MONTANA SENATE
2007 LEGISLATURE

ROLL CALL
EDUCATION COMMITTEE

DATE 2.12.07

NAMES	PRESENT	ABSENT	EXCUSED
RYAN, DON (D) - CH	✓		
BLACK, JERRY (R)	✓		
ELLIOTT, JIM (D)		✓	
HAWKS, BOB (D)	✓		
JUNEAU, CAROL (D)	✓		
KITZENBERG, SAM (D)	✓		
MC GEE, DAN (R)	✓		
PETERSON, JIM (R)	✓		
STORY, ROBERT (R)	✓		
CASEY BARRS, LSD	✓		
MARIGAIL SCHREINER , SECRETARY	✓		

SENATE STANDING COMMITTEE REPORT

Mr. President:

We, your committee on **Education and Cultural Resources** recommend that **Senate Bill 291** (first reading copy -- white) **do pass as amended.**

Signed: _____
Senator Don Ryan, Chair

And, that such amendments read:

1. Title, page 1, line 6.
Following: "DISTRICT;"
Insert: "PROVIDING FOR THE DISPOSITION OF DISTRICT BONDED INDEBTEDNESS UNDER CERTAIN CIRCUMSTANCES;"

2. Title, page 1, line 7.
Following: "CREATION"
Insert: "OF A HIGH SCHOOL DISTRICT"
Strike: "SECTION"
Insert: "SECTIONS"
Following: "20-6-104,"
Insert: "20-9-366, 20-9-439, AND 20-9-502,"

3. Page 1, line 21.
Strike: "the newly created K-12 district will enroll"

4. Page 1, line 21 through line 22.
Strike: "within" on line 21 through "district" on line 22
Insert: "reside in the elementary district; and
(e) the taxable valuation and boundaries of the combining elementary and high school district are the same"

5. Page 1, line 27.
Following: "district."
Insert: "Approval of the proposition results in a tax levy for payments as provided in subsection (6)(b)."

6. Page 1, line 28.

Committee Vote:
Yes 9, No 0
Fiscal Note Required ___ KJ

Following: "for"
Insert: "the"
Following: "expansion"
Insert: "and the transition levy provided for in 20-9-502(6)"

7. Page 2, line 5.
Strike: "county superintendent determines that the"
Insert: "first school fiscal year in which the"
Strike: "is ready to accept"
Insert: "enrolls high school"
Following: "students"
Insert: "in all grades"

8. Page 2, line 6.
Following: "students"
Insert: "residing"

9. Page 2, line 7.
Strike: "providing tuition"
Insert: "paying the existing high school district:"
(a) tuition and transportation charged
Following: "20-5-321"
Insert: "; and
(b) an amount equal to the BASE general fund mills for the existing high school district assessed against the taxable valuation in the new K-12 district and funded using a building reserve fund levy for transition costs as provided in 20-9-502. The payment to the existing high school district must be deposited in the district general fund and used to reduce the BASE budget levy"

10. Page 2.
Following: line 7
Insert: "(7) If bonded indebtedness has been approved by the voters of the existing high school district prior to [the effective date of this act] but the bonds have not been sold prior to the creation of the new K-12 district, then the future indebtedness of those bonds when those bonds are sold must be paid by levies on the original territory."
Renumber: subsequent subsection

11. Page 2.
Following: line 20
Insert: "**Section 3.** Section 20-9-366, MCA, is amended to read:
"**20-9-366. Definitions.** As used in 20-9-366 through 20-9-371, the following definitions apply:
(1) "County retirement mill value per elementary ANB" or "county retirement mill value per high school ANB" means the sum of the taxable valuation in the previous year of all property in

the county divided by 1,000, with the quotient divided by the total county elementary ANB count or the total county high school ANB count used to calculate the elementary school districts' and high school districts' current year total per-ANB entitlement amounts.

(2) (a) "District guaranteed tax base ratio" for guaranteed tax base funding for the BASE budget of an eligible district means the taxable valuation in the previous year of all property in the district, except for property subject to the creation of a new school district under [section 1], divided by the sum of the district's current year BASE budget amount less direct state aid and the state special education allowable cost payment.

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

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

(4) (a) "Statewide elementary guaranteed tax base ratio" or "statewide high school guaranteed tax base ratio", for guaranteed tax base funding for the BASE budget of an eligible district, means the sum of the taxable valuation in the previous year of all property in the state, multiplied by 175% and divided by the total sum of either the state elementary school districts' or the high school districts' current year BASE budget amounts less total direct state aid.

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

Insert: "Section 4. Section 20-9-439, MCA, is amended to read:

"20-9-439. Computation of net levy requirement for general obligation bonds -- procedure when levy inadequate. Subject to [section 1], the following provisions apply:

(1) The county superintendent shall compute the levy requirement for each school district's general obligation debt

service fund on the basis of the following procedure:

(a) Determine the total money available in the debt service fund for the reduction of the property tax on the district by totaling:

(i) the end-of-the-year fund balance in the debt service fund, less any limited operating reserve as provided in 20-9-438;

(ii) anticipated interest to be earned by the investment of debt service cash in accordance with the provisions of 20-9-213(4) or by the investment of bond proceeds under the provisions of 20-9-435;

(iii) any state advance for school facilities distributed to a qualified district under the provisions of 20-9-346, 20-9-370, and 20-9-371;

(iv) funds transferred from the impact aid fund established pursuant to 20-9-514 that are authorized by 20-9-437(2) to be used to repay the district's bonds; and

(v) any other money, including money from federal sources, anticipated by the trustees to be available in the debt service fund during the ensuing school fiscal year from sources such as legally authorized money transfers into the debt service fund or from rental income, excluding any guaranteed tax base aid.

(b) Subtract the total amount available to reduce the property tax, determined in subsection (1)(a), from the final budget for the debt service fund as established in 20-9-438.

(2) The net debt service fund levy requirement determined in subsection (1)(b) must be reported to the county commissioners on the fourth Monday of August by the county superintendent as the net debt service fund levy requirement for the district, and a levy must be made by the county commissioners in accordance with 20-9-142.

(3) If the board of county commissioners fails in any school fiscal year to make a levy for any issue or series of bonds of a school district sufficient to raise the money necessary for payment of interest and principal becoming due during the next ensuing school fiscal year, in any amounts established under the provisions of this section, the holder of any bond of the issue or series or any taxpayer of the district may apply to the district court of the county in which the school district is located for a writ of mandate to compel the board of county commissioners of the county to make a sufficient levy for payment purposes. If, upon the hearing of the application, it appears to the satisfaction of the court that the board of county commissioners of the county has failed to make a levy or has made a levy that is insufficient to raise the amount required to be raised as established in the manner provided in this section, the court shall determine the amount of the deficiency and shall issue a writ of mandate directed to and requiring the board of county commissioners, at the next meeting for the purpose of fixing tax levies for county purposes, to fix and make a levy against all taxable property in the school district that is sufficient to raise the amount of the deficiency. The levy is in

addition to any levy required to be made at that time for the ensuing school fiscal year. Any costs that may be allowed or awarded the petitioner in the proceeding must be paid by the members of the board of county commissioners and may not be a charge against the school district or the county.""

Insert: "Section 5. Section 20-9-502, MCA, is amended to read:

"20-9-502. Purpose and authorization of building reserve fund by election -- levy for school transition costs. (1) The trustees of any district, with the approval of the qualified electors of the district, may establish a building reserve for the purpose of raising money for the future construction, equipping, or enlarging of school buildings, for the purpose of purchasing land needed for school purposes in the district, or for the purpose of funding school transition costs as provided in ~~subsection~~ subsections (5) and (6). In order to submit to the qualified electors of the district a building reserve proposition for the establishment of or addition to a building reserve, the trustees shall pass a resolution that specifies:

(a) the purpose or purposes for which the new or addition to the building reserve will be used;

(b) the duration of time over which the new or addition to the building reserve will be raised in annual, equal installments;

(c) the total amount of money that will be raised during the duration of time specified in subsection (1)(b); and

(d) any other requirements under 15-10-425 and 20-20-201 for the calling of an election.

(2) The total amount of building reserve, less the amount provided for in subsection (5), when added to the outstanding indebtedness of the district may not be more than the limitations provided in 20-9-406. Except as provided in ~~subsection~~ subsections (5)(b) and (6), a building reserve tax authorization may not be for more than 20 years.

(3) The election must be conducted in accordance with the school election laws of this title, and the electors qualified to vote in the election must be qualified under the provisions of 20-20-301. The ballot for a building reserve proposition must be substantially in compliance with 15-10-425.

(4) The building reserve proposition is approved if a majority of those electors voting at the election approve the establishment of or addition to the building reserve. The annual budgeting and taxation authority of the trustees for a building reserve is computed by dividing the total authorized amount by the specified number of years. The authority of the trustees to budget and impose the taxation for the annual amount to be raised for the building reserve lapses when, at a later time, a bond issue is approved by the qualified electors of the district for the same purpose or purposes for which the building reserve fund of the district was established. Whenever a subsequent bond issue is made for the same purpose or purposes of a building reserve, the money in the building reserve must be used for the purpose or

purposes before any money realized by the bond issue is used.

(5) (a) The trustees may submit a proposition to the qualified electors of the district for a levy to provide funding for transition costs incurred when the trustees:

(i) open a new school under the provisions of Title 20, chapter 6;

(ii) close a school;

(iii) replace a school building; or

(iv) consolidate with or annex another district under the provisions of Title 20, chapter 6.

(b) Except as provided in ~~subsection~~ subsections (5)(c) and (6), the total amount the trustees may submit to the electorate for transition costs may not exceed the number of years specified in the proposition times the greater of 5% of the district's maximum general fund budget for the current year or $250 per ANB for the current year. ~~The~~ Except as provided in subsection (6), the duration of the levy for transition costs may not exceed 6 years.

(c) If the levy for transition costs is for consolidation or annexation:

(i) the limitation on the amount levied is calculated using the ANB and the maximum general fund budget for the districts that are being combined; and

(ii) the proposition must be submitted to the qualified electors in the combined district.

(d) The levy for transition costs may not be considered as outstanding indebtedness for the purpose of calculating the limitation in 20-9-406.

(6) The trustees of a K-12 district shall impose a levy for transition costs to fund the payment required by [section 1(6)(b)] when a proposition to create the K-12 district and to assess the transition levy has been approved pursuant to [section 1(2)]. The levy is limited to the amount required by [section 1(6)(a)] for a period not to exceed 3 years.""

Renumber: subsequent sections

- END -

SENATE STANDING COMMITTEE REPORT

February 13, 2007

Mr. President:

We, your committee on **Education and Cultural Resources** recommend that **Senate Bill 390** (first reading copy -- white) **do pass.**

Signed: _____
Senator Don Ryan, Chair

- END -

Committee Vote:
Yes 5, No 4
Fiscal Note Required ___ KJ

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MONTANA STATE SENATE
2007 LEGISLATURE

EDUCATION AND CULTURAL RESOURCES

ROLL CALL VOTE

DATE 2-12-07 BILL NO. SB 390 NUMBER 1

MOTION: Do Pass

NAME	AYE	NO
BLACK, JERRY (R)		✓
ELLIOTT, JIM (D)	✓	
HAWKS, BOB (D)	✓	
JUNEAU, CAROL (D)	✓	
KITZENBERG, SAM (D)	✓	
McGEE, DAN (R)		✓
PETERSON, JIM (R)		✓
STORY, ROBERT (R)		✓
RYAN, DON (D) - CHAIRMAN	✓	
	5	4

MONTANA STATE SENATE
2007 LEGISLATURE

VISITOR REGISTER

EDUCATION AND CULTURAL RESOURCES

DATE 2/12/07 **BILLS BEING HEARD TODAY** Exec Action

PLEASE PRINT

NAME	PHONE	REPRESENTING	BILL #	SUPPORT	OPPOSE
Madalyn Quinlan	X3168	OPI			
Joan Anderson	X 2562	OPI			

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY