

1 HOUSE BILL NO. 818
2 INTRODUCED BY L. REKSTEN, L. JONES
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS RELATED TO FUNDING FOR
5 SCHOOL FACILITIES; CONSOLIDATING TWO EXISTING STATE SPECIAL REVENUE ACCOUNTS AND
6 THEIR VARIOUS REVENUE SOURCES AND PRIORITIZING THE FUNDING OF PROGRAMS; CHANGING
7 THE NATURAL RESOURCE DEVELOPMENT K-12 SCHOOL FACILITIES PAYMENT FROM A GENERAL
8 FUND APPROPRIATION TO A GENERAL FUND TRANSFER; REQUIRING SCHOOL DISTRICTS UTILIZING
9 STATE MAJOR MAINTENANCE AID TO PRIORITIZE LEAD REMEDIATION PROJECTS FOR FISCAL
10 YEARS 2024 THROUGH 2027; PROVIDING A STATUTORY APPROPRIATION; AMENDING SECTIONS 17-
11 5-703, 17-7-502, 20-6-702, 20-9-380, 20-9-502, 20-9-516, 20-9-525, 20-9-533, 20-9-622, AND 20-9-635, MCA;
12 REPEALING SECTION 20-9-534, MCA; AND PROVIDING EFFECTIVE DATES."

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

15
16 **Section 1.** Section 17-5-703, MCA, is amended to read:

17 **"17-5-703. (Temporary) Coal severance tax trust funds.** (1) The trust established under Article IX,
18 section 5, of the Montana constitution is composed of the following funds:

- 19 (a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal
20 severance tax must be deposited;
- 21 (b) a Montana coal endowment fund;
- 22 (c) a Montana coal endowment regional water system fund;
- 23 (d) a coal severance tax permanent fund;
- 24 (e) a coal severance tax income fund;
- 25 (f) a big sky economic development fund; and
- 26 (g) a school facilities fund.
- 27 (2) (a) The state treasurer shall determine, on July 1 of each year, the amount necessary to meet

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1 17-5-703; and

2 (d) the natural resource development K-12 school facilities payment as provided in 20-9-635.

3 (3) By the last working day of August, the superintendent of public instruction shall allocate \$1
4 million for school technology purposes to each district based on the ratio that each district's BASE budget bears
5 to the statewide BASE budget amount for all school districts for the purposes of 20-9-533.

6 ~~(3) If in any fiscal year the amount of revenue in the school facility and technology account is~~
7 ~~sufficient to fund debt service assistance without a proration reduction pursuant to 20-9-346(2)(b) and if in that~~
8 ~~same fiscal year the amount of revenue available in the school major maintenance aid account established in~~
9 ~~20-9-525 will result in a proration reduction in school major maintenance aid pursuant to 20-9-525(5) for that~~
10 ~~fiscal year, the state treasurer shall transfer any excess funds in the school facility and technology account to~~
11 ~~the school major maintenance aid account not to exceed the amount required to avoid a proration reduction."~~

12

13 **Section 7.** Section 20-9-525, MCA, is amended to read:

14 **"20-9-525. School major maintenance aid account -- formula.** (1) There is a school major
15 maintenance aid account in the state special revenue fund provided for in 17-2-102.

16 (2)(1) The purpose of the account is to provide, contingent on appropriation from the legislature,
17 funding for school major maintenance aid as provided in subsection (3) for this section is to support school
18 facility projects, including the payment of principal and interest on obligations issued pursuant to 20-9-471 for
19 school facility projects, that support a basic system of free quality public elementary and secondary schools
20 under 20-9-309, including but not limited to:

21 (a) improvements to school and student safety and security as described in 20-9-236(1); and, For
22 school fiscal years 2024 through 2027, school districts shall prioritize safety improvements related to lead
23 remediation in consultation with the department of environmental quality.

24 (b) projects designed to produce operational efficiencies such as utility savings, reduced future
25 maintenance costs, improved utilization of staff, and enhanced learning environments for students, including
26 but not limited to projects addressing:

27 (i) roofing systems;

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- 1 (ii) heating, air-conditioning, and ventilation systems;
- 2 (iii) energy-efficient window and door systems and insulation;
- 3 (iv) plumbing systems;
- 4 (v) electrical systems and lighting systems;
- 5 (vi) information technology infrastructure, including internet connectivity both within and to the
- 6 school facility; and
- 7 (vii) other critical repairs to an existing school facility or facilities.
- 8 ~~(3)(2)~~ (a) In any year in which the legislature has appropriated funds for distribution from the school
- 9 major maintenance aid account, the The superintendent of public instruction shall administer the distribution of
- 10 school major maintenance aid ~~from the school major maintenance aid account~~ from the school facility and
- 11 technology account as provided in 20-9-516 for deposit in the subfund of the building reserve fund provided for
- 12 in 20-9-502(3)(e). Subject to proration under subsection ~~(5)~~ (4) of this section, aid must be annually distributed
- 13 no later than the last working day of May to a school district imposing a levy pursuant to 20-9-502(3) in the
- 14 current school fiscal year, with the amount of state support per dollar of local effort of the applicable elementary
- 15 and high school program of each district determined as follows:
- 16 (i) using the taxable valuation most recently determined by the department of revenue under 20-9-
- 17 369:
- 18 (A) divide the total statewide taxable valuation by the statewide total of school major maintenance
- 19 amounts and multiply the result by 187%;
- 20 (B) multiply the result determined under subsection ~~(3)(2)(a)(i)(A)~~ by the district's school major
- 21 maintenance amount;
- 22 (C) subtract the district's taxable valuation from the amount determined under subsection ~~(3)~~
- 23 (2)(a)(i)(B); and
- 24 (D) divide the amount determined under subsection ~~(3)(2)(a)(i)(C)~~ by 1,000;
- 25 (ii) determine the greater of the amount determined in subsection ~~(3)(2)(a)(i)~~ or 18% of the
- 26 district's mill value;
- 27 (iii) multiply the result determined under subsection ~~(3)(2)(a)(ii)~~ by the district's school major

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1 maintenance amount, then divide the product by the sum of the result determined under subsection ~~(3)(2)~~(a)(ii)
2 and the district's mill value; and

3 (iv) divide the result determined under subsection ~~(3)(2)~~(a)(iii) by the difference resulting from
4 subtracting the result determined under subsection ~~(3)(2)~~(a)(iii) from the district's school major maintenance
5 amount.

6 (b) For a district with an adopted general fund budget in the prior year greater than or equal to
7 97% of the district's general fund maximum budget in the prior year, the amount determined in subsection
8 ~~(3)(2)~~(a)(iv) rounded to the nearest cent is the amount of school major maintenance aid per dollar of local effort,
9 not to exceed an amount that would result in the state aid composing more than 80% of the district's school
10 major maintenance amount.

11 (c) For a district with an adopted general fund budget in the prior year less than 97% of the
12 district's maximum budget in the prior year, multiply the amount determined in subsection ~~(3)(2)~~(a)(iv) by the
13 ratio of the district's adopted general fund budget in the prior year to the district's maximum general fund budget
14 in the prior year. The result, rounded to the nearest cent, is the amount of state school major maintenance aid
15 per dollar of local effort, not to exceed an amount that would result in the state aid composing more than 80% of
16 the district's school major maintenance amount.

17 ~~(4)(3)~~ Using the taxable valuation most recently determined by the department of revenue under 20-
18 9-369, the superintendent shall provide school districts with a preliminary estimated amount of state school
19 major maintenance aid per dollar of local effort for the ensuing school year no later than March 1 and a final
20 amount for the current school year no later than July 31.

21 ~~(5)(4)~~ If the appropriation from or the available funds in the school major maintenance aid facility and
22 technology account provided for in 20-9-516 in any school fiscal year are less than the amount of major
23 maintenance aid for which school districts would otherwise qualify, the superintendent of public instruction shall
24 proportionally prorate the aid distributed to ensure that the distributions do not exceed the ~~appropriated or~~
25 available funds.

26 ~~(6)~~ If in any fiscal year the amount of revenue in the school major maintenance aid account is
27 sufficient to fund school major maintenance aid without a proration reduction pursuant to subsection (5) and if in

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1 ~~that same fiscal year the amount of revenue available in the school facility and technology account established~~
2 ~~in 20-9-516 will result in a proration reduction in debt service assistance pursuant to 20-9-346(2)(b) for that~~
3 ~~fiscal year, the state treasurer shall transfer any excess funds in the school major maintenance aid account to~~
4 ~~the school facility and technology account, not to exceed the amount required to avoid a proration reduction.~~

5 (7)(5) For the purposes of this section, the following definitions apply:

6 (a) "Local effort" means an amount of money raised by levying no more than 10 mills pursuant to
7 20-9-502(3) and, provided that 10 mills have been levied, any additional amount of money deposited or
8 transferred by trustees to the subfund pursuant to 20-9-502(3).

9 (b) "School major maintenance amount" means the sum of \$15,000 and the product of \$110
10 multiplied by the district's budgeted ANB for the prior fiscal year."
11

12 **Section 8.** Section 20-9-533, MCA, is amended to read:

13 **"20-9-533. Technology acquisition and depreciation fund -- limitations.** (1) The trustees of a
14 district may establish a technology acquisition and depreciation fund for school district expenditures incurred
15 for:

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

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

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

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

26 (a) the state money received for school technology purposes under 20-9-534 20-9-516; and

27 (b) other local, state, private, and federal funds received for the purpose of funding technology or