

1 HOUSE BILL NO. 613
2 INTRODUCED BY M. THANE

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT USING EXCESS REVENUE TO FUND LOCAL PROPERTY TAX
5 RELIEF; TRANSFERRING A PORTION OF REVENUE TRANSFERRED FROM THE BUDGET
6 STABILIZATION RESERVE ACCOUNT WHEN THE BALANCE EXCEEDS 4.5% OF ALL GENERAL FUND
7 APPROPRIATIONS IN THE SECOND YEAR OF THE BIENNIUM TO A SCHOOL TRANSPORTATION
8 PROPERTY TAX RELIEF ACCOUNT; PROVIDING FOR DISTRIBUTIONS FROM THE ACCOUNT;
9 REQUIRING SCHOOL DISTRICTS TO DEPOSIT DISTRIBUTIONS IN THE TRANSPORTATION FUND FOR
10 THE PURPOSE OF REDUCING THE SCHOOL DISTRICT TRANSPORTATION LEVIES; PROVIDING A
11 STATUTORY APPROPRIATION; AMENDING SECTIONS 17-7-130, 17-7-502, AND 20-10-144, MCA; AND
12 PROVIDING AN EFFECTIVE DATE."

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

15
16 **NEW SECTION. Section 1. School transportation property tax relief account.** (1) There is an
17 account in the state special revenue fund established in 17-2-102 known as the school transportation property
18 tax relief account.

19 (2) The purpose of the fund is to use excess state revenue to reduce school transportation
20 property tax levies.

21 (3) Money in the account is statutorily appropriated, as provided in 17-7-502, to the superintendent
22 of public instruction.

23 (4) By the last working day of August, the superintendent of public instruction shall annually
24 distribute one-half of the account balance, up to \$60 million, to each school district in proportion to that district's
25 state school transportation reimbursement under 20-10-145 in the prior fiscal year compared to the statewide
26 total of state school transportation reimbursements under 20-10-145 in the prior fiscal year. The money
27 distributed under this section must be deposited in the school district's transportation fund for the purpose of
28 reducing the school district transportation levies and, if applicable, to reducing county and state financial

1 obligations pursuant to 20-10-144 in the current fiscal year. ~~Any amount distributed to schools under this~~
 2 ~~section must be considered local school district property taxes for the purposes of calculating the state and~~
 3 ~~county share of the schedule amount of transportation costs under 20-10-144.~~

4 (5) Excess funds must remain in the account for distribution in succeeding tax years. Money in the
 5 account is not subject to legislative transfers.

6

7 **Section 2.** Section 17-7-130, MCA, is amended to read:

8 **"17-7-130. Budget stabilization reserve fund -- rules for deposits and transfers -- purpose. (1)**

9 There is an account in the state special revenue fund established by 17-2-102 known as the budget
 10 stabilization reserve fund.

11 (2) The purpose of the budget stabilization reserve fund is to mitigate budget reductions when
 12 there is a revenue shortfall.

13 (3) By August 1 of each year, the department of administration shall certify to the legislative fiscal
 14 analyst and the budget director the following:

15 (a) the unaudited, unassigned ending fund balance of the general fund for the most recently
 16 completed fiscal year; and

17 (b) the amount of unaudited general fund revenue and transfers into the general fund received in
 18 the prior fiscal year recorded when that fiscal year's statewide accounting, budgeting, and human resource
 19 system records are closed. General fund revenue and transfers into the general fund are those recorded in the
 20 statewide accounting, budgeting, and human resource system using generally accepted accounting principles
 21 in accordance with 17-1-102.

22 (4) The state treasurer shall calculate the operating reserve level of general fund balance defined
 23 in 17-7-102(11). The treasurer shall first apply the excess revenue to reach the operating reserve level general
 24 fund balance, if necessary. Once the general fund balance is at the reserve level, 75% of the remaining excess
 25 revenue is transferred to the budget stabilization reserve fund.

26 (5) After a transfer is made pursuant to subsection (4), if the balance of the fund exceeds an
 27 amount equal to 4.5% of all general fund appropriations in the second year of the biennium, then ~~50% of any~~
 28 funds in excess of that amount must be transferred by August 16 of each fiscal year as follows:

- 1 (a) ~~50%~~ to the account established in 17-7-209;
- 2 (b) ~~25%~~ to the school transportation property tax relief account provided for in [section 1]; and
- 3 (c) ~~50%~~ 25% to the general fund by ~~August 16 of each fiscal year.~~
- 4 (6) For the purposes of this section, the following definitions apply:
- 5 (a) "Adjusted compound annual growth rate revenue" means general fund revenue for the fiscal
- 6 year prior to the most recently completed fiscal year plus the growth amount.
- 7 (b) "Excess revenue" means the amount of general fund revenue, including transfers in, for the
- 8 most recently completed fiscal year minus adjusted compound annual growth rate revenue.
- 9 (c) "Growth amount" means general fund revenue for the fiscal year prior to the most recently
- 10 completed fiscal year multiplied by the growth rate.
- 11 (d) "Growth rate" means the annual compound growth rate of general fund revenue realized over
- 12 the period 12 years prior to the most recently completed fiscal year, including the most recently completed fiscal
- 13 year."

Section 3. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory

appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-11-407; 5-13-403; 5-13-404; 7-4-2502; 7-4-2924; 7-32-236; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-2-807; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-3-802; 10-3-1304; 10-4-304; 10-4-310; 15-1-121; 15-1-218; 15-31-165; 15-31-1004; 15-31-1005; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-101; 15-70-130; 15-70-433; 16-11-119; 16-11-509; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-215; 18-11-

Amendment - 1st Reading-white - Requested by: Mark Thane - (H) Taxation

- 2023

68th Legislature 2023

Drafter: Megan Moore, 406-444-4496

HB0613.001.001

1 112; 19-3-319; 19-3-320; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-
2 506; 19-20-604; 19-20-607; 19-21-203; 20-8-107; [section-5 1]; 20-9-534; 20-9-622; [20-15-328]; 20-26-617;
3 20-26-1503; 22-1-327; 22-3-116; 22-3-117; [22-3-1004]; 23-4-105; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-
4 7-402; 30-10-1004; 37-43-204; 37-50-209; 37-54-113; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-12-213;
5 44-13-102; 46-32-108; 50-1-115; 53-1-109; 53-6-148; 53-9-113; 53-24-108; 53-24-206; 60-5-530; 60-11-115;
6 61-3-321; 61-3-415; 67-1-309; 69-3-870; 69-4-527; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 75-26-308; 76-
7 13-150; 76-13-151; 76-13-417; 76-17-103; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518; 80-11-1006;
8 81-1-112; 81-1-113; 81-7-106; 81-7-123; 81-10-103; 82-11-161; 85-2-526; 85-20-1504; 85-20-1505; [85-25-
9 102]; 87-1-603; 87-5-909; 90-1-115; 90-1-205; 90-1-504; 90-6-331; and 90-9-306.

10 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
11 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued
12 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of
13 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined
14 by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have
15 statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the
16 inclusion of 19-20-604 terminates contingently when the amortization period for the teachers' retirement
17 system's unfunded liability is 10 years or less; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410
18 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for the supplemental
19 benefit provided by 19-6-709; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on
20 occurrence of contingency; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117
21 terminates June 30, 2025; pursuant to sec. 12, Ch. 55, L. 2017, the inclusion of 37-54-113 terminates June 30,
22 2023; pursuant to sec. 4, Ch. 122, L. 2017, the inclusion of 10-3-1304 terminates September 30, 2025;
23 pursuant to sec. 1, Ch. 213, L. 2017, the inclusion of 90-6-331 terminates June 30, 2027; pursuant to secs. 5, 8,
24 Ch. 284, L. 2017, the inclusion of 81-1-112, 81-1-113, and 81-7-106 terminates June 30, 2023; pursuant to sec.
25 1, Ch. 340, L. 2017, the inclusion of 22-1-327 terminates July 1, 2023; pursuant to sec. 10, Ch. 374, L. 2017,
26 the inclusion of 76-17-103 terminates June 30, 2027; pursuant to sec. 5, Ch. 50, L. 2019, the inclusion of 37-50-
27 209 terminates September 30, 2023; pursuant to sec. 1, Ch. 408, L. 2019, the inclusion of 17-7-215 terminates
28 June 30, 2029; pursuant to secs. 11, 12, and 14, Ch. 343, L. 2019, the inclusion of 15-35-108 terminates June

1 30, 2027; pursuant to sec. 7, Ch. 465, L. 2019, the inclusion of 85-2-526 terminates July 1, 2023; pursuant to
2 sec. 5, Ch. 477, L. 2019, the inclusion of 10-3-802 terminates June 30, 2023; pursuant to secs. 1, 2, 3, Ch. 139,
3 L. 2021, the inclusion of 53-9-113 terminates June 30, 2027; pursuant to sec. 8, Ch. 200, L. 2021, the inclusion
4 of 10-4-310 terminates July 1, 2031; pursuant to secs. 3, 4, Ch. 404, L. 2021, the inclusion of 30-10-1004
5 terminates June 30, 2027; pursuant to sec. 5, Ch. 548, L. 2021, the inclusion of 50-1-115 terminates June 30,
6 2025; pursuant to secs. 5 and 12, Ch. 563, L. 2021, the inclusion of 22-3-1004 is effective July 1, 2027; and
7 pursuant to sec. 15, Ch. 574, L. 2021, the inclusion of 46-32-108 terminates June 30, 2023.)"

8

9 **Section 4.** Section 20-10-144, MCA, is amended to read:

10 **"20-10-144. Computation of revenue and net tax levy requirements for district transportation**

11 **fund budget.** Before the second Monday of August, the county superintendent shall compute the revenue
12 available to finance the transportation fund budget of each district. The county superintendent shall compute
13 the revenue for each district on the following basis:

14 (1) The "schedule amount" of the budget expenditures that is derived from the rate schedules in
15 20-10-141 and 20-10-142 must be determined by adding the following amounts:

16 (a) the sum of the maximum reimbursable expenditures for all approved school bus routes
17 maintained by the district (to determine the maximum reimbursable expenditure, multiply the applicable rate for
18 each bus mile by the total number of miles to be traveled during the ensuing school fiscal year on each bus
19 route approved by the county transportation committee and maintained by the district); plus

20 (b) the total of all individual transportation per diem reimbursement rates for the district as
21 determined from the contracts submitted by the district multiplied by the number of pupil-instruction days
22 scheduled for the ensuing school attendance year; plus

23 (c) any estimated costs for supervised home study or supervised correspondence study for the
24 ensuing school fiscal year; plus

25 (d) the amount budgeted in the budget for the contingency amount permitted in 20-10-143, except
26 if the amount exceeds 10% of the total of subsections (1)(a), (1)(b), and (1)(c) or \$100, whichever is larger, the
27 contingency amount on the budget must be reduced to the limitation amount and used in this determination of
28 the schedule amount; plus