**EDUCATION & LOCAL GOV'T IC**
**JUNE 18, 2012**
**EXHIBIT 19**

**** Bill No. **

Introduced By ******

By Request of the **

A Bill for an Act entitled: "An Act requiring counties in which certain 2-year postsecondary institutions and vocational-technical programs are located to levy a tax of 1 1/2 mills; requiring the funds to be deposited in the state special revenue fund; requiring the board of regents to distribute the funds; and amending sections 20-9-212, and 20-25-439, MCA."

Be it enacted by the Legislature of the State of Montana:

**Section 1.** Section 20-9-212, MCA, is amended to read:

"**20-9-212. Duties of county treasurer.** The county treasurer of each county:

(1) must receive and shall hold all school money subject to apportionment and keep a separate accounting of its apportionment to the several districts that are entitled to a portion of the money according to the apportionments ordered by the county superintendent or by the superintendent of public instruction. A separate accounting must be maintained for each county fund supported by a countywide levy for a specific, authorized purpose, including:

(a) the basic county tax for elementary equalization;

(b) the basic county tax for high school equalization;

(c) the county tax in support of the transportation

schedules;

(d) the county tax in support of the elementary and high school district retirement obligations; and

(e) any other county tax for schools, including the community colleges, that may be authorized by law and levied by the county commissioners.

(2) whenever requested, shall notify the county superintendent and the superintendent of public instruction of the amount of county school money on deposit in each of the funds enumerated in subsection (1) and the amount of any other school money subject to apportionment and apportion the county and other school money to the districts in accordance with the apportionment ordered by the county superintendent or the superintendent of public instruction;

(3) shall keep a separate accounting of the receipts, expenditures, and cash balances for each fund;

(4) except as otherwise limited by law, shall pay all warrants properly drawn on the county or district school money;

(5) must receive all revenue collected by and for each district and shall deposit these receipts in the fund designated by law or by the district if a fund is not designated by law. Interest and penalties on delinquent school taxes must be credited to the same fund and district for which the original taxes were levied.

(6) shall send all revenue received for a joint district, part of which is situated in the county, to the county treasurer designated as the custodian of the revenue, no later than

December 15 of each year and every 3 months after that date until the end of the school fiscal year;

(7) at the direction of the trustees of a district, shall assist the district in the issuance and sale of tax and revenue anticipation notes as provided in Title 7, chapter 6, part 11;

(8) shall register district warrants drawn on a budgeted fund in accordance with 7-6-2604 when there is insufficient money available in all funds of the district to make payment of the warrant. Redemption of registered warrants must be made in accordance with 7-6-2116, 7-6-2605, and 7-6-2606.

(9) when directed by the trustees of a district, shall invest the money of the district within 3 working days of the direction;

(10) each month, shall give to the trustees of each district an itemized report for each fund maintained by the district, showing the paid warrants, registered warrants, interest distribution, amounts and types of revenue received, and the cash balance;

(11) shall remit promptly to the department of revenue <u>for deposit in the state special revenue fund to the credit of the board of regents</u> receipts for the county tax for ~~a~~ <u>2-year postsecondary and</u> vocational-technical ~~program~~ <u>programs</u> within ~~a unit~~ <u>units</u> of the university system when levied by the board of county commissioners under the provisions of 20-25-439;

(12) shall invest the money received from the basic county taxes for elementary and high school equalization, the county levy in support of the elementary and high school district

retirement obligations, and the county levy in support of the transportation schedules within 3 working days of receipt. The money must be invested until the working day before it is required to be distributed to school districts within the county or remitted to the state. Clerks of a school district shall provide a minimum of 30 hours' notice in advance of cash demands to meet payrolls, claims, and electronic transfers that are in excess of $50,000, pursuant to 20-3-325. If a clerk of a district fails to provide the required 30-hour notice, the county treasurer shall assess a fee equal to any charges demanded by the state investment pool or other permissible investment manager for improperly noticed withdrawal of funds. Permissible investments are specified in 20-9-213(4). All investment income must be deposited, and credited proportionately, in the funds established to account for the taxes received for the purposes specified in subsections (1)(a) through (1)(d).

(13) shall remit on a monthly basis to the department of revenue, as provided in 15-1-504, all county equalization revenue received under the provisions of 20-9-331 and 20-9-333, including all interest earned, in repayment of the state advance for county equalization prescribed in 20-9-347. Any funds in excess of a state advance must be used as required in 20-9-331(1)(b) and 20-9-333(1)(b)."

{Internal References to 20-9-212:
x20-3-205 x20-9-331 x20-9-333 x20-9-347
x20-10-146 x20-15-210 }

**Section 2.** Section 20-25-439, MCA, is amended to read:

"20-25-439. ~~Vocational-technical~~ Two-year postsecondary and vocational-technical education -- mill levy required. (1) Subject to 15-10-420, the boards of county commissioners of ~~Cascade, Lewis and Clark, Missoula, Silver Bow, and Yellowstone Counties~~ the counties in which a 2-year postsecondary institution or vocational-technical program within a unit of the university system is located shall in each calendar year levy a tax of 1 1/2 mills on the dollar value of all taxable property, real and personal, located within the respective county.

(2) The funds from the mill levy must be deposited in the ~~general fund~~ state special revenue fund to the credit of the board of regents and must be distributed by the board of regents for 2-year postsecondary and vocational-technical education on the basis of budgets approved by the board of regents and as provided in subsection (3).

(3) The amount of levy funds distributed to each 2-year postsecondary institution or vocational-technical program must equal the amount raised by the levy in the county in which the institution or program is located."

{Internal References to 20-25-439:
x15-10-420 a20-9-212 }

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