

Amendment - 1st Reading/2nd House-blue - Requested by: Mike Hopkins - (S) State Administration

- 2023

68th Legislature 2023

Drafter: Pad McCracken, 406-444-3595

HB0774.002.002

1 HOUSE BILL NO. 774
2 INTRODUCED BY M. HOPKINS
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING ELECTION LAWS; ESTABLISHING A
5 SCHOOL ELECTION INCENTIVE PILOT PROGRAM FOR COUNTIES TO ADMINISTER SCHOOL
6 ELECTIONS; PROVIDING GRANTS TO PARTICIPATING COUNTIES; EXEMPTING PARTICIPATING
7 SCHOOL DISTRICTS FROM BEING CHARGED ELECTION COSTS; REQUIRING ALL ELECTIONS TO BE
8 HELD IN EVEN-NUMBERED YEARS AND PROVIDING EXCEPTIONS; REQUIRING ALL ELECTIONS TO BE
9 HELD ON PRIMARY DAY OR GENERAL ELECTION DAY AND PROVIDING EXCEPTIONS; REQUIRING
10 COUNTY ELECTION ADMINISTRATORS TO ADMINISTER ALL ELECTIONS; REVISING DEFINITIONS;
11 CHANGING TERM LENGTHS TO ALIGN WITH THE REVISED ELECTION SCHEDULE; REVISING
12 TIMELINES AND OTHER PROVISIONS RELATED TO SCHOOL ELECTION CANDIDATE FILING,
13 CANDIDATE WITHDRAWAL, WRITE-IN CANDIDATES, TRUSTEES CALLING ELECTIONS, ELECTION
14 ACCLAMATION, AND CERTIFICATE OF ELECTION; REVISING RESIDENCY REQUIREMENTS FOR
15 SCHOOL ELECTION JUDGES; PROVIDING AN APPROPRIATION; AMENDING SECTIONS 3-6-201, 7-4-
16 2611, 7-5-132, 7-6-1504, 7-6-1536, 7-6-1542, 7-6-4431, ~~7-11-1003, 7-11-1011, 7-11-1012, 7-11-1013,~~ 7-12-
17 4243, 7-13-2208, 7-13-2210, 7-13-2341, 7-13-2342, 7-13-2352, 7-13-4512, 7-13-4535, 7-14-210, 7-14-1106, 7-
18 14-1134, 7-14-1632, 7-14-1633, 7-14-4642, 7-15-4218, 7-15-4408, 7-16-2102, 7-31-106, 7-31-107, 7-31-109,
19 ~~7-33-2106,~~ 7-34-2109, 7-34-2110, 7-34-2414, 13-1-101, 13-1-104, 13-1-106, 13-1-107, 13-1-203, 13-1-204, 13-
20 1-301, 13-1-302, 13-1-405, 13-1-504, 13-2-304, 13-10-211, 13-13-205, 13-13-222, 13-16-205, 13-37-126, 15-
21 10-425, 16-12-301, 16-12-311, 20-1-101, 20-3-106, 20-3-302, 20-3-305, 20-3-306, 20-3-307, 20-3-313, 20-3-
22 321, 20-3-324, 20-3-362, 20-4-401, 20-6-326, 20-6-422, 20-6-423, 20-6-504, 20-6-506, 20-6-603, 20-6-621, 20-
23 6-704, 20-9-115, 20-9-131, 20-9-208, 20-9-306, 20-9-308, 20-9-311, 20-9-313, 20-9-353, 20-9-405, 20-9-406,
24 20-9-422, 20-15-203, 20-15-208, 20-15-221, 20-15-404, 20-20-102, 20-20-104, 20-20-105, 20-20-107, 20-20-
25 108, 20-20-109, 20-20-201, 20-20-417, 76-5-1106, 76-15-207, 76-15-303, 76-15-304, 76-15-506, 76-15-531,
26 76-15-605, 76-15-702, 76-15-805, ~~85-6-105, 85-6-106, 85-7-1602, 85-7-1702, 85-7-1703, 85-7-1712, 85-7-~~
27 1974, ~~85-7-2013,~~ 85-8-302, 85-8-624, AND 85-9-206, MCA; REPEALING SECTIONS 13-1-305, 13-1-503, 20-

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1 disclose to interested parties all school district student assessment data for a test required by the board of
2 public education;

3 (29) administer the distribution of guaranteed tax base aid in accordance with 20-9-366 through 20-
4 9-369; and

5 (30) perform any other duty prescribed from time to time by this title, any other act of the legislature,
6 or the policies of the board of public education."

7

8 **SECTION 53. SECTION 20-3-302, MCA, IS AMENDED TO READ:**

9 **"20-3-302. Legislative intent to elect less than majority of trustees.** (1) It is the intention of the
10 legislature that the terms of a majority of the trustee positions of any district with elected trustees may not
11 regularly expire and be subject to election on the same regular school election day. In elementary districts,
12 there may not be more than three trustee positions in first-class districts, two trustee positions in second-class
13 districts or third-class districts having five trustee positions, or one trustee position in third-class districts having
14 three trustee positions regularly subject to election at the same time. In high school districts there may not be
15 more than two additional trustee positions in first- or second-class districts or more than one in third-class
16 districts regularly subject to election at the same time. In county high school districts, there may not be more
17 than two trustee positions to be filled by members residing in the elementary district where the county high
18 school building is located or more than one trustee position to be filled by members residing outside of the
19 elementary district where the county high school building is located subject to election at the same time.

20 (2) In the following circumstances ~~relating to newly created trustee positions~~, the initial terms may
21 be shortened or, as provided in subsection (2)(f), lengthened, to comply with the intent of subsection (1):

22 (a) the consolidation under the provisions of 20-6-423 of two or more elementary districts to form
23 an elementary district, of two or more high school districts to form a high school district, or of two or more K-12
24 districts to form a K-12 district;

25 (b) the establishment of additional trustee positions of a high school district under the provisions of
26 20-3-353 or 20-3-354 or new trustee positions under the provisions of 20-3-352(3);

27 (c) the change of a district's classification under the provisions of 20-6-201 or 20-6-301;

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1 (d) the establishment of additional elementary trustee positions under the provisions of 20-3-
2 341(3); ~~or~~
3 (e) the establishment of additional high school trustee positions under the provisions of 20-6-313;
4 or
5 (f) the development and implementation of a transition plan from 3-year terms to 4-year terms
6 pursuant to [this act]. The trustees shall, no later than August 1, 2024, adjust the terms of each trustee serving
7 by motion of the board to comply with subsection (1). The adjustment may be accomplished at the discretion of
8 the board by a combination of shortening and lengthening terms of trustees to accomplish the intent of this
9 section. As part of the transition plan, terms may not be shortened to less than 1 ~~year~~ general election cycle
10 and terms may not be lengthened by more than ~~3 years~~ 2 general election cycles. If a majority of the trustees
11 present and voting are unable to agree by majority vote on a transition plan, the term of each trustee must be
12 shortened and lengthened in alternating order, sorted alphabetically by last name with the first trustee's term
13 shortened and the second trustee's term lengthened and continuing in this pattern until the resulting terms meet
14 the intent of section (1).

15 (3) If the change of a district's classification under 20-6-201 or 20-6-301 decreases the number of
16 trustee positions, the positions must be eliminated in a manner that complies with the intent of subsection (1).

17 (4) Although the legislature intends that the terms of a majority of trustees of any district may not
18 regularly expire and be subject to election at the same time, it is recognized that filling a vacancy under 20-3-
19 308 may lead to a subsequent school election in which a majority of trustee positions are subject to election at
20 the same time."

21

22 **Section 54.** Section 20-3-305, MCA, is amended to read:

23 **"20-3-305. Candidate qualification, filing deadline, and withdrawal.** (1) Except as provided in 20-
24 3-338, any person who is qualified to vote in a district under the provisions of 20-20-301 is eligible for the office
25 of trustee.

26 (2) (a) Except as provided in subsection (2)(b), a declaration of intent to be a candidate must be
27 submitted to the clerk of the district, OR TO THE COUNTY ELECTION ADMINISTRATOR IF THE ELECTION IS BEING

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1 district during its last year of operations as a K-12 district will be prorated based on rules promulgated by the
2 superintendent of public instruction."

3

4 **SECTION 70. SECTION 20-9-115, MCA, IS AMENDED TO READ:**

5 **"20-9-115. Notice of final budget meeting.** ~~Between July 1 and August 10~~ May 1 and June 10 of
6 ~~each year, the clerk of each district shall publish one notice, in the local or county newspaper that the trustees~~
7 ~~of the district determine to be the newspaper with the widest circulation in the district, stating the date, time, and~~
8 ~~place that the trustees will meet for the purpose of considering and adopting the final budget of the district,~~
9 ~~stating that the meeting of the trustees may be continued from day to day until the final adoption of the district's~~
10 ~~budget, and stating that any taxpayer in the district may appear at the meeting and be heard for or against any~~
11 ~~part of the budget."~~

12

13 **Section 71. SECTION 20-9-131, MCA, IS AMENDED TO READ:**

14 **"20-9-131. Final budget meeting.** ~~(1) On or before August 20~~ June 20, on the date and at the time
15 ~~and place stated in the notice published pursuant to 20-9-115, the trustees of each district shall meet to~~
16 ~~consider all budget information and any attachments required by law.~~

17 ~~(2) The trustees may continue the meeting from day to day but shall adopt the final budget for the~~
18 ~~district and determine the amounts to be raised by tax levies for the district not later than August 25~~ June 25
19 ~~and before the computation of the general fund net levy requirement by the county superintendent and the~~
20 ~~fixing of the tax levies for each district. Any taxpayer in the district may attend any portion of the trustees'~~
21 ~~meeting and be heard on the budget of the district or on any item or amount contained in the budget.~~

22 ~~(3) Upon final approval, the trustees shall deliver the adopted budget, including the amounts to be~~
23 ~~raised by tax levies, to the county superintendent of schools within 3 days."~~

24

25 **Section 70. SECTION 20-9-208, MCA, IS AMENDED TO READ:**

26 **"20-9-208. Transfers among appropriation items of fund -- transfers from fund to fund. (1)**

27 Whenever it appears to the trustees of a district that the appropriated amount of an item of a budgeted fund of

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1 (3) Before a transfer can occur, the trustees shall hold a properly noticed hearing to accept public
2 comment on the transfer.

3 (3)(4) The trustees shall enter the authorized transfers upon the permanent records of the district.

4 (4)(5) The intent of this section is to increase the flexibility and efficiency of school districts without an
5 increase in local taxes. In furtherance of this intent, if transfers of funds are made from any school district fund
6 supported by a nonvoted levy, the district may not increase its nonvoted levy for the purpose of restoring the
7 amount of funds transferred."

8

9 **Section 73. SECTION 20-9-306, MCA, IS AMENDED TO READ:**

10 ~~"20-9-306. — Definitions. As used in this title, unless the context clearly indicates otherwise, the~~
11 ~~following definitions apply:~~

12 (1) ~~—"BASE" means base amount for school equity.~~

13 (2) ~~—"BASE aid" means:~~

14 (a) ~~—direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement~~
15 ~~for the general fund budget of a district;~~

16 (b) ~~—guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic~~
17 ~~entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and~~
18 ~~40% of the special education allowable cost payment;~~

19 (c) ~~—the total quality educator payment;~~

20 (d) ~~—the total at-risk student payment;~~

21 (e) ~~—the total Indian education for all payment;~~

22 (f) ~~—the total American Indian achievement gap payment;~~

23 (g) ~~—the total data for achievement payment; and~~

24 (h) ~~—the special education allowable cost payment.~~

25 (3) ~~—"BASE budget" means the minimum general fund budget of a district, which includes 80% of~~
26 ~~the basic entitlement, 80% of the total per-ANB entitlement, 100% of the total quality educator payment, 100%~~
27 ~~of the total at-risk student payment, 100% of the total Indian education for all payment, 100% of the total~~

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1 ~~American Indian achievement gap payment, 100% of the total data for achievement payment, and 140% of the~~
2 ~~special education allowable cost payment.~~

3 (4) ~~—"BASE budget levy" means the district levy in support of the BASE budget of a district, which~~
4 ~~may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366~~
5 ~~through 20-9-369.~~

6 (5) ~~—"BASE funding program" means the state program for the equitable distribution of the state's~~
7 ~~share of the cost of Montana's basic system of public elementary schools and high schools, through county~~
8 ~~equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in~~
9 ~~support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-~~
10 ~~321.~~

11 (6) ~~—"Basic entitlement" means:~~

12 (a) ~~— for each high school district:~~

13 (i) ~~— \$326,073 for fiscal year 2022 and \$334,453 for each succeeding fiscal year for school districts~~
14 ~~with an ANB of 800 or fewer; and~~

15 (ii) ~~— \$326,073 for fiscal year 2022 and \$334,453 for each succeeding fiscal year for school districts~~
16 ~~with an ANB of more than 800, plus \$16,304 for fiscal year 2022 and \$16,723 for each succeeding fiscal year~~
17 ~~for each additional 80 ANB over 800;~~

18 (b) ~~— for each elementary school district or K-12 district elementary program without an approved~~
19 ~~and accredited junior high school, 7th and 8th grade program, or middle school:~~

20 (i) ~~— \$54,344 for fiscal year 2022 and \$55,741 for each succeeding fiscal year for school districts or~~
21 ~~K-12 district elementary programs with an ANB of 250 or fewer; and~~

22 (ii) ~~— \$54,344 for fiscal year 2022 and \$55,741 for each succeeding fiscal year for school districts or~~
23 ~~K-12 district elementary programs with an ANB of more than 250, plus \$2,718 for fiscal year 2022 and \$2,788~~
24 ~~for each succeeding fiscal year for each additional 25 ANB over 250;~~

25 (c) ~~— for each elementary school district or K-12 district elementary program with an approved and~~
26 ~~accredited junior high school, 7th and 8th grade program, or middle school:~~

27 (i) ~~— for the district's kindergarten through grade 6 elementary program:~~

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1 ~~(A) — \$54,344 for fiscal year 2022 and \$55,741 for each succeeding fiscal year for school districts or~~
2 ~~K-12 district elementary programs with an ANB of 250 or fewer; and~~

3 ~~(B) — \$54,344 for fiscal year 2022 and \$55,741 for each succeeding fiscal year for school districts or~~
4 ~~K-12 district elementary programs with an ANB of more than 250, plus \$2,718 for fiscal year 2022 and \$2,788~~
5 ~~for each succeeding fiscal year for each additional 25 ANB over 250; and~~

6 ~~(ii) — for the district's approved and accredited junior high school, 7th and 8th grade programs, or~~
7 ~~middle school:~~

8 ~~(A) — \$108,690 for fiscal year 2022 and \$111,483 for each succeeding fiscal year for school districts~~
9 ~~or K-12 district elementary programs with combined grades 7 and 8 with an ANB of 450 or fewer; and~~

10 ~~(B) — \$108,690 for fiscal year 2022 and \$111,483 for each succeeding fiscal year for school districts~~
11 ~~or K-12 district elementary programs with combined grades 7 and 8 with an ANB of more than 450, plus \$5,434~~
12 ~~for fiscal year 2022 and \$5,574 for each succeeding fiscal year for each additional 45 ANB over 450.~~

13 ~~(7) — "Budget unit" means the unit for which the ANB of a district is calculated separately pursuant to~~
14 ~~20-9-311.~~

15 ~~(8) — "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB~~
16 ~~entitlement for the general fund budget of a district and funded with state and county equalization aid.~~

17 ~~(9) — "Maximum general fund budget" means a district's general fund budget amount calculated from~~
18 ~~the basic entitlement for the district, the total per-ANB entitlement for the district, the total quality educator~~
19 ~~payment, the total at-risk student payment, the total Indian education for all payment, the total American Indian~~
20 ~~achievement gap payment, the total data-for-achievement payment, and the greater of the district's special~~
21 ~~education allowable cost payment multiplied by:~~

22 ~~(a) — 175%; or~~

23 ~~(b) — the ratio, expressed as a percentage, of the district's special education allowable cost~~
24 ~~expenditures to the district's special education allowable cost payment for the fiscal year that is 2 years~~
25 ~~previous, with a maximum allowable ratio of 200%.~~

26 ~~(10) — "Over-BASE budget levy" means the district levy in support of any general fund amount~~
27 ~~budgeted that is above the BASE budget and below the maximum general fund budget for a district.~~

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1 ~~(11) — "Total American Indian achievement gap payment" means the payment resulting from~~
2 ~~multiplying \$223 for fiscal year 2022 and \$229 for each succeeding fiscal year times the number of American~~
3 ~~Indian students enrolled in the district as provided in 20-9-330.~~

4 ~~(12) — "Total at-risk student payment" means the payment resulting from the distribution of any funds~~
5 ~~appropriated for the purposes of 20-9-328.~~

6 ~~(13) — "Total data for achievement payment" means the payment provided in 20-9-325 resulting from~~
7 ~~multiplying \$21.73 for fiscal year 2022 and \$22.29 for each succeeding fiscal year by the district's ANB~~
8 ~~calculated in accordance with 20-9-311.~~

9 ~~(14) — "Total Indian education for all payment" means the payment resulting from multiplying \$22.70~~
10 ~~for fiscal year 2022 and \$23.28 for each succeeding fiscal year times the ANB of the district or \$100 for each~~
11 ~~district, whichever is greater, as provided for in 20-9-329.~~

12 ~~(15) — "Total per-ANB entitlement" means the district entitlement resulting from the following~~
13 ~~calculations and using either the current year ANB or the 3-year 5-year ANB provided for in 20-9-311:~~

14 ~~(a) — for a high school district or a K-12 district high school program, a maximum rate of \$7,443 for~~
15 ~~fiscal year 2022 and \$7,634 for each succeeding fiscal year for the first ANB, decreased at the rate of 50 cents~~
16 ~~per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess of 800 receiving~~
17 ~~the same amount of entitlement as the 800th ANB;~~

18 ~~(b) — for an elementary school district or a K-12 district elementary program without an approved and~~
19 ~~accredited junior high school, 7th and 8th grade program, or middle school, a maximum rate of \$5,813 for fiscal~~
20 ~~year 2022 and \$5,962 for each succeeding fiscal year for the first ANB, decreased at the rate of 20 cents per~~
21 ~~ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving~~
22 ~~the same amount of entitlement as the 1,000th ANB; and~~

23 ~~(c) — for an elementary school district or a K-12 district elementary program with an approved and~~
24 ~~accredited junior high school, 7th and 8th grade program, or middle school, the sum of:~~

25 ~~(i) — a maximum rate of \$5,813 for fiscal year 2022 and \$5,962 for each succeeding fiscal year for~~
26 ~~the first ANB for kindergarten through grade 6, decreased at the rate of 20 cents per ANB for each additional~~
27 ~~ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the~~

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1 ~~1,000th ANB; and~~

2 ~~(ii) a maximum rate of \$7,443 for fiscal year 2022 and \$7,634 for each succeeding fiscal year for~~
3 ~~the first ANB for grades 7 and 8, decreased at the rate of 50 cents per ANB for each additional ANB for grades~~
4 ~~7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the~~
5 ~~800th ANB.~~

6 ~~(16) "Total quality educator payment" means the payment resulting from multiplying \$3,385 for fiscal~~
7 ~~year 2022 and \$3,472 for each succeeding fiscal year by the sum of:~~

8 ~~(a) the number of full-time equivalent educators as provided in 20-9-327; and~~

9 ~~(b) as provided in 20-9-324, for a school district meeting the legislative goal for competitive base~~
10 ~~pay of teachers, the number of full-time equivalent teachers that were in the first 3 years of the teacher's~~
11 ~~teaching career in the previous year.~~

12 ~~(17) "Total special education allocation" means the state payment distributed pursuant to 20-9-321~~
13 ~~that is the greater of the amount resulting from multiplying \$287.93 for fiscal year 2022 and \$286.02 for each~~
14 ~~succeeding fiscal year by the statewide current year ANB or the amount of the previous year's total special~~
15 ~~education allocation."~~

17 **Section 71.** SECTION 20-9-308, MCA, IS AMENDED TO READ:

18 **"20-9-308. BASE budgets and general fund budget limits.** (1) (a) The trustees of a district shall
19 adopt a general fund budget that is at least equal to the BASE budget established for the district. Except as
20 provided in subsection (1)(b), the trustees of a district may adopt a general fund budget up to the greater of:

21 (i) the current year maximum general fund budget; or

22 (ii) the previous year's general fund budget plus any increase in ~~direct state aid for the basic and~~
23 ~~per-ANB entitlements and any increases in state funding of the data for achievement payment under 20-9-325~~
24 ~~and in the general fund payments in 20-9-327 through 20-9-330~~ state and over BASE levy funding of the basic
25 or per-ANB entitlements or of the general fund payments established in 20-9-327 through 20-9-330 to complete
26 the inflation-adjusted formula amounts approved by the legislature as part of the regular inflationary
27 adjustments to K-12 BASE aid calculated pursuant to 20-9-326 and as provided in 20-9-306 direct state aid for

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1 the basic and per-ANB entitlements and any increases in state funding of the data-for-achievement payment
2 under 20-9-325 and in the general fund payments in 20-9-327 through 20-9-330.

3 (b) When anticipated enrollment increases under 20-9-314 are not realized in the previous year,
4 the trustees may adopt a general fund budget up to the greater of:

5 (i) the current year maximum general fund budget; or

6 (ii) the previous year's adopted general fund budget recalculated to reflect the previous year's
7 actual enrollment pursuant to 20-9-314(6)(b) plus any increase in direct state aid for the basic and per-ANB
8 entitlements and any increases in state funding of the data-for-achievement payment under 20-9-325 and in the
9 general fund payments in 20-9-327 through 20-9-330.

10 (2) (a) Except as provided in subsection (2)(b), whenever the trustees of a district propose to adopt
11 a general fund budget that exceeds the BASE budget for the district and propose to increase the over-BASE
12 budget levy ~~over~~ above the greater of the limits specified in 20-9-353 or the highest revenue previously
13 authorized by the electors of the district or imposed by the district in any of the previous 5 years to support the
14 general fund budget, the trustees shall submit a proposition to the electors of the district, as provided in 20-9-
15 353.

16 (b) The intent of this section is to increase the flexibility and efficiency of elected school boards
17 without increasing school district property taxes. In furtherance of this intent and provided that budget
18 limitations otherwise specified in law are not exceeded, the trustees of a district may increase the district's over-
19 BASE budget levy without a vote if the board of trustees reduces nonvoted property tax levies authorized by
20 law to be imposed by action of the trustees of the district by at least as much as the amount by which the over-
21 BASE budget levy is increased. The ongoing authority for any nonvoted increase in the over-BASE budget levy
22 imposed under this subsection (2)(b) must be decreased in future years to the extent that the trustees of the
23 district impose any increase in other nonvoted property tax levies.

24 (3) The BASE budget for the district must be financed by the following sources of revenue:

25 (a) state equalization aid, as provided in 20-9-343, including any guaranteed tax base aid for which
26 the district may be eligible, as provided in 20-9-366 through 20-9-369;

27 (b) county equalization aid, as provided in 20-9-331 and 20-9-333;

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- 1 (c) a district levy for support of a school not approved as an isolated school under the provisions of
2 20-9-302;
- 3 (d) payments in support of special education programs under the provisions of 20-9-321;
- 4 (e) nonlevy revenue, as provided in 20-9-141; and
- 5 (f) a BASE budget levy on the taxable value of all property within the district.
- 6 (4) The over-BASE budget amount of a district must be financed by a levy on the taxable value of
7 all property within the district or other revenue available to the district, as provided in 20-9-141."
- 8

9 **Section 75. SECTION 20-9-311, MCA, IS AMENDED TO READ:**

10 **"20-9-311. — Calculation of average number belonging (ANB) -- 3-year 5-year averaging. (1)**

11 ~~Average number belonging (ANB) must be computed for each budget unit as follows:~~

12 ~~(a) — compute an average enrollment by adding a count of regularly enrolled pupils who were~~
13 ~~enrolled as of the first Monday in October of the prior school fiscal year to a count of regularly enrolled pupils on~~
14 ~~the first Monday in February of the prior school fiscal year or the next school day if those dates do not fall on a~~
15 ~~school day, and divide the sum by two; and~~

16 ~~(b) — multiply the average enrollment calculated in subsection (1)(a) by the sum of 180 and the~~
17 ~~approved pupil instruction-related days for the current school fiscal year and divide by 180.~~

18 ~~(2) — For the purpose of calculating ANB under subsection (1), up to 7 approved pupil instruction-~~
19 ~~related days may be included in the calculation.~~

20 ~~(3) — When a school district has approval to operate less than the minimum aggregate hours under~~
21 ~~20-9-806, the total ANB must be calculated in accordance with the provisions of 20-9-805.~~

22 ~~(4) — (a) Except as provided in subsection (4)(d), for the purpose of calculating ANB, enrollment in~~
23 ~~an education program:~~

24 ~~(i) — from 180 to 359 aggregate hours of pupil instruction per school year is counted as one-quarter-~~
25 ~~time enrollment;~~

26 ~~(ii) — from 360 to 539 aggregate hours of pupil instruction per school year is counted as half-time~~
27 ~~enrollment;~~

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1 ~~(iii) — from 540 to 719 aggregate hours of pupil instruction per school year is counted as three-~~
2 ~~quarter-time enrollment; and~~

3 ~~(iv) — 720 or more aggregate hours of pupil instruction per school year is counted as full-time~~
4 ~~enrollment.~~

5 ~~(b) — Except as provided in subsection (4)(d), enrollment in a program intended to provide fewer than~~
6 ~~180 aggregate hours of pupil instruction per school year may not be included for purposes of ANB.~~

7 ~~(c) — Enrollment in a self-paced program or course may be converted to an hourly equivalent based~~
8 ~~on the hours necessary and appropriate to provide the course within a regular classroom schedule.~~

9 ~~(d) — A school district may include in its calculation of ANB a pupil who is enrolled in a program~~
10 ~~providing fewer than the required aggregate hours of pupil instruction required under subsection (4)(a) or (4)(b)~~
11 ~~if the pupil has demonstrated proficiency in the content ordinarily covered by the instruction as determined by~~
12 ~~the school board using district assessments. The ANB of a pupil under this subsection (4)(d) must be converted~~
13 ~~to an hourly equivalent based on the hours of instruction ordinarily provided for the content over which the~~
14 ~~student has demonstrated proficiency.~~

15 ~~(e) — A pupil in kindergarten through grade 12 who is concurrently enrolled in more than one public~~
16 ~~school, program, or district may not be counted as more than one full-time pupil for ANB purposes.~~

17 ~~(5) — For a district that is transitioning from a half-time to a full-time kindergarten program, the state~~
18 ~~superintendent shall count kindergarten enrollment in the previous year as full-time enrollment for the purpose~~
19 ~~of calculating ANB for the elementary programs offering full-time kindergarten in the current year. For the~~
20 ~~purposes of calculating the 3-year 5-year ANB, the superintendent of public instruction shall count the~~
21 ~~kindergarten enrollment as one-half enrollment and then add the additional kindergarten ANB to the 3-year 5-~~
22 ~~year average ANB for districts offering full-time kindergarten.~~

23 ~~(6) — When a pupil has been absent, with or without excuse, for more than 10 consecutive school~~
24 ~~days, the pupil may not be included in the enrollment count used in the calculation of the ANB unless the pupil~~
25 ~~resumes attendance prior to the day of the enrollment count.~~

26 ~~(7) — (a) The enrollment of preschool pupils, as provided in 20-7-117, may not be included in the~~
27 ~~ANB calculations.~~

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- 1 ~~(b) — Except as provided in subsection (7)(c), a pupil who has reached 19 years of age by~~
2 ~~September 10 of the school year may not be included in the ANB calculations.~~
- 3 ~~(c) — A pupil with disabilities who is over 19 years of age and has not yet reached 21 years of age by~~
4 ~~September 10 of the school year and who is receiving special education services from a school district pursuant~~
5 ~~to 20-7-411(4)(a) may be included in the ANB calculations if:~~
- 6 ~~(i) — the student has not graduated;~~
- 7 ~~(ii) — the student is eligible for special education services and is likely to be eligible for adult services~~
8 ~~for individuals with developmental disabilities due to the significance of the student's disability; and~~
- 9 ~~(iii) — the student's individualized education program has identified transition goals that focus on~~
10 ~~preparation for living and working in the community following high school graduation since age 16 or the~~
11 ~~student's disability has increased in significance after age 16.~~
- 12 ~~(d) — A school district providing special education services pursuant to subsection (7)(c) is~~
13 ~~encouraged to collaborate with agencies and programs that serve adults with developmental disabilities in~~
14 ~~meeting the goals of a student's transition plan.~~
- 15 ~~(8) — The average number belonging of the regularly enrolled pupils for the public schools of a~~
16 ~~district must be based on the aggregate of all the regularly enrolled pupils attending the schools of the district,~~
17 ~~except that:~~
- 18 ~~(a) — the ANB is calculated as a separate budget unit when:~~
- 19 ~~(i) — a school of the district is located more than 20 miles beyond the incorporated limits of a city or~~
20 ~~town located in the district and at least 20 miles from any other school of the district, the number of regularly~~
21 ~~enrolled pupils of the school must be calculated as a separate budget unit for ANB purposes and the district~~
22 ~~must receive a basic entitlement for the school calculated separately from the other schools of the district;~~
- 23 ~~(ii) — a school of the district is located more than 20 miles from any other school of the district and~~
24 ~~incorporated territory is not involved in the district, the number of regularly enrolled pupils of the school must be~~
25 ~~calculated separately for ANB purposes and the district must receive a basic entitlement for the school~~
26 ~~calculated separately from the other schools of the district;~~
- 27 ~~(iii) — the superintendent of public instruction approves an application not to aggregate when~~

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- 1 ~~conditions exist affecting transportation, such as poor roads, mountains, rivers, or other obstacles to travel, or~~
2 ~~when any other condition exists that would result in an unusual hardship to the pupils of the school if they were~~
3 ~~transported to another school, the number of regularly enrolled pupils of the school must be calculated~~
4 ~~separately for ANB purposes and the district must receive a basic entitlement for the school calculated~~
5 ~~separately from the other schools of the district; or~~
- 6 ~~(iv) — two or more districts consolidate or annex under the provisions of 20-6-422 or 20-6-423, the~~
7 ~~ANB and the basic entitlements of the component districts must be calculated separately for a period of 3 years~~
8 ~~following the consolidation or annexation. Each district shall retain a percentage of its basic entitlement for 3~~
9 ~~additional years as follows:~~
- 10 ~~(A) — 75% of the basic entitlement for the fourth year;~~
11 ~~(B) — 50% of the basic entitlement for the fifth year; and~~
12 ~~(C) — 25% of the basic entitlement for the sixth year.~~
- 13 ~~(b) — when a junior high school has been approved and accredited as a junior high school, all of the~~
14 ~~regularly enrolled pupils of the junior high school must be considered as high school district pupils for ANB~~
15 ~~purposes;~~
- 16 ~~(c) — when a middle school has been approved and accredited, all pupils below the 7th grade must~~
17 ~~be considered elementary school pupils for ANB purposes and the 7th and 8th grade pupils must be considered~~
18 ~~high school pupils for ANB purposes; or~~
- 19 ~~(d) — when a school has been designated as nonaccredited by the board of public education~~
20 ~~because of failure to meet the board of public education's assurance and performance standards, the regularly~~
21 ~~enrolled pupils attending the nonaccredited school are not eligible for average number belonging calculation~~
22 ~~purposes, nor will an average number belonging for the nonaccredited school be used in determining the BASE~~
23 ~~funding program for the district.~~
- 24 ~~(9) — The district shall provide the superintendent of public instruction with semiannual reports of~~
25 ~~school attendance, absence, and enrollment for regularly enrolled students, using a format determined by the~~
26 ~~superintendent.~~
- 27 ~~(10) — (a) Except as provided in subsections (10)(b) and (10)(c), enrollment in a basic education~~

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1 ~~program provided by the district through any combination of onsite or offsite instruction may be included for~~
2 ~~ANB purposes only if the pupil is offered access to the complete range of educational services for the basic~~
3 ~~education program required by the accreditation standards adopted by the board of public education.~~

4 ~~(b) — Access to school programs and services for a student placed by the trustees in a private~~
5 ~~program for special education may be limited to the programs and services specified in an approved individual~~
6 ~~education plan supervised by the district.~~

7 ~~(c) — Access to school programs and services for a student who is incarcerated in a facility, other~~
8 ~~than a youth detention center, may be limited to the programs and services provided by the district at district~~
9 ~~expense under an agreement with the incarcerating facility.~~

10 ~~(d) — This subsection (10) may not be construed to require a school district to offer access to~~
11 ~~activities governed by an organization having jurisdiction over interscholastic activities, contests, and~~
12 ~~tournaments to a pupil who is not otherwise eligible under the rules of the organization.~~

13 ~~(11) — A district may include only, for ANB purposes, an enrolled pupil who is otherwise eligible under~~
14 ~~this title and who is:~~

15 ~~(a) — a resident of the district or a nonresident student admitted by trustees under a student~~
16 ~~attendance agreement and who is attending a school of the district;~~

17 ~~(b) — unable to attend school due to a medical reason certified by a medical doctor and receiving~~
18 ~~individualized educational services supervised by the district, at district expense, at a home or facility that does~~
19 ~~not offer an educational program;~~

20 ~~(c) — unable to attend school due to the student's incarceration in a facility, other than a youth~~
21 ~~detention center, and who is receiving individualized educational services supervised by the district, at district~~
22 ~~expense, at a home or facility that does not offer an educational program;~~

23 ~~(d) — receiving special education and related services, other than day treatment, under a placement~~
24 ~~by the trustees at a private nonsectarian school or private program if the pupil's services are provided at the~~
25 ~~district's expense under an approved individual education plan supervised by the district;~~

26 ~~(e) — participating in the running start program at district expense under 20-9-706;~~

27 ~~(f) — receiving educational services, provided by the district, using appropriately licensed district staff~~

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- 1 ~~at a private residential program or private residential facility licensed by the department of public health and~~
2 ~~human services;~~
- 3 ~~(g) — enrolled in an educational program or course provided at district expense using electronic or~~
4 ~~offsite delivery methods, including but not limited to tutoring, distance learning programs, online programs, and~~
5 ~~technology delivered learning programs, while attending a school of the district or any other nonsectarian offsite~~
6 ~~instructional setting with the approval of the trustees of the district. The pupil shall:~~
- 7 ~~(i) — meet the residency requirements for that district as provided in 1-1-215;~~
8 ~~(ii) — live in the district and must be eligible for educational services under the Individuals With~~
9 ~~Disabilities Education Act or under 29 U.S.C. 794; or~~
- 10 ~~(iii) — attend school in the district under a mandatory attendance agreement as provided in 20-5-321.~~
- 11 ~~(h) — a resident of the district attending the Montana youth challenge program or a Montana job~~
12 ~~corps program under an interlocal agreement with the district under 20-9-707.~~
- 13 ~~(12) — A district shall, for ANB purposes, calculate the enrollment of an eligible Montana youth~~
14 ~~challenge program participant as half-time enrollment.~~
- 15 ~~(13) — (a) A district may, for ANB purposes, include in the October and February enrollment counts an~~
16 ~~individual who is otherwise eligible under this title and who during the prior school year:~~
- 17 ~~(i) — resided in the district;~~
18 ~~(ii) — was not enrolled in the district or was not enrolled full time; and~~
19 ~~(iii) — completed an extracurricular activity with a duration of at least 6 weeks.~~
- 20 ~~(b) — (i) Except as provided in subsection (13)(b)(ii), each completed extracurricular activity under~~
21 ~~subsection (13)(a) may be counted as one-sixteenth enrollment for the individual, but under this subsection (13)~~
22 ~~the individual may not be counted as more than one full-time enrollment for ANB purposes.~~
- 23 ~~(ii) — Each completed extracurricular activity lasting longer than 18 weeks may be counted as one~~
24 ~~eighth enrollment.~~
- 25 ~~(c) — For the purposes of this section, "extracurricular activity" means:~~
- 26 ~~(i) — a sport or activity sanctioned by an organization having jurisdiction over interscholastic~~
27 ~~activities, contests, and tournaments;~~

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- 1 ~~(ii) — an approved career and technical student organization, pursuant to 20-7-306; or~~
2 ~~(iii) — a school theater production.~~
3 ~~(14) — (a) For an elementary or high school district that has been in existence for 3 years 5 years or~~
4 ~~more, the district's maximum general fund budget and BASE budget for the ensuing school fiscal year must be~~
5 ~~calculated using the current year ANB for all budget units or the 3-year 5-year average ANB for all budget units,~~
6 ~~whichever generates the greatest maximum general fund budget.~~
7 ~~(b) — For a K-12 district that has been in existence for 3 years or more, the district's maximum~~
8 ~~general fund budget and BASE budget for the ensuing school fiscal year must be calculated separately for the~~
9 ~~elementary and high school programs pursuant to subsection (14)(a) and then combined.~~
10 ~~(15) — The term "3-year ANB" "5-year ANB" means an average ANB over the most recent 3-year 5-~~
11 ~~year period, calculated by:~~
12 ~~(a) — adding the ANB for the budget unit for the ensuing school fiscal year to the ANB for each of the~~
13 ~~previous 2-4 school fiscal years; and~~
14 ~~(b) — dividing the sum calculated under subsection (15)(a) by three five."~~

16 **Section 72.** SECTION 20-9-313, MCA, IS AMENDED TO READ:

17 **"20-9-313. Circumstances under which regular average number belonging may be increased.**

- 18 (1) The average number belonging of a school, calculated in accordance with the ANB formula prescribed in
19 20-9-311, may be increased when:
20 (a) the opening of a new elementary school or the reopening of an elementary school has been
21 approved in accordance with 20-6-502. The average number belonging for the school must be established by
22 the county superintendent and approved, disapproved, or adjusted by the superintendent of public instruction.
23 (b) the opening or reopening of a high school or a branch of the county high school has been
24 approved in accordance with 20-6-503, or 20-6-504, or 20-6-505. The average number belonging for the high
25 school must be established by the county superintendent's estimate, after an investigation of the probable
26 number of pupils that will attend the high school.
27 (c) a district anticipates an increase in the average number belonging due to the closing of a

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1 private or public school in the district or a neighboring district. The estimated increase in average number
2 belonging must be established by the trustees and the county superintendent and approved, disapproved, or
3 adjusted by the superintendent of public instruction no later than the fourth Monday in June.

4 (d) a district anticipates an unusual enrollment increase in the ensuing school fiscal year. The
5 increase in average number belonging must be based on estimates of increased enrollment approved by the
6 superintendent of public instruction and must be computed in the manner prescribed by 20-9-314.

7 (e) for the initial year of operation of a kindergarten program established under 20-7-117(1), the
8 ANB to be used for budget purposes is:

9 (i) one-half the number of 5-year-old children residing in the district as of September 10 of the
10 preceding school year, either as shown on the official school census or as determined by some other procedure
11 approved by the superintendent of public instruction, for the purpose of implementing a half-time kindergarten
12 program as provided in 20-1-301; or

13 (ii) the number of 5-year-old children residing in the district as of September 10 of the preceding
14 school year, either as shown on the official school census or as determined by some other procedure approved
15 by the superintendent of public instruction, for the purpose of implementing a full-time kindergarten program as
16 provided in 20-1-301; or

17 (f) a high school district provides early graduation for a student who completes graduation
18 requirements in less than eight semesters or the equivalent amount of secondary school enrollment. The
19 increase must be established by the trustees as though the student had attended to the end of the school fiscal
20 year and must be approved, disapproved, or adjusted by the superintendent of public instruction.

21 (2) This section does not apply to the expansion of a half-time kindergarten program to a full-time
22 kindergarten program."

23

24 **Section 73. SECTION 20-9-353, MCA, IS AMENDED TO READ:**

25 **"20-9-353. Additional financing for general fund -- election for authorization to impose.** (1) The
26 trustees of a district may ~~propose to~~ adopt an over-BASE budget amount for the district general fund that does
27 not exceed the general fund budget limitations, as provided in 20-9-308.

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1 (2) (a) When the trustees of the district ~~propose to~~ adopt an over-BASE budget under subsection
2 (1), any increase in local property taxes authorized by 20-9-308(4) over revenue above the greater of the limits
3 computed under subsection (2)(b) or amounts previously authorized by the electors of the district or imposed by
4 the district in any of the previous 5 years must be submitted to a vote of the qualified electors of the district, as
5 provided in 15-10-425.

6 (b) The trustees are not required to submit to the qualified electors any increase in ~~state and over-~~
7 BASE levy funding of the basic ~~or and~~ per-ANB entitlements ~~or of the general fund payments established in 20-~~
8 ~~9-327 through 20-9-330~~ to complete the inflation-adjusted formula amounts approved by the legislature as part
9 of the regular inflationary adjustments to K-12 BASE aid calculated pursuant to 20-9-326 and as amended
10 adopted by the legislature and codified in 20-9-306.

11 (c) When the trustees of a district determine that a voted amount of financing above the greater of
12 the limit of subsections (2)(a) and (2)(b) is required for the general fund budget in applicable school fiscal years,
13 the trustees shall submit the proposition to finance the voted amount to the electors who are qualified under 20-
14 20-301 to vote upon the proposition at the next regular school election day. The proposition may be requested
15 for application to a maximum of 4 school fiscal years with approved increases implemented through tax
16 collections beginning the November following the election on the timing specified in 15-16-102.

17 (d) The proposition must specify each school fiscal year in which an increase above the limits of
18 subsections (2)(a) or (2)(b) is requested and must include the percentage point, expressed as a number
19 rounded to the nearest tenth, proposed by the trustees in excess of the greater of the limits of subsections
20 (2)(a) or (2)(b). The election must be called and conducted in the manner prescribed by this title for school
21 elections and must conform to the requirements of 15-10-425. The ballot for the election must conform to the
22 requirements of 15-10-425 and may describe general or specific purposes for which the increase in the levy is
23 requested.

24 (3) If the proposition on any additional financing for the general fund is approved by a majority vote
25 of the electors voting at the election, the proposition carries and the trustees may use any portion or all of the
26 authorized amount in adopting the final general fund budget for each school fiscal year to which the
27 authorization applies. The trustees shall certify any additional levy amount authorized by the election on the

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1 budget form that is submitted to the county superintendent, and the county commissioners shall levy the
2 authorized number of mills on the taxable value of all taxable property within the district, as prescribed in 20-9-
3 141.

4 (4) All Except as provided in 20-20-105(2), all levies adopted under this section must be
5 authorized by the election conducted before August 1 of the school fiscal year years for which it is effective.

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

10 **Section 74.** SECTION 20-9-405, MCA, IS AMENDED TO READ:

11 **"20-9-405. Proportional joint ownership -- disposition of money.** The facility constructed under
12 20-9-404 must be jointly owned by the school districts or other political subdivisions contributing to its
13 construction in proportion to the contribution of each political subdivision. ~~The sale or other disposition of a~~
14 ~~district's interest in the facility must be made in accordance with 20-6-604.~~ Money received from the sale or
15 disposition of a district's interest in a facility must be credited to the debt service fund, building fund, general
16 fund, or any combination of these three funds, at the discretion of the trustees."
17

18 **Section 79.** SECTION 20-9-406, MCA, IS AMENDED TO READ:

19 ~~**"20-9-406. Limitations on amount of bond issue -- definition of federal impact aid basic support**~~
20 ~~**payment -- oil and natural gas payment.** (1) (a) Except as provided in subsection (1)(c), the maximum~~
21 ~~amount for which an elementary district or a high school district may become indebted by the issuance of~~
22 ~~general obligation bonds, including all indebtedness represented by outstanding general obligation bonds of~~
23 ~~previous issues, registered warrants, outstanding obligations under 20-9-471, oil and natural gas revenue~~
24 ~~bonds to which a deficiency tax levy is pledged, and any other loans or notes payable that are held as general~~
25 ~~obligations of the district, is 100% of the taxable value of the property subject to taxation, as ascertained by the~~
26 ~~last assessment for state, county, and school taxes previous to the incurring of the indebtedness.~~

27 (b) ~~Except as provided in subsection (1)(c), the maximum amount for which a K-12 school district,~~

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1 ~~as formed pursuant to 20-6-701, may become indebted by the issuance of general obligation bonds, including~~
2 ~~all indebtedness represented by outstanding general obligation bonds of previous issues, registered warrants,~~
3 ~~outstanding obligations under 20-9-471, oil and natural gas revenue bonds to which a deficiency tax levy is~~
4 ~~pledged, and any other loans or notes payable that are held as general obligations of the district, regardless of~~
5 ~~whether the general obligation bonds finance elementary program improvements or high school program~~
6 ~~improvements, is the sum of 100% of the taxable value of the property in its elementary program subject to~~
7 ~~taxation and 100% of the taxable value of the property in its high school program subject to taxation, as~~
8 ~~ascertained by the last assessment for state, county, and school taxes previous to the incurring of the~~
9 ~~indebtedness.~~

10 ~~(c)——(i) Unless the maximum amount calculated under subsection (1)(a) yields a greater amount, the~~
11 ~~maximum amount for which an elementary district or a high school district with a district mill value per~~
12 ~~elementary ANB or per high school ANB that is less than the facility guaranteed mill value per elementary ANB~~
13 ~~or high school ANB under 20-9-366 may become indebted by the issuance of general obligation bonds,~~
14 ~~including all indebtedness represented by outstanding general obligation bonds of previous issues, registered~~
15 ~~warrants, outstanding obligations under 20-9-471, oil and natural gas revenue bonds to which a deficiency tax~~
16 ~~levy is pledged, and any other loans or notes payable that are held as general obligations of the district, is the~~
17 ~~corresponding facility guaranteed mill value per ANB times 1,000 times the ANB of the district. For a K-12~~
18 ~~district, unless the maximum amount calculated under subsection (1)(b) yields a greater amount, the maximum~~
19 ~~amount for which the district may become indebted is the sum of the facility guaranteed mill value per~~
20 ~~elementary ANB times 1,000 times the elementary ANB of the district and the facility guaranteed mill value per~~
21 ~~high school ANB times 1,000 times the high school ANB of the district. For the purpose of calculating ANB~~
22 ~~under this subsection, a district may use the greater of the current year ANB or the 3-year 5-year ANB~~
23 ~~calculated under 20-9-311.~~

24 ~~(ii)——If mutually agreed upon by the affected districts, for the purpose of calculating its maximum~~
25 ~~bonded indebtedness under this subsection (1)(c), a district may include the ANB of the district plus the number~~
26 ~~of students residing within the district for which the district or county pays tuition for attendance at a school in~~
27 ~~an adjacent district. The receiving district may not use out-of-district ANB for the purpose of calculating its~~

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1 ~~maximum indebtedness if the out-of-district ANB has been included in the ANB of the sending district pursuant~~
2 ~~to the mutual agreement. For the purpose of calculating ANB under this subsection, a district may use the~~
3 ~~greater of the current year ANB or the 3-year 5-year ANB calculated under 20-9-311.~~

4 ~~(2) — The maximum amounts determined in subsection (1) do not pertain to indebtedness imposed~~
5 ~~by special improvement district obligations or assessments against the school district or to general obligation~~
6 ~~bonds issued for the repayment of tax protests lost by the district. All general obligation bonds issued in excess~~
7 ~~of the amount are void, except as provided in this section.~~

8 ~~(3) — The maximum amount of impact aid revenue bonds that an elementary district, high school~~
9 ~~district, or K-12 school district may issue may not exceed a total aggregate amount equal to three times the~~
10 ~~average of the school district's annual federal impact aid basic support payments for the 5 years immediately~~
11 ~~preceding the issuance of the bonds. However, at the time of issuance of the bonds, the average annual~~
12 ~~payment of principal of and interest on the impact aid bonds each year may not exceed 35% of the total federal~~
13 ~~impact aid basic support payments of the school district for the current year.~~

14 ~~(4) — The maximum amount of oil and natural gas revenue bonds that an elementary district, high~~
15 ~~school district, or K-12 school district may issue may not exceed a total aggregate amount equal to three times~~
16 ~~the average of the school district's annual oil and natural gas production taxes received pursuant to 15-36-331,~~
17 ~~15-36-332, and 20-9-310 for the 2 fiscal years immediately preceding the issuance of the bonds. At the time of~~
18 ~~the issuance of the bonds, the average annual payment of principal of and interest on the oil and natural gas~~
19 ~~revenue bonds each year may not exceed 35% of the total oil and natural gas production taxes received by the~~
20 ~~school district under the limitations in 20-9-310 for the immediately preceding fiscal year. If the oil and natural~~
21 ~~gas revenue bonds are also secured by a deficiency tax levy as provided in 20-9-437, the debt limitation~~
22 ~~provided in subsection (1) of this section applies to the bonds.~~

23 ~~(5) — When the total indebtedness of a school district has reached the limitations prescribed in this~~
24 ~~section, the school district may pay all reasonable and necessary expenses of the school district on a cash~~
25 ~~basis in accordance with the financial administration provisions of this chapter.~~

26 ~~(6) — Whenever bonds are issued for the purpose of refunding bonds, any money to the credit of the~~
27 ~~debt service fund for the payment of the bonds to be refunded is applied toward the payment of the bonds and~~

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1 ~~the refunding bond issue is decreased accordingly.~~

2 ~~(7) — As used in this part, "federal impact aid basic support payment" means the annual impact aid~~
3 ~~revenue received by a district under 20 U.S.C. 7703(b) but excludes revenue received for impact aid special~~
4 ~~education under 20 U.S.C. 7703(d) and impact aid construction under 20 U.S.C. 7707."~~

5

6 **Section 75.** Section 20-9-422, MCA, is amended to read:

7 **"20-9-422. Additional requirements for trustees' resolution calling bond election.** (1) In addition
8 to the requirements for calling an election that are prescribed in 20-20-201 and 20-20-203, the trustees'
9 resolution calling a school district bond election must:

10 (a) specify whether the bonds will be general obligation bonds, oil and natural gas revenue bonds,
11 or impact aid revenue bonds and, if oil and natural gas revenue bonds, whether a tax deficiency is pledged to
12 the repayment of the bonds;

13 (b) fix the exact amount of the bonds proposed to be issued, which may be more or less than the
14 amounts estimated in a petition;

15 (c) fix the maximum number of years in which the proposed bonds would be paid;

16 (d) in the case of initiation by a petition, state the essential facts about the petition and its
17 presentation; and

18 (e) state the amount of the state advance for school facilities estimated, pursuant to subsection (2),
19 to be received by the district in the first school fiscal year in which a debt service payment would be due on the
20 proposed bonds.

21 (2) Prior to the adoption of the resolution calling for a school bond election for a general obligation
22 bond, the trustees of a district may request from the superintendent of public instruction a statement of the
23 estimated amount of state advance for school facilities that the district will receive for debt service payments on
24 the proposed general obligation bonds in the first school fiscal year in which a debt service payment is due. The
25 district shall provide the superintendent with an estimate of the debt service payment due in the first school
26 fiscal year. The superintendent shall estimate the state advance for the general obligation bond issue pursuant
27 to 20-9-371(2)."

Amendment - 1st Reading/2nd House-blue - Requested by: Mike Hopkins - (S) State Administration

- 2023

68th Legislature 2023

Drafter: Pad McCracken, 406-444-3595

HB0774.002.002

1

2 NEW SECTION. Section 102. Effective date DATES. [~~This act] is effective July 1, 2024 (1) EXCEPT AS~~

3 ~~PROVIDED IN SUBSECTION (2), [THIS ACT] IS EFFECTIVE JULY 1, 2024.~~

4 (2) [SECTIONS 1 AND ~~106 101~~] AND THIS SECTION ARE EFFECTIVE JULY 1, 2023.

5

6 NEW SECTION. Section 103. TERMINATION. [SECTION 1] TERMINATES JULY 1, 2024.

7

- END -