

1 HOUSE BILL NO. 663
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 5 B. PHALEN, B. PUTNAM, J. READ, M. REGIER, J. SCHILLINGER, L. SHELDON-GALLOWAY, D. SKEES, B.
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 8 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING SCHOOL FUNDING LAWS;
 9 INCREASING THE GTB MULTIPLIER AND LINKING ADDITIONAL INCREASES TO REVENUE GENERATED
 10 BY MARIJUANA TAXES; PROVIDING AN APPROPRIATION; AMENDING SECTION 20-9-366, MCA; AND
 11 PROVIDING AN IMMEDIATE EFFECTIVE DATE."

12
 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14
 15 **Section 1.** Section 20-9-366, MCA, is amended to read:

16 **"20-9-366. Definitions.** As used in 20-9-366 through 20-9-371, the following definitions apply:

17 (1) "County retirement mill value per elementary ANB" or "county retirement mill value per high school
 18 ANB" means the sum of the taxable valuation in the previous year of all property in the county divided by 1,000,
 19 with the quotient divided by the total county elementary ANB count or the total county high school ANB count
 20 used to calculate the elementary school districts' and high school districts' prior year total per-ANB entitlement
 21 amounts.

22 (2) (a) "District guaranteed tax base ratio" for guaranteed tax base funding for the BASE budget of an
 23 eligible district means the taxable valuation in the previous year of all property in the district, except for property
 24 value disregarded because of protested taxes under 15-1-409(2) or property subject to the creation of a new
 25 school district under 20-6-326, divided by the district's prior year GTBA budget area.

26 (b) "District mill value per ANB", for school facility entitlement purposes, means the taxable valuation
 27 in the previous year of all property in the district, except for property subject to the creation of a new school
 28 district under 20-6-326, divided by 1,000, with the quotient divided by the ANB count of the district used to

1 calculate the district's prior year total per-ANB entitlement amount.

2 (3) "Facility guaranteed mill value per ANB", for school facility entitlement guaranteed tax base
3 purposes, means the sum of the taxable valuation in the previous year of all property in the state, multiplied by
4 140% and divided by 1,000, with the quotient divided by the total state elementary ANB count or the total state
5 high school ANB count used to calculate the elementary school districts' and high school districts' prior year
6 total per-ANB entitlement amounts.

7 (4) "Guaranteed tax base aid budget area" or "GTBA budget area" means the portion of a district's
8 BASE budget after the following payments are subtracted:

- 9 (a) direct state aid;
- 10 (b) the total data-for-achievement payment;
- 11 (c) the total quality educator payment;
- 12 (d) the total at-risk student payment;
- 13 (e) the total Indian education for all payment;
- 14 (f) the total American Indian achievement gap payment; and
- 15 (g) the state special education allowable cost payment.

16 (5) (a) "Statewide elementary guaranteed tax base ratio" or "statewide high school guaranteed tax
17 base ratio", for guaranteed tax base funding for the BASE budget of an eligible district, means the sum of the
18 taxable valuation in the previous year of all property in the state, multiplied by ~~193% for fiscal year 2018, 216%~~
19 ~~for fiscal year 2019, 224% for fiscal year 2020, and 232% for fiscal year 2021~~ 250% for fiscal year 2022 and
20 each succeeding fiscal year and divided by the prior year statewide GTBA budget area for the state elementary
21 school districts or the state high school districts. ~~The FOR FISCAL YEAR 2024 AND SUBSEQUENT FISCAL YEARS, THE~~
22 ~~superintendent of public instruction shall increase the multiplier in this subsection (5)(a) for fiscal years 2024~~
23 ~~and subsequent fiscal years as follows:~~

24 (i) FOR FISCAL YEARS 2024 THROUGH 2031, IF THE REVENUE TRANSFERRED TO THE STATE GENERAL FUND
25 PURSUANT TO 16-12-111 IN THE PRIOR FISCAL YEAR IS AT LEAST \$1 MILLION MORE THAN THE REVENUE TRANSFERRED
26 IN THE FISCAL YEAR 2 YEARS PRIOR, THEN:

27 (ii)(A) ~~divide 25% of the~~ MULTIPLY THE AMOUNT OF INCREASED revenue transferred to the state general
28 fund pursuant to 16-12-111 in the prior fiscal year ABOVE THE AMOUNT OF REVENUE TRANSFERRED IN THE FISCAL

1 YEAR 2 YEARS PRIOR BY 0.25, DIVIDE THE RESULTING PRODUCT by \$500,000, and round to the nearest whole
2 number; and

3 ~~(ii) (B) increase the multiplier in this subsection (5)(a) FOR THE PRIOR FISCAL YEAR by the number~~
4 ~~derived in subsection (5)(a)(i)(A) AS A PERCENTAGE POINT INCREASE;~~

5 (ii) FOR FISCAL YEARS 2024 THROUGH 2031, IF THE REVENUE TRANSFERRED TO THE STATE GENERAL FUND
6 PURSUANT TO 16-12-111 IN THE PRIOR FISCAL YEAR IS LESS THAN \$1 MILLION MORE THAN THE REVENUE TRANSFERRED
7 IN THE FISCAL YEAR 2 YEARS PRIOR, THEN THE MULTIPLIER IS EQUAL TO THE MULTIPLIER USED FOR THE PRIOR FISCAL
8 YEAR; AND

9 (iii) FOR FISCAL YEARS 2032 AND SUBSEQUENT FISCAL YEARS, THE MULTIPLIER IS EQUAL TO THE MULTIPLIER
10 USED FOR FISCAL YEAR 2031.

11 (b) "Statewide mill value per elementary ANB" or "statewide mill value per high school ANB", for
12 school retirement guaranteed tax base purposes, means the sum of the taxable valuation in the previous year
13 of all property in the state, multiplied by 121% and divided by 1,000, with the quotient divided by the total state
14 elementary ANB count or the total state high school ANB amount used to calculate the elementary school
15 districts' and high school districts' prior year total per-ANB entitlement amounts."

17 NEW SECTION. Section 2. Appropriation. (1) The following money is appropriated from the state
18 general fund to the office of public instruction for the purposes of increased guaranteed tax base aid pursuant to
19 [section 1]:

20	Fiscal year 2022	\$10,245,460
21	Fiscal year 2023	\$10,439,655

22 (2) The legislature intends that the appropriation in fiscal year 2023 be considered as part of the
23 ongoing base for the BASE aid appropriation for the next legislative session.

25 COORDINATION SECTION. Section 3. Coordination instruction. If both House Bill No. 303 and
26 [this act] are passed and approved, and if both contain a section amending 20-9-366, then the sections
27 amending 20-9-366 are void and 20-9-366 must be amended as follows:

28 **"20-9-366. Definitions.** As used in 20-9-366 through 20-9-371, the following definitions apply:

Amendment - Reference

1 (1) "County retirement mill value per elementary ANB" or "county retirement mill value per high school
2 ANB" means the sum of the taxable valuation in the previous year of all property in the county divided by 1,000,
3 with the quotient divided by the total county elementary ANB count or the total county high school ANB count
4 used to calculate the elementary school districts' and high school districts' prior year total per-ANB entitlement
5 amounts.

6 (2) (a) "District guaranteed tax base ratio" for guaranteed tax base funding for the BASE budget of an
7 eligible district means the taxable valuation in the previous year of all property in the district, except for property
8 value disregarded because of protested taxes under 15-1-409(2) or property subject to the creation of a new
9 school district under 20-6-326, divided by the district's prior year GTBA budget area.

10 (b) "District mill value per ANB", for school facility entitlement purposes, means the taxable valuation
11 in the previous year of all property in the district, except for property subject to the creation of a new school
12 district under 20-6-326, divided by 1,000, with the quotient divided by the ANB count of the district used to
13 calculate the district's prior year total per-ANB entitlement amount.

14 (3) "Facility guaranteed mill value per ANB", for school facility entitlement guaranteed tax base
15 purposes, means the sum of the taxable valuation in the previous year of all property in the state, multiplied by
16 140% and divided by 1,000, with the quotient divided by the total state elementary ANB count or the total state
17 high school ANB count used to calculate the elementary school districts' and high school districts' prior year
18 total per-ANB entitlement amounts.

19 (4) "Guaranteed tax base aid budget area" or "GTBA budget area" means the portion of a district's
20 BASE budget after the following payments are subtracted:

21 (a) direct state aid;

22 (b) the total data-for-achievement payment;

23 (c) the total quality educator payment;

24 (d) the total at-risk student payment;

25 (e) the total Indian education for all payment;

26 (f) the total American Indian achievement gap payment; and

27 (g) the state special education allowable cost payment.

28 (5) (a) EXCEPT AS PROVIDED IN SUBSECTION (6), "Statewide elementary guaranteed tax base ratio" or

Amendment - Reference

1 "statewide high school guaranteed tax base ratio", for guaranteed tax base funding for the BASE budget of an
2 eligible district, means the sum of the taxable valuation in the previous year of all property in the state,
3 multiplied by ~~193% for fiscal year 2018, 216% for fiscal year 2019, 224% for fiscal year 2020, and 232% for~~
4 ~~fiscal year 2024 and~~ 250% for fiscal year 2022 and ~~252%~~ 254% for fiscal year 2023 and each succeeding fiscal
5 year and divided by the prior year statewide GTBA budget area for the state elementary school districts or the
6 state high school districts. ~~The~~ FOR FISCAL YEAR 2024 AND SUBSEQUENT FISCAL YEARS, THE superintendent of
7 public instruction shall increase the multiplier in this subsection (5)(a) for fiscal years 2024 and subsequent
8 fiscal years as follows:

9 (i) FOR FISCAL YEARS 2024 THROUGH 2031, IF THE REVENUE TRANSFERRED TO THE STATE GENERAL FUND
10 PURSUANT TO 16-12-111 IN THE PRIOR FISCAL YEAR IS AT LEAST \$1 MILLION MORE THAN THE REVENUE TRANSFERRED
11 IN THE FISCAL YEAR 2 YEARS PRIOR, THEN:

12 (i) — divide 25% of the (A) MULTIPLY THE AMOUNT OF INCREASED revenue transferred to the state
13 general fund pursuant to 16-12-111 in the prior fiscal year ABOVE THE AMOUNT OF REVENUE TRANSFERRED IN THE
14 FISCAL YEAR 2 YEARS PRIOR BY 0.25, DIVIDE THE RESULTING PRODUCT by \$500,000, and round to the nearest whole
15 number; and

16 (ii) increase the multiplier in this subsection (5)(a) by (B) ADD the number derived in subsection
17 (5)(a)(i)(A) AS A PERCENTAGE POINT INCREASE TO:

18 (I) IF THE PRIOR YEAR WAS NOT AFFECTED BY A CONTINGENCY UNDER SUBSECTION (6), THE MULTIPLIER USED
19 FOR THE PRIOR FISCAL YEAR; OR

20 (II) IF THE PRIOR YEAR WAS AFFECTED BY A CONTINGENCY UNDER SUBSECTION (6), THE MULTIPLIER FOR THE
21 PRIOR FISCAL YEAR HAD THE PRIOR FISCAL YEAR NOT BEEN AFFECTED BY A CONTINGENCY UNDER SUBSECTION (6):

22 (ii) FOR FISCAL YEARS 2024 THROUGH 2031, IF THE REVENUE TRANSFERRED TO THE STATE GENERAL FUND
23 PURSUANT TO 16-12-111 IN THE PRIOR FISCAL YEAR IS LESS THAN \$1 MILLION MORE THAN THE REVENUE TRANSFERRED
24 IN THE FISCAL YEAR 2 YEARS PRIOR, THEN THE MULTIPLIER IS EQUAL TO:

25 (A) IF THE PRIOR YEAR WAS NOT AFFECTED BY A CONTINGENCY UNDER SUBSECTION (6), THE MULTIPLIER
26 USED FOR THE PRIOR FISCAL YEAR; OR

27 (B) IF THE PRIOR YEAR WAS AFFECTED BY A CONTINGENCY UNDER SUBSECTION (6), THE MULTIPLIER FOR THE
28 PRIOR FISCAL YEAR HAD THE PRIOR FISCAL YEAR NOT BEEN AFFECTED BY A CONTINGENCY UNDER SUBSECTION (6); AND

1 (III) FOR FISCAL YEARS 2032 AND SUBSEQUENT FISCAL YEARS, THE MULTIPLIER IS EQUAL TO THE MULTIPLIER
2 USED FOR FISCAL YEAR 2031.

3 (b) "Statewide mill value per elementary ANB" or "statewide mill value per high school ANB", for
4 school retirement guaranteed tax base purposes, means the sum of the taxable valuation in the previous year
5 of all property in the state, multiplied by 121% and divided by 1,000, with the quotient divided by the total state
6 elementary ANB count or the total state high school ANB amount used to calculate the elementary school
7 districts' and high school districts' prior year total per-ANB entitlement amounts.

8 (6) THE GUARANTEED TAX BASE MULTIPLIER UNDER SUBSECTION (5)(A) MUST BE REDUCED BY ~~2~~ 4
9 PERCENTAGE POINTS FOLLOWING CERTIFICATION BY THE BUDGET DIRECTOR OF A CONTINGENCY PURSUANT TO [HOUSE
10 BILL NO. 303]:

- 11 (A) FOR FISCAL YEAR 2023 IF THE CERTIFICATION IS MADE DURING CALENDAR YEAR 2021;
- 12 (B) FOR FISCAL YEAR 2024 IF THE CERTIFICATION IS MADE DURING CALENDAR YEAR 2022;
- 13 (C) FOR FISCAL YEAR 2025 IF THE CERTIFICATION IS MADE DURING CALENDAR YEAR 2023; AND
- 14 (D) FOR FISCAL YEAR 2026 IF THE CERTIFICATION IS MADE DURING CALENDAR YEAR 2024."

17 COORDINATION SECTION. Section 4. Coordination instruction. If both House Bill No. 303 and
18 [this act] are passed and approved, then [section 2 of this act] is void and must be replaced with:

19 "NEW SECTION. Appropriation. (1) The following money is appropriated from the state general
20 fund to the office of public instruction for the purposes of increased guaranteed tax base aid pursuant to
21 [section 3]:

22	Fiscal year 2022	\$10,245,460
23	Fiscal year 2023	\$12,889,751

24 (2) The legislature intends that the appropriation in fiscal year 2023 be considered as part of the
25 ongoing base for the BASE aid appropriation for the next legislative session."

27 NEW SECTION. Section 5. Effective date. [This act] is effective on passage and approval.

28 - END -