

**** BILL NO. ****

INTRODUCED BY ****

BY REQUEST OF THE ****

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING EDUCATION LAWS FOR TECHNICAL CLEAN-UP AND REMOVAL OF UNNECESSARY AND OBSOLETE PROVISIONS; AMENDING SECTIONS 20-6-702, 20-6-703, 20-9-116, AND 20-9-638, MCA."

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

Section 1. Section 20-6-702, MCA, is amended to read:

"20-6-702. Funding for K-12 school districts. (1) Notwithstanding the provisions of subsections (2) through (6), a K-12 school district formed under the provisions of 20-6-701 is subject to the provisions of law for high school districts.

(2) The number of elected trustees of the K-12 school district must be based on the classification of the attached elementary district under the provisions of 20-3-341 and 20-3-351.

(3) Calculations for the following must be made separately for the elementary school program and the high school program of a K-12 school district:

(a) the calculation of ANB for purposes of determining the total per-ANB entitlements must be in accordance with the provisions of 20-9-311;

(b) the basic county tax for elementary equalization and revenue for the elementary BASE funding program for the district must be determined in accordance with the provisions of 20-9-331, and the basic county tax for high school equalization and revenue for the high school BASE funding program for the district must be determined in accordance with 20-9-333;

(c) the guaranteed tax base aid for BASE funding program purposes for a K-12 school district must be calculated separately, using each district's guaranteed tax base ratio, as defined in 20-9-366. The BASE budget levy to be levied for the K-12 school district must be prorated based on the ratio of the BASE funding program amounts for elementary school programs to the BASE funding program amounts for high school

1 programs.

2 (d) the levy authority limits under 20-9-502(3) and the corresponding state school major maintenance
3 aid under 20-9-525(3) for a K-12 school district must be calculated separately for the K-12 school district's
4 elementary and high school programs in the same manner as those limits and aid would be calculated if the K-
5 12 school district consisted of a separate elementary and high school district.

6 (4) The retirement obligation and eligibility for retirement guaranteed tax base aid for a K-12 school
7 district must be calculated and funded as a high school district retirement obligation under the provisions of 20-
8 9-501.

9 (5) For the purposes of budgeting for a K-12 school district, the trustees shall adopt a single fund for
10 any of the budgeted or nonbudgeted funds described in 20-9-201 for the costs of operating all grades and
11 programs of the district.

12 (6) Tuition for attendance in the K-12 school district must be determined separately for high school
13 pupils and for elementary pupils under the provisions of 20-5-320 through 20-5-324, ~~except that the actual~~
14 ~~expenditures used for calculations in 20-5-323 must be based on an amount prorated between the elementary~~
15 ~~and high school programs in the appropriate funds of each district in the year prior to the attachment of the~~
16 ~~districts."~~

17
18 **Section 2.** Section 20-6-703, MCA, is amended to read:

19 **"20-6-703. Transitions after formation of K-12 school district.** (1) When an attachment order for a
20 K-12 school district becomes effective on July 1 under the provisions of 20-6-701:

21 (a) the county superintendent shall order the trustees to execute all necessary and appropriate
22 deeds, bills of sale, or other instruments for the conveyance of title to all real and personal property of the
23 elementary district to the high school district;

24 (b) the trustees of the elementary district shall entrust the minutes of the board of trustees, the
25 elementary district documents, and other records to the high school district to which it is attached; and

26 (c) the county treasurer shall transfer all end-of-the-year warrants and fund balances of the
27 attached elementary district to the similar funds established for the K-12 school district in the high school
28 district.

1 (2) All taxes levied by and revenue due from a previous school fiscal year to an elementary district
2 attached to a high school district must be payable to the appropriate fund of the high school district.

3 (3) The previous year's general fund budget amounts for the elementary district and the high
4 school district that form a K-12 school district must be ~~combined-used~~ to determine the budget limitation for the
5 ensuing school fiscal year pursuant to the calculations described in 20-9-308(1)(b)."
6

7 **Section 3.** Section 20-9-116, MCA, is amended to read:

8 **"20-9-116. (Temporary) Resolution of intent to increase nonvoted levy -- notice.** (1) The trustees
9 of a school district shall adopt a resolution no later than March 31 of each fiscal year and provide notice
10 pursuant to subsection (2) whenever the trustees intend to impose an increase in a nonvoted levy in the
11 ensuing school fiscal year for the purposes of funding any of the funds listed below:

- 12 (a) the tuition fund under 20-5-324;
- 13 (b) the adult education fund under 20-7-705;
- 14 (c) the transportation fund under 20-10-143 and 20-10-144;
- 15 (d) the bus depreciation reserve fund under 20-10-147; and
- 16 (e) the flexibility fund established in 20-9-543 for the purposes in 20-7-1602.

17 (2) The trustees shall provide notice of intent to impose an increase in a nonvoted levy for the
18 ensuing school fiscal year by:

19 (a) adopting a resolution of intent to impose an increase in a nonvoted levy that includes, at a
20 minimum, the estimated number of increased or decreased mills to be imposed and the estimated increased or
21 decreased revenue to be raised compared to nonvoted levies under subsections (1)(a) through (1)(e) imposed
22 in the current school fiscal year and, based on the district's taxable valuation most recently certified by the
23 department of revenue under 15-10-202, the estimated impacts of the increase or decrease on ~~a home valued~~
24 at \$100,000 and a home valued at \$200,000 homes valued at \$100,000, \$300,000, and \$600,000; and

25 (b) publishing in a newspaper that will give notice to the largest number of people of the district as
26 determined by the trustees and posting to the school district's website:

- 27 (i) the resolution under subsection (2)(a); and
- 28 (ii) the resolution under 20-9-502(3)(a)(i) if adopted by the trustees. (Terminates June 30, 2027--

1 sec. 7, Ch. 402, L. 2019.)

2 **20-9-116. (Effective July 1, 2027) Resolution of intent to increase nonvoted levy -- notice. (1)**

3 The trustees of a school district shall adopt a resolution no later than June 1 in fiscal year 2017 only and no
4 later than March 31 in fiscal year 2018 and subsequent fiscal years and provide notice pursuant to subsection
5 (2) whenever the trustees intend to impose an increase in a nonvoted levy in the ensuing school fiscal year for
6 the purposes of funding any of the funds listed below:

- 7 (a) the tuition fund under 20-5-324;
- 8 (b) the adult education fund under 20-7-705;
- 9 (c) the transportation fund under 20-10-143 and 20-10-144; and
- 10 (d) the bus depreciation reserve fund under 20-10-147.

11 (2) The trustees shall provide notice of intent to impose an increase in a nonvoted levy for the
12 ensuing school fiscal year by:

13 (a) adopting a resolution of intent to impose an increase in a nonvoted levy that includes, at a
14 minimum, the estimated number of increased or decreased mills to be imposed and the estimated increased or
15 decreased revenue to be raised compared to nonvoted levies under subsections (1)(a) through (1)(d) imposed
16 in the current school fiscal year and, based on the district's taxable valuation most recently certified by the
17 department of revenue under 15-10-202, the estimated impacts of the increase or decrease on ~~a home valued~~
18 ~~at \$100,000 and a home valued at \$200,000~~ homes valued at \$100,000, \$300,000, and \$600,000; and

19 (b) publishing in a newspaper that will give notice to the largest number of people of the district as
20 determined by the trustees and posting to the school district's website:

- 21 (i) the resolution under subsection (2)(a); and
- 22 (ii) the resolution under 20-9-502(3)(a)(i) if adopted by the trustees."

23

24 **Section 4.** Section 20-9-638, MCA, is amended to read:

25 **"20-9-638. Coal-fired generating unit closure mitigation block grant. (1)** (a) The office of public
26 instruction shall provide a coal-fired generating unit closure mitigation block grant to each school district with a
27 fiscal year 2017 taxable valuation that includes a coal-fired generating unit with a generating capacity that is
28 greater than or equal to 200 megawatts, was placed in service prior to 1980, and is retiring or planned for

1 retirement on or before July 1, 2022.

2 (b) The electronic reporting system that is used by the office of public instruction and school
3 districts must be used to allocate the block grant amount into each district's general fund budget as an
4 anticipated revenue source.

5 (2) Each year, 70% of each district's block grant must be distributed in December and 30% of each
6 district's block grant must be distributed in May at the same time that guaranteed tax base aid is distributed.

7 (3) The block grant is equal to the amount received in fiscal year 2017 by the district general fund
8 from the block grants provided for in former 20-9-630(4)(a) as that section read prior to July 1, 2017.

9 ~~(4) (a) If the owner of a coal fired generating unit that is retired or planned for retirement on or
10 before July 1, 2022, makes a payment in accordance with a retirement plan approved by the department of
11 environmental quality or a transition agreement with the governor and attorney general for the purpose of
12 decommissioning requirements and a portion of the payment is allocated to a school district for the purposes of
13 school funding cost shifts, then that portion must repay to the state general fund the cost of the block grant
14 payments under this section, as discounted in accordance with an agreement for payment to the state, on the
15 following schedule, not to exceed the limitation provided in subsection (4)(b):~~

16 ~~(i) if the generating unit closes prior to June 30, 2018, 100% of the total block grant payments
17 under this section must be returned to the general fund;~~

18 ~~(ii) if the generating unit closes during fiscal year 2019, 90% of the block grant payments under this
19 section must be returned to the general fund;~~

20 ~~(iii) if the generating unit closes during fiscal year 2020, 80% of the block grant payments under
21 this section must be returned to the general fund;~~

22 ~~(iv) if the generating unit closes during fiscal year 2021, 70% of the block grant payments under
23 this section must be returned to the general fund; and~~

24 ~~(v) if the generating unit closes during fiscal year 2022 or on July 1, 2022, 60% of the block grant
25 payments under this section must be returned to the general fund.~~

26 ~~(b) Repayment under subsection (4)(a) may not exceed the amount of any portion of a payment
27 allocated to a school district in accordance with a retirement plan or a transition plan."~~

28 - END -