

1 HOUSE BILL NO. 212

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6
 7 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE CLASS EIGHT BUSINESS EQUIPMENT TAX
 8 EXEMPTION; PROVIDING A REIMBURSEMENT TO LOCAL GOVERNMENTS AND TAX INCREMENT
 9 FINANCING DISTRICTS UNDER THE ENTITLEMENT SHARE PROGRAM, TO SCHOOL DISTRICTS
 10 THROUGH GUARANTEED TAX BASE AID, AND TO THE MONTANA UNIVERSITY SYSTEM FOR THE
 11 LOSS OF REVENUE; AMENDING SECTIONS 15-1-123, 15-6-138, 15-10-420, AND 20-9-366, MCA;
 12 AMENDING SECTIONS 12 AND 13, CHAPTER 506, LAWS OF 2021; REPEALING SECTIONS 2, 6, 7, 8, AND
 13 14, CHAPTER 506, LAWS OF 2021; AND PROVIDING AN APPLICABILITY DATE."

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

16
 17 **Section 1.** Section 15-1-123, MCA, is amended to read:

18 "~~15-1-123. (Temporary) Reimbursement for class eight rate reduction and exemption --~~
 19 ~~distribution -- appropriations.~~ (1) Except as provided in subsection (2), for the tax rate reductions in 15-6-
 20 138(3), the increased exemption amount in 15-6-138(4), the effective tax rate reductions on property under 15-
 21 6-145 because of the rate reductions required by the amendments of 15-6-138 in section 2, Chapter 411, Laws
 22 of 2011, and section 2, Chapter 396, Laws of 2013, and the effective tax rate reductions on property under 15-
 23 6-145 because of the increased exemption amount required by the amendment of 15-6-138 in section 2,
 24 Chapter 396, Laws of 2013, the department shall reimburse each local government, as defined in 15-1-121(5),
 25 each tax increment financing district, and the 6-mill university levy for the purposes of 15-10-109 the difference
 26 between property tax collections under 15-6-138 as amended by section 2, Chapter 411, Laws of 2011, and
 27 section 2, Chapter 396, Laws of 2013, and under 15-6-145 and the property tax revenue that would have been
 28 collected under 15-6-138 and 15-6-145 if 15-6-138 had not been amended by section 2, Chapter 411, Laws of

1 2011, and section 2, Chapter 396, Laws of 2013. The difference plus the amount calculated in subsection (2) is
2 the annual reimbursable amount for each local government, each tax increment financing district, and the 6-mill
3 levy for the support of the Montana university system under 15-10-109.

4 (2) ~~For the increased exemption amount in 15-6-138(4) provided for in Chapter 506, Laws of 2021,~~
5 ~~the department shall reimburse each local government, as defined in 15-1-121(5), each tax increment financing~~
6 ~~district, and the 6-mill university levy for the purposes of 15-10-109 the difference between property tax~~
7 ~~collections that would have been collected under 15-6-138 as amended by Chapter 506, Laws of 2021 and the~~
8 ~~property tax revenue that would have been collected under 15-6-138 if it had not been amended by Chapter~~
9 ~~506, Laws of 2021. The difference calculated in this subsection is added to the annual reimbursable amount for~~
10 ~~each local government, each tax increment financing district, and the 6-mill levy for the support of the Montana~~
11 ~~university system under 15-10-109 calculated in subsection (1). The department shall lower the reimbursement~~
12 ~~to compensate for an increase in property tax collections based on section 14, Chapter 506, Laws of 2021,~~
13 ~~during any tax year in which an increase in value occurs by the termination of an exemption due to the~~
14 ~~American Rescue Plan Act, Public Law 117-2, and section 14, Chapter 506, Laws of 2021.~~

15 (3) ~~The growth rate applied to the reimbursements is:~~

16 (a) ~~for the reimbursement calculated pursuant to subsection (1), one-half of the average rate of~~
17 ~~inflation for the prior 3 years; and~~

18 (b) ~~for the reimbursement calculated pursuant to subsection (2), 0%.~~

19 (4) ~~The department shall distribute the reimbursements calculated in subsections (1) and (2) to local~~
20 ~~governments with the entitlement share payments under 15-1-121(7).~~

21 (5) ~~The amount determined under subsections (1) and (2) for each tax increment financing district~~
22 ~~must be added to the reimbursement amount for the tax increment financing district as provided in 15-1-~~
23 ~~121(8)(b) if the tax increment financing district is still in existence. If a tax increment financing district that is~~
24 ~~entitled to a reimbursement under this section is not listed under 15-1-121(8)(b), the reimbursement must be~~
25 ~~made to that tax increment financing district at the same time as other districts.~~

26 (6) (a) ~~The amount determined under subsections (1) and (2) for the 6-mill university levy must be~~
27 ~~added to current collections and reimbursements for the support of the Montana university system as provided~~
28 ~~in 15-10-109.~~

1 ~~(b) The department of administration shall transfer the amount determined under this subsection (6)~~
 2 ~~from the general fund to the state special revenue fund for the support of the Montana university system as~~
 3 ~~provided in 15-10-109. (Terminates December 31, 2025 -- sec. 13(5), Ch. 506, L. 2021.)~~

4 **15-1-123. (Effective January 1, 2026) Reimbursement for class eight rate reduction and**
 5 **exemption -- distribution -- appropriations.** (1) Except as provided in subsection (2), for the tax rate
 6 reductions in 15-6-138(3), the increased exemption amount in 15-6-138(4), the effective tax rate reductions on
 7 property under 15-6-145 because of the rate reductions required by the amendments of 15-6-138 in section 2,
 8 Chapter 411, Laws of 2011, and section 2, Chapter 396, Laws of 2013, and the effective tax rate reductions on
 9 property under 15-6-145 because of the increased exemption amount required by the amendment of 15-6-138
 10 in section 2, Chapter 396, Laws of 2013, the department shall reimburse each local government, as defined in
 11 15-1-121(5), each tax increment financing district, and the 6-mill university levy for the purposes of 15-10-109
 12 the difference between property tax collections under 15-6-138 as amended by section 2, Chapter 411, Laws of
 13 2011, and section 2, Chapter 396, Laws of 2013, and under 15-6-145 and the property tax revenue that would
 14 have been collected under 15-6-138 and 15-6-145 if 15-6-138 had not been amended by section 2, Chapter
 15 411, Laws of 2011, and section 2, Chapter 396, Laws of 2013. The difference plus the amount calculated in
 16 subsection (2) is the annual reimbursable amount for each local government, each tax increment financing
 17 district, and the 6-mill levy for the support of the Montana university system under 15-10-109.

18 (2) For the increased exemption amount in 15-6-138(4) provided for in Chapter 506, Laws of 2021,
 19 and [this act], the department shall reimburse each local government, as defined in 15-1-121(5), each tax
 20 increment financing district, and the 6-mill university levy for the purposes of 15-10-109 the difference between
 21 property tax collections that would have been collected under 15-6-138 as amended by Chapter 506, Laws of
 22 2021, and [this act] and the property tax revenue that would have been collected under 15-6-138 if it had not
 23 been amended by Chapter 506, Laws of 2021. The difference calculated in this subsection is added to the
 24 annual reimbursable amount for each local government, each tax increment financing district, and the 6-mill
 25 levy for the support of the Montana university system under 15-10-109 calculated in subsection (1).

26 (3) The growth rate applied to the reimbursements is:

27 (a) for the reimbursement calculated pursuant to subsection (1), one-half of the average rate of
 28 inflation for the prior 3 years; and

1 (b) for the reimbursement calculated pursuant to subsection (2), 0%.

2 (4) The department shall distribute the reimbursements calculated in subsections (1) and (2) to
3 local governments with the entitlement share payments under 15-1-121(7).

4 (5) The amount determined under subsections (1) and (2) for each tax increment financing district
5 must be added to the reimbursement amount for the tax increment financing district as provided in 15-1-
6 121(8)(b) if the tax increment financing district is still in existence. If a tax increment financing district that is
7 entitled to a reimbursement under this section is not listed under 15-1-121(8)(b), the reimbursement must be
8 made to that tax increment financing district at the same time as other districts.

9 (6) (a) The amount determined under subsections (1) and (2) for the 6-mill university levy must be
10 added to current collections and reimbursements for the support of the Montana university system as provided
11 in 15-10-109.

12 (b) The department of administration shall transfer the amount determined under this subsection
13 (6) from the general fund to the state special revenue fund for the support of the Montana university system as
14 provided in 15-10-109."

15

16 **Section 2.** Section 15-6-138, MCA, is amended to read:

17 "~~15-6-138. (Temporary) Class eight property -- description -- taxable percentage. (1) Class eight~~
18 ~~property includes:~~

19 ~~(a) all agricultural implements and equipment that are not exempt under 15-6-207 or 15-6-220;~~

20 ~~(b) all mining machinery, fixtures, equipment, tools that are not exempt under 15-6-219, and supplies~~
21 ~~except those included in class five under 15-6-135;~~

22 ~~(c) for oil and gas production, all:~~

23 ~~(i) machinery;~~

24 ~~(ii) fixtures;~~

25 ~~(iii) equipment, including flow lines and gathering lines, pumping units, oil field storage tanks, water~~
26 ~~storage tanks, water disposal injection pumps, gas compressor and dehydrator units, communication towers,~~
27 ~~gas metering shacks, treaters, gas separators, water flood units, and gas boosters, together with equipment~~
28 ~~that is skidable, portable, or movable;~~

1 ~~(iv) tools that are not exempt under 15-6-219; and~~

2 ~~(v) supplies except those included in class five;~~

3 ~~(d) all manufacturing machinery, fixtures, equipment, tools, except a certain value of hand-held tools~~
4 ~~and personal property related to space vehicles, ethanol manufacturing, and industrial dairies and milk~~
5 ~~processors as provided in 15-6-220, and supplies except those included in class five;~~

6 ~~(e) all goods and equipment that are intended for rent or lease, except goods and equipment that are~~
7 ~~specifically included and taxed in another class or that are rented under a purchase incentive rental program as~~
8 ~~defined in 15-6-202(4);~~

9 ~~(f) special mobile equipment as defined in 61-1-101;~~

10 ~~(g) furniture, fixtures, and equipment, except that specifically included in another class, used in~~
11 ~~commercial establishments as defined in this section;~~

12 ~~(h) x-ray and medical and dental equipment;~~

13 ~~(i) citizens band radios and mobile telephones;~~

14 ~~(j) radio and television broadcasting and transmitting equipment;~~

15 ~~(k) cable television systems;~~

16 ~~(l) coal and ore haulers;~~

17 ~~(m) theater projectors and sound equipment; and~~

18 ~~(n) all other property that is not included in any other class in this part, except that property that is~~
19 ~~subject to a fee in lieu of a property tax.~~

20 ~~(2) As used in this section, the following definitions apply:~~

21 ~~(a) "Coal and ore haulers" means nonhighway vehicles that exceed 18,000 pounds an axle and that~~
22 ~~are primarily designed and used to transport coal, ore, or other earthen material in a mining or quarrying~~
23 ~~environment.~~

24 ~~(b) "Commercial establishment" includes any hotel, motel, office, petroleum marketing station, or~~
25 ~~service, wholesale, retail, or food-handling business.~~

26 ~~(c) "Flow lines and gathering lines" means pipelines used to transport all or part of the oil or gas~~
27 ~~production from an oil or gas well to an interconnection with a common carrier pipeline as defined in 69-13-101,~~
28 ~~a pipeline carrier as defined in 49 U.S.C. 15102(2), or a rate-regulated natural gas transmission or oil~~

1 ~~transmission pipeline regulated by the public service commission or the federal energy regulatory commission.~~

2 ~~(3) Except as provided in 15-24-1402, class eight property is taxed at:~~

3 ~~(a) for the first \$6 million of taxable market value in excess of the exemption amount in subsection (4),~~
4 ~~1.5%; and~~

5 ~~(b) for all taxable market value in excess of \$6 million, 3%.~~

6 ~~(4) The first [\$300,000] of market value of class eight property of a person or business entity is~~
7 ~~exempt from taxation.~~

8 ~~(5) The gas gathering facilities of a stand-alone gas gathering company providing gas gathering~~
9 ~~services to third parties on a contractual basis, owning more than 500 miles of gas gathering lines in Montana,~~
10 ~~and centrally assessed in tax years prior to 2009 must be treated as a natural gas transmission pipeline subject~~
11 ~~to central assessment under 15-23-101. For purposes of this subsection, the gas gathering line ownership of all~~
12 ~~affiliated companies, as defined in section 1504(a) of the Internal Revenue Code, 26 U.S.C. 1504(a), must be~~
13 ~~aggregated for purposes of determining the 500-mile threshold. (Bracketed language is temporarily amended to~~
14 ~~"\$100,000" on occurrence of contingency for calendar years 2022, 2023, 2024, and 2025 until July 1, 2025--~~
15 ~~secs. 12(7) and 14, Ch. 506, L. 2021--see compiler's comment.)~~

16 **15-6-138. (Effective July 1, 2025) Class eight property -- description -- taxable percentage. (1)**

17 Class eight property includes:

18 (a) all agricultural implements and equipment that are not exempt under 15-6-207 or 15-6-220;

19 (b) all mining machinery, fixtures, equipment, tools that are not exempt under 15-6-219, and
20 supplies except those included in class five under 15-6-135;

21 (c) for oil and gas production, all:

22 (i) machinery;

23 (ii) fixtures;

24 (iii) equipment, including flow lines and gathering lines, pumping units, oil field storage tanks, water
25 storage tanks, water disposal injection pumps, gas compressor and dehydrator units, communication towers,
26 gas metering shacks, treaters, gas separators, water flood units, and gas boosters, together with equipment
27 that is skidable, portable, or movable;

28 (iv) tools that are not exempt under 15-6-219; and

- 1 (v) supplies except those included in class five;
- 2 (d) all manufacturing machinery, fixtures, equipment, tools, except a certain value of hand-held
3 tools and personal property related to space vehicles, ethanol manufacturing, and industrial dairies and milk
4 processors as provided in 15-6-220, and supplies except those included in class five;
- 5 (e) all goods and equipment that are intended for rent or lease, except goods and equipment that
6 are specifically included and taxed in another class or that are rented under a purchase incentive rental
7 program as defined in 15-6-202(4);
- 8 (f) special mobile equipment as defined in 61-1-101;
- 9 (g) furniture, fixtures, and equipment, except that specifically included in another class, used in
10 commercial establishments as defined in this section;
- 11 (h) x-ray and medical and dental equipment;
- 12 (i) citizens band radios and mobile telephones;
- 13 (j) radio and television broadcasting and transmitting equipment;
- 14 (k) cable television systems;
- 15 (l) coal and ore haulers;
- 16 (m) theater projectors and sound equipment; and
- 17 (n) all other property that is not included in any other class in this part, except that property that is
18 subject to a fee in lieu of a property tax.
- 19 (2) As used in this section, the following definitions apply:
- 20 (a) "Coal and ore haulers" means nonhighway vehicles that exceed 18,000 pounds an axle and
21 that are primarily designed and used to transport coal, ore, or other earthen material in a mining or quarrying
22 environment.
- 23 (b) "Commercial establishment" includes any hotel, motel, office, petroleum marketing station, or
24 service, wholesale, retail, or food-handling business.
- 25 (c) "Flow lines and gathering lines" means pipelines used to transport all or part of the oil or gas
26 production from an oil or gas well to an interconnection with a common carrier pipeline as defined in 69-13-101,
27 a pipeline carrier as defined in 49 U.S.C. 15102(2), or a rate-regulated natural gas transmission or oil
28 transmission pipeline regulated by the public service commission or the federal energy regulatory commission.

- 1 (3) Except as provided in 15-24-1402, class eight property is taxed at:
- 2 (a) for the first \$6 million of taxable market value in excess of the exemption amount in subsection
- 3 (4), 1.5%; and
- 4 (b) for all taxable market value in excess of \$6 million, 3%.
- 5 (4) The first ~~\$300,000~~ \$1 million of market value of class eight property of a person or business
- 6 entity is exempt from taxation.
- 7 (5) The gas gathering facilities of a stand-alone gas gathering company providing gas gathering
- 8 services to third parties on a contractual basis, owning more than 500 miles of gas gathering lines in Montana,
- 9 and centrally assessed in tax years prior to 2009 must be treated as a natural gas transmission pipeline subject
- 10 to central assessment under 15-23-101. For purposes of this subsection, the gas gathering line ownership of all
- 11 affiliated companies, as defined in section 1504(a) of the Internal Revenue Code, 26 U.S.C. 1504(a), must be
- 12 aggregated for purposes of determining the 500-mile threshold."

13

14 **Section 3.** Section 15-10-420, MCA, is amended to read:

15 **"15-10-420. Procedure for calculating levy.** (1) (a) Subject to the provisions of this section, a

16 governmental entity that is authorized to impose mills may impose a mill levy sufficient to generate the amount

17 of property taxes actually assessed in the prior year plus one-half of the average rate of inflation for the prior 3

18 years. The maximum number of mills that a governmental entity may impose is established by calculating the

19 number of mills required to generate the amount of property tax actually assessed in the governmental unit in

20 the prior year based on the current year taxable value, less the current year's newly taxable value, plus one-half

21 of the average rate of inflation for the prior 3 years.

22 (b) A governmental entity that does not impose the maximum number of mills authorized under

23 subsection (1)(a) may carry forward the authority to impose the number of mills equal to the difference between

24 the actual number of mills imposed and the maximum number of mills authorized to be imposed. The mill

25 authority carried forward may be imposed in a subsequent tax year.

26 (c) For the purposes of subsection (1)(a), the department shall calculate one-half of the average

27 rate of inflation for the prior 3 years by using the consumer price index, U.S. city average, all urban consumers,

28 using the 1982-84 base of 100, as published by the bureau of labor statistics of the United States department of

1 labor.

2 (2) A governmental entity may apply the levy calculated pursuant to subsection (1)(a) plus any
3 additional levies authorized by the voters, as provided in 15-10-425, to all property in the governmental unit,
4 including newly taxable property.

5 (3) (a) For purposes of this section, newly taxable property includes:

6 (i) annexation of real property and improvements into a taxing unit;

7 (ii) construction, expansion, or remodeling of improvements;

8 (iii) transfer of property into a taxing unit;

9 (iv) subdivision of real property; and

10 (v) transfer of property from tax-exempt to taxable status.

11 (b) Newly taxable property does not include an increase in value:

12 ~~(i) that arises because of an increase in the incremental value within a tax increment financing~~
13 ~~district; or~~

14 ~~(ii) caused by the termination of an exemption that occurs due to the American Rescue Plan Act,~~
15 ~~Public Law 117-2, and section 14, Chapter 506, Laws of 2021.~~

16 (4) (a) For the purposes of subsection (1), the taxable value of newly taxable property includes the
17 release of taxable value from the incremental taxable value of a tax increment financing district because of:

18 (i) a change in the boundary of a tax increment financing district;

19 (ii) an increase in the base value of the tax increment financing district pursuant to 7-15-4287; or

20 (iii) the termination of a tax increment financing district.

21 (b) If a tax increment financing district terminates prior to the certification of taxable values as
22 required in 15-10-202, the increment value is reported as newly taxable property in the year in which the tax
23 increment financing district terminates. If a tax increment financing district terminates after the certification of
24 taxable values as required in 15-10-202, the increment value is reported as newly taxable property in the
25 following tax year.

26 (c) For the purpose of subsection (3)(a)(ii), the value of newly taxable class four property that was
27 constructed, expanded, or remodeled property since the completion of the last reappraisal cycle is the current
28 year market value of that property less the previous year market value of that property.

1 (d) For the purpose of subsection (3)(a)(iv), the subdivision of real property includes the first sale
2 of real property that results in the property being taxable as class four property under 15-6-134 or as
3 nonqualified agricultural land as described in 15-6-133(1)(c).

4 (5) Subject to subsection (8), subsection (1)(a) does not apply to:

5 (a) school district levies established in Title 20; or

6 (b) a mill levy imposed for a newly created regional resource authority.

7 (6) For purposes of subsection (1)(a), taxes imposed do not include net or gross proceeds taxes
8 received under 15-6-131 and 15-6-132.

9 (7) In determining the maximum number of mills in subsection (1)(a), the governmental entity:

10 (a) may increase the number of mills to account for a decrease in reimbursements; and

11 (b) may not increase the number of mills to account for a loss of tax base because of legislative
12 action that is reimbursed under the provisions of 15-1-121(7).

13 (8) The department shall calculate, on a statewide basis, the number of mills to be imposed for
14 purposes of 15-10-109, 20-9-331, 20-9-333, 20-9-360, and 20-25-439. However, the number of mills calculated
15 by the department may not exceed the mill levy limits established in those sections. The mill calculation must
16 be established in tenths of mills. If the mill levy calculation does not result in an even tenth of a mill, then the
17 calculation must be rounded up to the nearest tenth of a mill.

18 (9) (a) The provisions of subsection (1) do not prevent or restrict:

19 (i) a judgment levy under 2-9-316, 7-6-4015, or 7-7-2202;

20 (ii) a levy to repay taxes paid under protest as provided in 15-1-402;

21 (iii) an emergency levy authorized under 10-3-405, 20-9-168, or 20-15-326;

22 (iv) a levy for the support of a study commission under 7-3-184;

23 (v) a levy for the support of a newly established regional resource authority;

24 (vi) the portion that is the amount in excess of the base contribution of a governmental entity's
25 property tax levy for contributions for group benefits excluded under 2-9-212 or 2-18-703;

26 (vii) a levy for reimbursing a county for costs incurred in transferring property records to an
27 adjoining county under 7-2-2807 upon relocation of a county boundary;

28 (viii) a levy used to fund the sheriffs' retirement system under 19-7-404(2)(b); or

1 (ix) a governmental entity from levying mills for the support of an airport authority in existence prior
 2 to May 7, 2019, regardless of the amount of the levy imposed for the support of the airport authority in the past.
 3 The levy under this subsection (9)(a)(ix) is limited to the amount in the resolution creating the authority.

4 (b) A levy authorized under subsection (9)(a) may not be included in the amount of property taxes
 5 actually assessed in a subsequent year.

6 (10) A governmental entity may levy mills for the support of airports as authorized in 67-10-402, 67-
 7 11-301, or 67-11-302 even though the governmental entity has not imposed a levy for the airport or the airport
 8 authority in either of the previous 2 years and the airport or airport authority has not been appropriated
 9 operating funds by a county or municipality during that time.

10 (11) The department may adopt rules to implement this section. The rules may include a method for
 11 calculating the percentage of change in valuation for purposes of determining the elimination of property, new
 12 improvements, or newly taxable value in a governmental unit. (~~Subsection (3)(b)(ii) terminates December 31,~~
 13 ~~2025--sec. 13(5), Ch. 506, L. 2021.~~)"

14

15 **Section 4.** 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
 18 school ANB" means the sum of the taxable valuation in the previous year of all property in the county divided by
 19 1,000, with the quotient divided by the total county elementary ANB count or the total county high school ANB
 20 count used to calculate the elementary school districts' and high school districts' prior year total per-ANB
 21 entitlement amounts.

22 (2) (a) "District guaranteed tax base ratio" for guaranteed tax base funding for the BASE budget of
 23 an eligible district means the taxable valuation in the previous year of all property in the district, except for
 24 property value disregarded because of protested taxes under 15-1-409(2) or property subject to the creation of
 25 a new 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
 27 valuation in the previous year of all property in the district, except for property subject to the creation of a new
 28 school district under 20-6-326, divided by 1,000, with the quotient divided by the ANB count of the district used

1 to 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) ~~Except as provided in subsection (6),~~ "Statewide elementary guaranteed tax base ratio" or
17 "statewide high school guaranteed tax base ratio", for guaranteed tax base funding for the BASE budget of an
18 eligible district, means the sum of the taxable valuation in the previous year of all property in the state,
19 multiplied by ~~250% for fiscal year 2022 and 254% for fiscal year 2023-2024~~ and by 255% 259% for fiscal year
20 2025 and each succeeding fiscal year and divided by the prior year statewide GTBA budget area for the state
21 elementary school districts or the state high school districts. For fiscal year 2024 and subsequent fiscal years,
22 the superintendent of public instruction shall increase the multiplier in this subsection (5)(a) as follows:

23 (i) for fiscal years 2024 through 2031, if the revenue transferred to the state general fund pursuant
24 to 16-12-111 in the prior fiscal year is at least \$1 million more than the revenue transferred in the fiscal year 2
25 years prior, then:

26 (A) multiply the amount of increased revenue transferred to the state general fund pursuant to 16-
27 12-111 in the prior fiscal year above the amount of revenue transferred in the fiscal year 2 years prior by 0.25,
28 divide the resulting product by \$500,000, and round to the nearest whole number; and

1 (B) add the number derived in subsection (5)(a)(i)(A) as a percentage point increase to:

2 ~~(I) if the prior year was not affected by a contingency under subsection (6), the multiplier used for the~~
3 ~~prior fiscal year; or~~

4 ~~(II) if the prior year was affected by a contingency under subsection (6), the multiplier for the prior fiscal~~
5 ~~year had the prior fiscal year not been affected by a contingency under subsection (6);~~

6 (ii) for fiscal years 2024 through 2031, if the revenue transferred to the state general fund pursuant
7 to 16-12-111 in the prior fiscal year is less than \$1 million more than the revenue transferred in the fiscal year 2
8 years prior, then the multiplier is equal to:

9 ~~(A) if the prior year was not affected by a contingency under subsection (6), the multiplier used for the~~
10 ~~prior fiscal year; ~~or~~ and~~

11 ~~(B) if the prior year was affected by a contingency under subsection (6), the multiplier for the prior~~
12 ~~fiscal year had the prior fiscal year not been affected by a contingency under subsection (6); and~~

13 (iii) for fiscal years 2032 and subsequent fiscal years, the multiplier is equal to the multiplier used
14 for fiscal year 2031.

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

20 ~~(6) The guaranteed tax base multiplier under subsection (5)(a) must be reduced by 4 percentage~~
21 ~~points following certification by the budget director of a contingency pursuant to Chapter 506, Laws of 2021:~~

22 ~~(a) for fiscal year 2023 if the certification is made during calendar year 2021;~~

23 ~~(b) for fiscal year 2024 if the certification is made during calendar year 2022;~~

24 ~~(c) for fiscal year 2025 if the certification is made during calendar year 2023; and~~

25 ~~(d) for fiscal year 2026 if the certification is made during calendar year 2024."~~

26

27 **Section 5.** Section 12, Chapter 506, Laws of 2021, is amended to read:

28 **"Section 12. Effective dates – applicability.** (1) Except as provided in ~~subsections (2) through (7)~~

1 subsection (2), [this act] is effective July 1, 2021.

2 ~~(2) [Section 3] is effective January 1, 2026.~~

3 ~~(3) [Section 4] is effective October 1, 2021, and applies to the tax year beginning after December 31,~~
4 ~~2021.~~

5 ~~(4)(2) [Section 5] is effective October 1, 2022, and applies to the tax year years beginning after~~
6 ~~December 31, 2022.~~

7 ~~(5) [Section 6] is effective October 1, 2023, and applies to the tax year beginning after December 31,~~
8 ~~2023.~~

9 ~~(6) [Section 7] is effective October 1, 2024, and applies to the tax year beginning after December 31,~~
10 ~~2024.~~

11 ~~(7) [Section 8] is effective July 1, 2025, and applies to the tax years beginning after December 31,~~
12 ~~2025."~~

13

14 **Section 6.** Section 13, Chapter 506, Laws of 2021, is amended to read:

15 **"Section 13. Termination.** ~~(1) [Section 4] terminates December 31, 2022.~~

16 ~~(2) [Section 5] terminates December 31, 2023.~~

17 ~~(3) [Section 6] terminates December 31, 2024.~~

18 ~~(4) [Section 14] terminates January 1, 2025.~~

19 ~~(5) [Sections 2, 7, and 9] terminate December 31, 2025."~~

20

21 **NEW SECTION. Section 7. Repealer.** Sections 2, 6, 7, 8, and 14, Chapter 506, Laws of 2021, are
22 repealed.

23

24 **NEW SECTION. Section 8. Applicability.** [This act] applies to tax years beginning after December
25 31, 2023.

26

- END -