

## 1 SENATE BILL NO. 297

2 INTRODUCED BY D. BROWN

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATED TO SCHOOL ELECTIONS INVOLVING  
5 PROPERTY TAXES; ESTABLISHING VOTER TURNOUT THRESHOLDS FOR APPROVAL; AMENDING  
6 SECTIONS 20-9-353, 20-9-428, 20-9-502, 20-9-533, AND 20-9-544, MCA; AND PROVIDING AN IMMEDIATE  
7 EFFECTIVE DATE AND AN APPLICABILITY DATE."  
8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
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11 **Section 1.** Section 20-9-353, MCA, is amended to read:

12 **"20-9-353. Additional financing for general fund -- election for authorization to impose.** (1) The  
13 trustees of a district may propose to adopt an over-BASE budget amount for the district general fund that does  
14 not exceed the general fund budget limitations, as provided in 20-9-308.

15 (2) When the trustees of the district propose to adopt an over-BASE budget under subsection (1), any  
16 increase in local property taxes authorized by 20-9-308(4) over revenue previously authorized by the electors of  
17 the district or imposed by the district in any of the previous 5 years must be submitted to a vote of the qualified  
18 electors of the district, as provided in 15-10-425. The trustees are not required to submit to the qualified electors  
19 any increase in state funding of the basic or per-ANB entitlements or of the general fund payments established  
20 in 20-9-327 through 20-9-330 approved by the legislature. When the trustees of a district determine that a voted  
21 amount of financing is required for the general fund budget, the trustees shall submit the proposition to finance  
22 the voted amount to the electors who are qualified under 20-20-301 to vote upon the proposition. The election  
23 must be called and conducted in the manner prescribed by this title for school elections and must conform to the  
24 requirements of 15-10-425. The ballot for the election must conform to the requirements of 15-10-425.

25 (3) If 50% or more of the qualified electors vote at the election and if the proposition on any additional  
26 financing for the general fund is approved by a majority vote of the electors voting at the election, the proposition  
27 carries and the trustees may use any portion or all of the authorized amount in adopting the final general fund  
28 budget. The trustees shall certify any additional levy amount authorized by the election on the budget form that  
29 is submitted to the county superintendent, and the county commissioners shall levy the authorized number of mills  
30 on the taxable value of all taxable property within the district, as prescribed in 20-9-141.

1 (4) All levies adopted under this section must be authorized by the election conducted before August 1  
2 of the school fiscal year for which it is effective.

3 (5) If the trustees of a district are required to submit a proposition to finance an over-BASE budget  
4 amount, as allowed by 20-9-308, to the electors of the district, the trustees shall comply with the provisions of  
5 subsections (2) through (4) of this section."  
6

7 **Section 2.** Section 20-9-428, MCA, is amended to read:

8 **"20-9-428. Determination of approval or rejection of proposition at bond election.** (1) (a) When the  
9 trustees canvass the vote of a school district bond election under the provisions of 20-20-415, they shall  
10 determine the approval or rejection of the school bond proposition in the following manner:

11 ~~(a) Except as provided in subsection (1)(c), if the school district bond election is held at a regular school  
12 election or at a special election called by the trustees, the trustees shall:~~

13 (i) determine the total number of electors of the school district who are qualified to vote under the  
14 provisions of 20-20-301 from the list of electors supplied by the county registrar for the school bond election;

15 (ii) determine the total number of qualified electors voting at the school bond election from the tally sheets  
16 for the election; and

17 (iii) calculate the percentage of qualified electors voting at the school bond election by dividing the amount  
18 determined in subsection (1)(a)(ii) by the amount determined in subsection (1)(a)(i).

19 (b) When the calculated percentage in subsection (1)(a)(iii) is:

20 (i) ~~40%~~ 50% or more, the school bond proposition is approved and adopted if a majority of the votes were  
21 cast in favor of the proposition, otherwise it is rejected;

22 ~~(ii) more than 30% but less than 40%, the school bond proposition is approved and adopted if 60% or  
23 more of the votes were cast in favor of the proposition, otherwise it is rejected; or~~

24 ~~(iii) 30% or (ii) less than 50%, the school bond proposition is rejected.~~

25 ~~(c) If the school district bond election is held in conjunction with an election that is conducted by mail  
26 ballot, as provided in Title 13, chapter 19, or in conjunction with a general or primary election, the determination  
27 of the approval or rejection of the bond proposition is made by a majority of the votes cast on the issue.~~

28 (2) If the canvass of the vote establishes the approval and adoption of the school bond proposition, the  
29 trustees shall issue a certificate proclaiming the passage of the proposition and the authorization to issue bonds  
30 of the school district for the purposes specified on the ballot for the school district bond election."

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2           **Section 3.** Section 20-9-502, MCA, is amended to read:

3           **"20-9-502. Purpose and authorization of building reserve fund -- levy for school transition costs.**

4           (1) The trustees of any district may establish a building reserve fund to budget for and expend funds for any of  
5           the purposes set forth in this section. Appropriate subfunds must be created to ensure separate tracking of the  
6           expenditure of funds from voted and nonvoted levies and transfers for school safety pursuant to 20-9-236.

7           (2) (a) A voted levy may be imposed and a subfund must be created with the approval of the qualified  
8           electors of the district for the purpose of raising money for the future construction, equipping, or enlarging of  
9           school buildings or for the purpose of purchasing land needed for school purposes in the district. In order to  
10          submit to the qualified electors of the district a building reserve proposition for the establishment of or addition  
11          to a building reserve, the trustees shall pass a resolution that specifies:

12           (i) the purpose or purposes for which the new or addition to the building reserve will be used;

13           (ii) the duration of time over which the new or addition to the building reserve will be raised in annual,  
14          equal installments;

15           (iii) the total amount of money that will be raised during the duration of time specified for the levy; and

16           (iv) any other requirements under 15-10-425 and 20-20-201 for the calling of an election.

17          (b) Except as provided in subsection (4)(b), a building reserve tax authorization may not be for more than  
18          20 years.

19          (c) The election must be conducted in accordance with the school election laws of this title, and the  
20          electors qualified to vote in the election must be qualified under the provisions of 20-20-301. The ballot for a  
21          building reserve proposition must be substantially in compliance with 15-10-425.

22          (d) The building reserve proposition is approved if 50% or more of the qualified electors vote at the  
23          election and if a majority of those electors voting at the election approve the establishment of or addition to the  
24          building reserve. The annual budgeting and taxation authority of the trustees for a building reserve is computed  
25          by dividing the total authorized amount by the specified number of years. The authority of the trustees to budget  
26          and impose the taxation for the annual amount to be raised for the building reserve lapses when, at a later time,  
27          a bond issue is approved by the qualified electors of the district for the same purpose or purposes for which the  
28          building reserve fund of the district was established. Whenever a subsequent bond issue is made for the same  
29          purpose or purposes of a building reserve, the money in the building reserve must be used for the purpose or  
30          purposes before any money realized by the bond issue is used.

1           (3) (a) A subfund must be created to account for revenue and expenditures for school major  
2 maintenance and repairs authorized under this subsection (3). Except as provided in subsection (3)(g), the  
3 trustees of a district may authorize and impose a levy of no more than 10 mills on the taxable value of all taxable  
4 property within the district for that school fiscal year for the purposes of raising revenue for identified school major  
5 maintenance projects meeting the requirements of 20-9-525(2). The 10-mill limit under this section must be  
6 calculated using the district's total taxable valuation most recently certified by the department of revenue under  
7 15-10-202. The amount of money raised by the levy, the deposits and transfers authorized under subsection (3)(f)  
8 of this section, and anticipated state aid pursuant to 20-9-525(3) may not exceed the district's school major  
9 maintenance amount. For the purposes of this section, the term "school major maintenance amount" means the  
10 sum of \$15,000 and the product of \$100 multiplied by the district's budgeted ANB for the prior fiscal year. To  
11 authorize and impose a levy under this subsection (3), the trustees shall:

12           (i) following public notice requirements pursuant to 20-9-116, adopt no later than June 1 for fiscal year  
13 2017 only and no later than March 31 for fiscal years 2018 and subsequent fiscal years, a resolution:

14           (A) identifying the anticipated school major maintenance projects for which the proceeds of the levy, the  
15 deposits and transfers authorized under subsection (3)(f) of this section, and anticipated state aid pursuant to  
16 20-9-525(3) will be used; and

17           (B) estimating a total dollar amount of money to be raised by the levy, the deposits and transfers  
18 authorized under subsection (3)(f) of this section, anticipated state aid pursuant to 20-9-525(3), and the resulting  
19 estimated number of mills to be levied using the district's taxable valuation most recently certified by the  
20 department of revenue under 15-10-202; and

21           (ii) include the amount of any final levy to be imposed as part of its final budget meeting noticed in  
22 compliance with 20-9-131.

23           (b) Proceeds from the levy may be expended only for the purposes under 20-9-525(2), and the  
24 expenditure of the money must be reported in the annual trustees' report as required by 20-9-213.

25           (c) Whenever the trustees of a district impose a levy pursuant to this section during the current school  
26 fiscal year, they shall budget for the proceeds of the levy, the deposits and transfers authorized under subsection  
27 (3)(f) of this section, and anticipated state aid pursuant to 20-9-525(3) in the district's building reserve fund  
28 budget. Any expenditures of the funds must be made in accordance with the financial administration provisions  
29 of this title for a budgeted fund.

30           (d) When a tax levy pursuant to this section is included as a revenue item on the final building reserve

1 fund budget, the county superintendent shall report the levy requirement to the county commissioners by the later  
2 of the first Tuesday in September or within 30 calendar days after receiving certified taxable values and a levy  
3 on the district must be made by the county commissioners in accordance with 20-9-142.

4 (e) A subfund in the building reserve fund must be created for the deposit of proceeds from the levy, the  
5 deposits and transfers authorized under subsection (3)(f) of this section, and anticipated state aid pursuant to  
6 20-9-525(3).

7 (f) If the imposition of 10 mills pursuant to subsection (3)(a) is estimated by the trustees to generate an  
8 amount less than the maximum levy revenue specified in subsection (3)(a), the trustees may deposit additional  
9 funds from any lawfully available revenue source and may transfer additional funds from any lawfully available  
10 fund of the district to the subfund provided for in subsection (3)(a), up to the difference between the revenue  
11 estimated to be raised by the imposition of 10 mills and the maximum levy revenue specified in subsection (3)(a).  
12 The district's local effort for purposes of calculating its eligibility for state school major maintenance aid pursuant  
13 to 20-9-525 consists of the combined total of funds raised from the imposition of 10 mills and additional funds  
14 raised from deposits and transfers in compliance with this subsection (3)(f).

15 (g) A district awarded a quality schools facility grant pursuant to [former] Title 90, chapter 6, part 8, during  
16 the biennium beginning July 1, 2017, may not impose the levy under this subsection (3) during the biennium  
17 beginning July 1, 2017.

18 (4) (a) A voted levy may be imposed and a subfund must be created with the approval of the qualified  
19 electors of the district to provide funding for transition costs incurred when the trustees:

20 (i) open a new school under the provisions of Title 20, chapter 6;

21 (ii) close a school;

22 (iii) replace a school building;

23 (iv) consolidate with or annex another district under the provisions of Title 20, chapter 6; or

24 (v) receive approval from voters to expand an elementary district into a K-12 district pursuant to  
25 20-6-326.

26 (b) Except as provided in subsection (4)(c), the total amount the trustees may submit to the electorate  
27 for transition costs may not exceed the number of years specified in the proposition times the greater of 5% of  
28 the district's maximum general fund budget for the current year or \$250 per ANB for the current year. The duration  
29 of the levy for transition costs may not exceed 6 years.

30 (c) If the levy for transition costs is for consolidation or annexation:

1 (i) the limitation on the amount levied is calculated using the ANB and the maximum general fund budget  
2 for the districts that are being combined; and

3 (ii) the proposition must be submitted to the qualified electors in the combined district.

4 (d) The levy for transition costs may not be considered as outstanding indebtedness for the purpose of  
5 calculating the limitation in 20-9-406.

6 (5) A subfund in the building reserve fund must be created for the funds transferred to the building  
7 reserve fund for school safety and security pursuant to 20-9-236."

8

9 **Section 4.** Section 20-9-533, MCA, is amended to read:

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

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

14 (b) cloud computing services for technology infrastructure, platform, software, network, storage, security,  
15 data, database, test environment, curriculum, or desktop virtualization purposes, including any subscription or  
16 any license-based or pay-per-use service that is accessed over the internet or other remote network to meet the  
17 district's information technology and other needs; and

18 (c) associated technical training for school district personnel.

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

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

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

25 (3) In depreciating the technological equipment of a school district for levies approved prior to July 1,  
26 2013, the trustees may include in the district's budget, contingent upon voter approval of a levy under subsection  
27 (6) and pursuant to the school budgeting requirements of this title, an amount each fiscal year that does not  
28 exceed 20% of the original cost of any technological equipment, including computers and computer network  
29 access, that is owned by the district. The amount budgeted pursuant to levies approved prior to July 1, 2013, may  
30 not, over time, exceed 150% of the original cost of the equipment.

1 (4) The annual revenue requirement for each district's technology acquisition and depreciation fund  
2 determined within the limitations of this section must be reported by the county superintendent of schools to the  
3 board of county commissioners on or before the later of the first Tuesday in September or within 30 calendar days  
4 after receiving certified taxable values as the technology acquisition and depreciation fund levy requirement for  
5 that district, and a levy must be made by the county commissioners in accordance with 20-9-142.

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

9 (6) In addition to the funds received pursuant to subsection (2), the trustees of a school district may  
10 submit a proposition to the qualified electors of the district to approve an additional levy to fund costs of providing  
11 the technologies included in subsection (1). The election must be called and conducted in the manner prescribed  
12 by this title for school elections and in the manner prescribed by 15-10-425. A technology levy authorization  
13 approved after July 1, 2013, may not exceed 10 years.

14 (7) The technology proposition is approved if 50% or more of the qualified electors vote at the election  
15 and if a majority of those electors voting at the election approve the levy. Notwithstanding any other provision of  
16 law, the levy under subsection (6) is subject to 15-10-420.

17 (8) A district whose qualified electors have previously approved a technology levy of perpetual duration  
18 prior to July 1, 2013, may submit a proposition to the qualified electors on or after July 1, 2013, for an increase  
19 in the amount of the levy to cover the costs of providing technologies under subsections (1)(b) and (1)(c) or to  
20 seek relief from the obligation of tracking depreciation of equipment under a levy approved prior to July 1, 2013.  
21 In seeking approval of the proposition, the district shall specify a proposed revised duration of the underlying  
22 perpetual levy previously approved and a proposed duration for the proposed increase in the amount of the levy,  
23 neither of which may exceed 10 years. If the proposition is approved by the qualified electors, both the underlying  
24 levy previously approved for a perpetual duration and the increase in the amount of the levy are subject to the  
25 revised durational limit specified on the ballot.

26 (9) The trustees of a district may not use revenue in the technology acquisition and depreciation fund  
27 to finance contributions to the teachers' retirement system, the public employees' retirement system, or the federal  
28 social security system or for unemployment compensation insurance."  
29

30 **Section 5.** Section 20-9-544, MCA, is amended to read:

1           **"20-9-544. District school flexibility fund levy.** (1) In addition to the money allocated in 20-9-542 for  
2 a district's school flexibility fund, the trustees of a school district may submit a proposition to the qualified electors  
3 of the district to approve a levy in an amount not to exceed 25% of the district's allocation in 20-9-542 to fund the  
4 school flexibility fund authorized under 20-9-543. An election called pursuant to this section must be called and  
5 conducted in the manner prescribed by this title for school elections. The ballot for a proposition must provide  
6 "FOR" and "AGAINST" provisions, stating whether the district is authorized to impose a levy of (state the dollars)  
7 dollars and (state the approximate number of mills) mills to fund the school flexibility fund in the school district.  
8 The school flexibility fund proposition is approved if 50% or more of the qualified electors vote at the election and  
9 if a majority of those electors voting at the election approve the levy.

10           (2) Money collected from the levy must be deposited in the district's school flexibility fund and spent in  
11 accordance with 20-9-543."

12

13           NEW SECTION. **Section 6. Effective date.** [This act] is effective on passage and approval.

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15           NEW SECTION. **Section 7. Applicability.** [This act] applies to school elections conducted on or after  
16 [the effective date of this act].

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- END -