~

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

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(Refer to Second Reading, Yellow Bill)

25

Strike everything after the enacting clause and insert:

26

27 **Section 1.** Section 17-7-502, MCA, is amended to read:

28 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
29 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the
30 need for a biennial legislative appropriation or budget amendment.



1 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both
2 of the following provisions:

3 (a) The law containing the statutory authority must be listed in subsection (3).

4 (b) The law or portion of the law making a statutory appropriation must specifically state that a statutory
5 appropriation is made as provided in this section.

6 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120;
7 5-11-407; 5-13-403; 7-4-2502; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-3-203; 10-3-310; 10-3-312;
8 10-3-314; 10-4-301; 15-1-121; 15-1-218; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-101;
9 15-70-433; 15-70-601; 16-11-509; 17-3-106; 17-3-112; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-215;
10 18-11-112; 19-3-319; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506;
11 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-516; 20-9-517; 20-9-520; ~~20-9-534~~; 20-9-622; 20-9-905;
12 20-26-617; 20-26-1503; 22-1-327; 22-3-116; 22-3-117; 22-3-1004; 23-4-105; 23-5-306; 23-5-409; 23-5-612;
13 23-7-301; 23-7-402; 30-10-1004; 37-43-204; 37-50-209; 37-51-501; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101;
14 44-12-213; 44-13-102; 50-1-115; 53-1-109; 53-6-1304; 53-9-113; 53-24-108; 53-24-206; 60-11-115; 61-3-415;
15 69-3-870; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 76-13-150; 76-13-416; 77-1-108; 77-2-362; 80-2-222;
16 80-4-416; 80-11-518; 81-1-112; 81-7-106; 81-10-103; 82-11-161; 85-20-1504; 85-20-1505; [85-25-102]; 87-1-603;
17 90-1-115; 90-1-205; 90-1-504; 90-3-1003; 90-6-331; and 90-9-306.

18 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
19 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued
20 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana
21 to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state
22 treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory
23 appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion
24 of 19-20-604 terminates contingently when the amortization period for the teachers' retirement system's unfunded
25 liability is 10 years or less; pursuant to sec. 10, Ch. 10, Sp. L. May 2000, secs. 3 and 6, Ch. 481, L. 2003, and
26 sec. 2, Ch. 459, L. 2009, the inclusion of 15-35-108 terminates June 30, 2019; pursuant to sec. 73, Ch. 44, L.
27 2007, the inclusion of 19-6-410 terminates contingently upon the death of the last recipient eligible under
28 19-6-709(2) for the supplemental benefit provided by 19-6-709; pursuant to sec. 5, Ch. 442, L. 2009, the inclusion
29 of 90-6-331 terminates June 30, 2019; pursuant to sec. 16, Ch. 58, L. 2011, the inclusion of 30-10-1004
30 terminates June 30, 2017; pursuant to sec. 6, Ch. 61, L. 2011, the inclusion of 76-13-416 terminates June 30,

1 2019; pursuant to sec. 13, Ch. 339, L. 2011, the inclusion of 81-1-112 and 81-7-106 terminates June 30, 2017;
 2 pursuant to sec. 11(2), Ch. 17, L. 2013, the inclusion of 17-3-112 terminates on occurrence of contingency;
 3 pursuant to sec. 5, Ch. 244, L. 2013, the inclusion of 22-1-327 terminates July 1, 2017; pursuant to sec. 27, Ch.
 4 285, L. 2015, and sec. 1, Ch. 292, L. 2015, the inclusion of 53-9-113 terminates June 30, 2021; pursuant to sec.
 5 6, Ch. 291, L. 2015, the inclusion of 50-1-115 terminates June 30, 2021; pursuant to sec. 28, Ch. 368, L. 2015,
 6 the inclusion of 53-6-1304 terminates June 30, 2019; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of
 7 85-25-102 is effective on occurrence of contingency; pursuant to sec. 5, Ch. 422, L. 2015, the inclusion of
 8 17-7-215 terminates June 30, 2021; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117
 9 terminates June 30, 2025; pursuant to sec. 10, Ch. 427, L. 2015, the inclusion of 37-50-209 terminates
 10 September 30, 2019; and pursuant to sec. 33, Ch. 457, L. 2015, the inclusion of 20-9-905 terminates December
 11 31, 2023.)"

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13 **Section 2.** Section 20-9-343, MCA, is amended to read:

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

16 (a) distribution to the public schools for guaranteed tax base aid, BASE aid, and state ~~reimbursement~~
 17 ~~for school facilities~~ assistance for debt service; and

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

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

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

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

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

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28 **Section 3.** Section 20-9-367, MCA, is amended to read:

29 **"20-9-367. Eligibility to receive guaranteed tax base aid or state ~~advance or reimbursement debt~~**
 30 **service assistance for school facilities.** (1) If the district guaranteed tax base ratio of any elementary or high

1 school district is less than the corresponding statewide elementary or high school guaranteed tax base ratio, the
 2 district may receive guaranteed tax base aid based on the number of mills levied in the district in support of up
 3 to 35.3% of the basic entitlement, up to 35.3% of the total per-ANB entitlement, and up to 40% of the special
 4 education allowable cost payment budgeted within the general fund budget.

5 (2) If the county retirement mill value per elementary ANB or the county retirement mill value per high
 6 school ANB is less than the corresponding statewide mill value per elementary ANB or high school ANB, the
 7 county may receive guaranteed tax base aid based on the number of mills levied in the county in support of the
 8 retirement fund budgets of the respective elementary or high school districts in the county.

9 (3) For the purposes of 20-9-370 and 20-9-371, if the district mill value per elementary ANB or the district
 10 mill value per high school ANB is less than the corresponding statewide mill value per elementary ANB or
 11 statewide mill value per high school ANB, the district may receive debt service assistance in the form of a state
 12 advance or reimbursement for school facilities in support of the debt service fund."
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14 **Section 4.** Section 20-9-516, MCA, is amended to read:

15 **"20-9-516. School facility and technology account.** (1) There is a school facility and technology
 16 account in the state special revenue fund provided for in 17-2-102. ~~The purpose of the account is to provide~~
 17 ~~money~~ Money in the account is statutorily appropriated, as provided in 17-7-502, to the office of public instruction
 18 to distribute to schools for:

- 19 (a) ~~major deferred maintenance;~~
 20 ~~_____ (b) improving energy efficiency in school facilities;~~
 21 ~~_____ (c) critical infrastructure in school districts;~~
 22 ~~_____ (d) emergency facility needs;~~
 23 ~~_____ (e) technological improvements; and~~
 24 ~~_____ (f) (a) state reimbursement for school facilities~~ assistance for debt service as provided in 20-9-371; and
 25 (b) the state payment for school technology purposes as provided in 20-9-534.

26 (2) There must be deposited in the account:

- 27 (a) an amount of money equal to the income attributable to the difference between the average sale
 28 value of 18 million board feet and the total income produced from the annual timber harvest on common school
 29 trust lands during the fiscal year; and
 30 (b) the income received from certain lands and riverbeds as provided in 17-3-1003(5)."

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2 **Section 5.** Section 20-9-534, MCA, is amended to read:

3 "**20-9-534. Statutory appropriation State payment for school technology purposes.** ~~(1) The amount~~
4 ~~of \$1 million a year is statutorily appropriated, as provided in 17-7-502, from the school facility and technology~~
5 ~~account established in 20-9-516 for grants for school technology purposes:~~

6 ~~————(2) By the third Friday in July, the superintendent of public instruction shall allocate the annual statutory~~
7 ~~appropriation for school technology purposes to each district~~ distribute a total amount of \$1 million from the school
8 facility and technology account provided for in 20-9-516 to school districts with each district's allocation based
9 on the ratio that each district's BASE budget bears to the statewide BASE budget amount for all school districts
10 multiplied by the amount of money provided in 20-9-343 for the purposes of 20-9-533."

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12 NEW SECTION. **Section 6. Effective date.** [This act] is effective July 1, 2017.

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