

## HOUSE BILL NO. 663

INTRODUCED BY B. LER, D. BARTEL, B. BEARD, S. BERGLEE, J. CARLSON, P. FIELDER, S. GALLOWAY,  
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KNUDSEN, R. KNUDSEN, D. LENZ, M. MALONE, R. MARSHALL, B. MITCHELL, M. NOLAND, J. PATELIS,  
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A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING SCHOOL FUNDING LAWS;  
INCREASING THE GTB MULTIPLIER AND LINKING ADDITIONAL INCREASES TO REVENUE GENERATED  
BY MARIJUANA TAXES; AMENDING SECTION 20-9-366, MCA; AND PROVIDING AN IMMEDIATE  
EFFECTIVE DATE."

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

**Section 1.** 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' prior 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 value disregarded because of protested taxes under 15-1-409(2) or property subject to the creation of a new school district under 20-6-326, divided by the district's prior year GTBA budget area.

(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 20-6-326, divided by 1,000, with the quotient divided by the ANB count of the district used to

1 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) "Statewide elementary guaranteed tax base ratio" or "statewide high school guaranteed tax  
17 base ratio", for guaranteed tax base funding for the BASE budget of an eligible district, means the sum of the  
18 taxable valuation in the previous year of all property in the state, multiplied by ~~193% for fiscal year 2018, 216%~~  
19 ~~for fiscal year 2019, 224% for fiscal year 2020, and 232% for fiscal year 2021~~ 250% for fiscal year 2022 and  
20 each succeeding fiscal year and divided by the prior year statewide GTBA budget area for the state elementary  
21 school districts or the state high school districts. ~~The FOR FISCAL YEAR 2024 AND SUBSEQUENT FISCAL YEARS, THE~~  
22 ~~superintendent of public instruction shall increase the multiplier in this subsection (5)(a) for fiscal years 2024~~  
23 ~~and subsequent fiscal years as follows:~~

24 (I) FOR FISCAL YEARS 2024 THROUGH 2031, IF THE REVENUE TRANSFERRED TO THE STATE GENERAL FUND  
25 PURSUANT TO 16-12-111 IN THE PRIOR FISCAL YEAR IS AT LEAST \$1 MILLION MORE THAN THE REVENUE TRANSFERRED  
26 IN THE FISCAL YEAR 2 YEARS PRIOR, THEN:

27 (A) ~~divide 25% of the~~ MULTIPLY THE AMOUNT OF INCREASED revenue transferred to the state general  
28 fund pursuant to 16-12-111 in the prior fiscal year ABOVE THE AMOUNT OF REVENUE TRANSFERRED IN THE FISCAL

YEAR 2 YEARS PRIOR BY 0.25, DIVIDE THE RESULTING PRODUCT by \$500,000, and round to the nearest whole number; and

~~(ii) (B) increase the multiplier in this subsection (5)(a) FOR THE PRIOR FISCAL YEAR by the number derived in subsection (5)(a)(i)(A) AS A PERCENTAGE POINT INCREASE;~~

(II) FOR FISCAL YEARS 2024 THROUGH 2031, IF THE REVENUE TRANSFERRED TO THE STATE GENERAL FUND PURSUANT TO 16-12-111 IN THE PRIOR FISCAL YEAR IS LESS THAN \$1 MILLION MORE THAN THE REVENUE TRANSFERRED IN THE FISCAL YEAR 2 YEARS PRIOR, THEN THE MULTIPLIER IS EQUAL TO THE MULTIPLIER USED FOR THE PRIOR FISCAL YEAR; AND

(III) FOR FISCAL YEARS 2032 AND SUBSEQUENT FISCAL YEARS, THE MULTIPLIER IS EQUAL TO THE MULTIPLIER USED FOR FISCAL YEAR 2031.

(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' prior year total per-ANB entitlement amounts."

COORDINATION SECTION. **Section 2. Coordination instruction.** If both House Bill No. 303 and [this act] are passed and approved, and if both contain a section amending 20-9-366, then the sections amending 20-9-366 are void and 20-9-366 must be amended as follows:

**"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' prior 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 value disregarded because of protested taxes under 15-1-409(2) or property subject to the creation of a new

1 school district under 20-6-326, divided by the district's prior year GTBA budget area.

2 (b) "District mill value per ANB", for school facility entitlement purposes, means the taxable valuation  
3 in the previous year of all property in the district, except for property subject to the creation of a new school  
4 district under 20-6-326, divided by 1,000, with the quotient divided by the ANB count of the district used to  
5 calculate the district's prior year total per-ANB entitlement amount.

6 (3) "Facility guaranteed mill value per ANB", for school facility entitlement guaranteed tax base  
7 purposes, means the sum of the taxable valuation in the previous year of all property in the state, multiplied by  
8 140% and divided by 1,000, with the quotient divided by the total state elementary ANB count or the total state  
9 high school ANB count used to calculate the elementary school districts' and high school districts' prior year  
10 total per-ANB entitlement amounts.

11 (4) "Guaranteed tax base aid budget area" or "GTBA budget area" means the portion of a district's  
12 BASE budget after the following payments are subtracted:

13 (a) direct state aid;

14 (b) the total data-for-achievement payment;

15 (c) the total quality educator payment;

16 (d) the total at-risk student payment;

17 (e) the total Indian education for all payment;

18 (f) the total American Indian achievement gap payment; and

19 (g) the state special education allowable cost payment.

20 (5) (a) EXCEPT AS PROVIDED IN SUBSECTION (6), "Statewide elementary guaranteed tax base ratio" or  
21 "statewide high school guaranteed tax base ratio", for guaranteed tax base funding for the BASE budget of an  
22 eligible district, means the sum of the taxable valuation in the previous year of all property in the state,  
23 multiplied by ~~193% for fiscal year 2018, 216% for fiscal year 2019, 224% for fiscal year 2020, and 232% for~~  
24 ~~fiscal year 2021 and 250% for fiscal year 2022 and 252% for fiscal year 2023 and~~ each succeeding fiscal year  
25 and divided by the prior year statewide GTBA budget area for the state elementary school districts or the state  
26 high school districts. The FOR FISCAL YEAR 2024 AND SUBSEQUENT FISCAL YEARS, THE superintendent of public  
27 instruction shall increase the multiplier in this subsection (5)(a) for fiscal years 2024 and subsequent fiscal  
28 years as follows:

(i) FOR FISCAL YEARS 2024 THROUGH 2031, IF THE REVENUE TRANSFERRED TO THE STATE GENERAL FUND PURSUANT TO 16-12-111 IN THE PRIOR FISCAL YEAR IS AT LEAST \$1 MILLION MORE THAN THE REVENUE TRANSFERRED IN THE FISCAL YEAR 2 YEARS PRIOR, THEN:

~~— divide 25% of the~~ (A) MULTIPLY THE AMOUNT OF INCREASED revenue transferred to the state general fund pursuant to 16-12-111 in the prior fiscal year ABOVE THE AMOUNT OF REVENUE TRANSFERRED IN THE FISCAL YEAR 2 YEARS PRIOR BY 0.25, DIVIDE THE RESULTING PRODUCT by \$500,000, and round to the nearest whole number; and

~~(ii) increase the multiplier in this subsection (5)(a) by~~ (B) ADD the number derived in subsection (5)(a)(i)(A) AS A PERCENTAGE POINT INCREASE TO:

(I) IF THE PRIOR YEAR WAS NOT AFFECTED BY A CONTINGENCY UNDER SUBSECTION (6), THE MULTIPLIER USED FOR THE PRIOR FISCAL YEAR; OR

(II) IF THE PRIOR YEAR WAS AFFECTED BY A CONTINGENCY UNDER SUBSECTION (6), THE MULTIPLIER FOR THE PRIOR FISCAL YEAR HAD THE PRIOR FISCAL YEAR NOT BEEN AFFECTED BY A CONTINGENCY UNDER SUBSECTION (6);

(ii) FOR FISCAL YEARS 2024 THROUGH 2031, IF THE REVENUE TRANSFERRED TO THE STATE GENERAL FUND PURSUANT TO 16-12-111 IN THE PRIOR FISCAL YEAR IS LESS THAN \$1 MILLION MORE THAN THE REVENUE TRANSFERRED IN THE FISCAL YEAR 2 YEARS PRIOR, THEN THE MULTIPLIER IS EQUAL TO:

(A) IF THE PRIOR YEAR WAS NOT AFFECTED BY A CONTINGENCY UNDER SUBSECTION (6), THE MULTIPLIER USED FOR THE PRIOR FISCAL YEAR; OR

(B) IF THE PRIOR YEAR WAS AFFECTED BY A CONTINGENCY UNDER SUBSECTION (6), THE MULTIPLIER FOR THE PRIOR FISCAL YEAR HAD THE PRIOR FISCAL YEAR NOT BEEN AFFECTED BY A CONTINGENCY UNDER SUBSECTION (6); AND

(iii) FOR FISCAL YEARS 2032 AND SUBSEQUENT FISCAL YEARS, THE MULTIPLIER IS EQUAL TO THE MULTIPLIER USED FOR FISCAL YEAR 2031.

(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' prior year total per-ANB entitlement amounts.

(6) THE GUARANTEED TAX BASE MULTIPLIER UNDER SECTION (5)(A) MUST BE REDUCED BY 2 PERCENTAGE

1 POINTS FOLLOWING CERTIFICATION BY THE BUDGET DIRECTOR OF A CONTINGENCY PURSUANT TO [HOUSE BILL NO. 303]:

2 (A) FOR FISCAL YEAR 2023 IF THE CERTIFICATION IS MADE DURING CALENDAR YEAR 2021;

3 (B) FOR FISCAL YEAR 2024 IF THE CERTIFICATION IS MADE DURING CALENDAR YEAR 2022;

4 (C) FOR FISCAL YEAR 2025 IF THE CERTIFICATION IS MADE DURING CALENDAR YEAR 2023; AND

5 (D) FOR FISCAL YEAR 2026 IF THE CERTIFICATION IS MADE DURING CALENDAR YEAR 2024."

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7 NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval.

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