

Amendment - 1st Reading-white - Requested by: Llew Jones - (H) Appropriations

- 2025

69th Legislature 2025

Drafter: Pad McCracken,

HB0483.001.001

HOUSE BILL NO. 483

INTRODUCED BY C. SPRUNGER, W. GALT, S. NOVAK, L. MUSZKIEWICZ, M. NIKOLAKAKOS, P. ELVERUM, C. SCHOMER, C. COCHRAN, E. TILLEMAN, M. BERTOGLIO, G. HUNTER, L. JONES, W. MCKAMEY, D. FERN, M. YAKAWICH, S. FITZPATRICK, K. WALSH, R. MINER, B. BARKER, L. BREWSTER, J. FITZPATRICK, G. HERTZ, G. PARRY, L. REKSTEN, M. ROMANO, M. THANE, J. DARLING, V. MOORE

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING SCHOOL FUNDING LAWS RELATED TO PROPERTY TAXES; REQUIRING THE OFFICE OF PUBLIC INSTRUCTION AND THE DEPARTMENT OF REVENUE TO ~~REPORT ON THE~~ COLLABORATE AND MITIGATE THE IMPACTS OF REAPPRAISAL ON SCHOOL ~~FUNDING AND~~ PROPERTY TAXES; PROVIDING THAT THE STATE AND COUNTY SCHOOL EQUALIZATION MILLS AND VOCATIONAL-TECHNICAL EDUCATION MILLS ARE FIXED AMOUNTS; PROVIDING THAT SCHOOL LEVIES ARE NOT SUBJECT TO SECTION 15-10-420, MCA; REVISING THE PROPERTY TAX RELIEF MECHANISMS WITHIN THE SCHOOL EQUALIZATION AND PROPERTY TAX REDUCTION ACCOUNT; CONTINGENT ON PROPERTY TAX LEGISLATION ENACTED. INCREASING GUARANTEED TAX BASE MULTIPLIERS FOR FISCAL YEAR 2026 TO PROTECT PROPERTY TAXPAYERS; CONTINGENT ON PROPERTY TAX LEGISLATION ENACTED. LOWERING PROPERTY TAXES BY INCREASING THE ON-SCHEDULE REIMBURSEMENT RATES FOR SCHOOL TRANSPORTATION; ~~AND~~ REVISING THE STATE-COUNTY SHARE OF ~~THOSE ON-SCHEDULE~~ REIMBURSEMENTS FOR SCHOOL TRANSPORTATION; ~~ESTABLISHING REPORTING REQUIREMENTS~~; REVISING DEFINITIONS; AMENDING SECTIONS ~~15-7-111~~, 15-10-420, 20-9-306, 20-9-331, 20-9-333, 20-9-336, 20-9-360, 20-9-366, 20-9-367, 20-9-368, 20-9-404, 20-9-525, 20-9-533, 20-10-141, 20-10-144, 20-10-145, 20-10-146, 20-25-439, AND 90-6-403, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

Section 1. Section ~~15-7-111~~, MCA, is amended to read:

~~"15-7-111. Periodic reappraisal of certain taxable property. (1) (a) The department shall~~

Amendment - 1st Reading-white - Requested by: Llew Jones - (H) Appropriations

- 2025

69th Legislature 2025

Drafter: Pad McCracken,

HB0483.001.001

administer and supervise a program for the reappraisal of all taxable property within class three under 15-6-133, class four under 15-6-134, and class ten under 15-6-143 as provided in this section. All property within class three, class four, and class ten must be revalued every 2 years. Except as provided in subsection (1)(b), all other property must be revalued annually.

(b) Beginning January 1, 2024, all centrally assessed property must be revalued in the time periods provided for in 15-23-101(2).

(2) The department shall value newly constructed, remodeled, or reclassified property in a manner consistent with the valuation within the same class and the values established pursuant to subsection (1). The department shall adopt rules for determining the assessed valuation of new, remodeled, or reclassified property within the same class.

(3) The reappraisal of class three, class four, and class ten property is complete on December 31 of every second year of the reappraisal cycle.

(4) During the second year of each reappraisal cycle,

(a) the department shall provide the revenue interim committee with a report, in accordance with 5-11-210, of tax rates for the upcoming reappraisal cycle that will result in taxable value neutrality for each property class; and

(b) the department and the office of public instruction shall provide the education interim budget committee with a report, in accordance with 5-11-210, regarding the impacts of reappraisal on school funding, including adjustments to the guaranteed tax base multipliers and calculations under 20-9-366 through 20-9-368 to mitigate property tax impacts.

(5) The department shall administer and supervise a program for the reappraisal of all taxable property within class three, class four, and class ten. The department shall adopt a reappraisal plan by rule. The reappraisal plan adopted must provide that all class three, class four, and class ten property in each county is revalued by January 1 of the second year of the reappraisal cycle, effective for January 1 of the following year, and each succeeding 2 years.

(6) (a) In completing the appraisal or adjustments under subsection (5), the department shall, as provided in the reappraisal plan, conduct individual property inspections, building permit reviews, sales data verification reviews, and electronic data reviews. The department may adopt new technologies for recognizing

~~changes to property.~~

~~(b) — The department shall conduct a field inspection of a sufficient number of taxable properties to meet the requirements of subsection (5).~~

~~(7) — (a) In each notice of reappraisal sent to a taxpayer, the department, with the support of the department of administration, shall provide to the taxpayer information on:~~

~~(i) — the consumer price index adjusted for population and the average annual growth rate of Montana personal income; and~~

~~(ii) — the estimated annualized change in property taxes levied over the previous 10 years by the state, county, and any incorporated cities or towns within the county and local school average mills by county.~~

~~(b) — In every even-numbered year, the department shall publish in a newspaper of general circulation in each county the information required pursuant to subsection (7)(a) by the second Monday in October."~~

Section 1. Section 15-10-420, MCA, is amended to read:

"15-10-420. Procedure for calculating levy. (1) (a) Subject to the provisions of this section, a governmental entity that is authorized to impose mills may impose a mill levy sufficient to generate the amount of property taxes actually assessed in the prior year plus one-half of the average rate of inflation for the prior 3 years. The maximum number of mills that a governmental entity may impose is established by calculating the number of mills required to generate the amount of property tax actually assessed in the governmental unit in the prior year based on the current year taxable value, less the current year's newly taxable value, plus one-half of the average rate of inflation for the prior 3 years.

(b) A governmental entity that does not impose the maximum number of mills authorized under subsection (1)(a) may carry forward the authority to impose the number of mills equal to the difference between the actual number of mills imposed and the maximum number of mills authorized to be imposed. The mill authority carried forward may be imposed in a subsequent tax year.

(c) For the purposes of subsection (1)(a), the department shall calculate one-half of the average rate of inflation for the prior 3 years by using the consumer price index, U.S. city average, all urban consumers, using the 1982-84 base of 100, as published by the bureau of labor statistics of the United States department of

(d) oil and natural gas production taxes."

Section 5. Section 20-9-336, MCA, is amended to read:

"20-9-336. School equalization and property tax reduction account -- uses. (1) There is a school equalization and property tax reduction account in the state special revenue fund. Contingent on appropriation by the legislature, money in the account is for distribution to school districts as the second source of funding for state equalization aid as provided in 20-9-343. At fiscal yearend, any fund balance in the account exceeding what was appropriated must be transferred to the guarantee account established in 20-9-622.

(2) The account receives revenue as described in 20-9-331, 20-9-333, and 20-9-360.

(3) (a) Beginning in fiscal year ~~2025~~ 2027, each December the superintendent of public instruction shall forecast the amount of revenue the account will receive in that fiscal year by dividing the sum of the taxable value of all property in the state reported by the department of revenue pursuant to 20-9-369 by 1,000 to determine a statewide value mill and then multiplying that amount by ~~95 mills, or the number of mills calculated by the department of revenue under 15-10-420(8) for the applicable fiscal year~~ the total number of mills specified in 20-9-331, 20-9-333, and 20-9-360.

(b) If the forecasted amount in subsection (3)(a) differs from the amount determined through the same calculation in the prior fiscal year ~~by \$2 million or more and is:~~

(a) ~~less by an amount greater than \$2 million~~, then the superintendent shall:

(i) decrease the multiplier used to calculate the statewide elementary and high school guaranteed tax base ratios used for funding BASE budgets under 20-9-366 to the nearest whole number determined by the superintendent to result in a decrease in the amount of guaranteed tax base aid distributed to eligible school districts equal to 85% of the decrease in the calculated amount between the 2 years; and

(ii) decrease the multiplier used to calculate the statewide elementary and high school mill value per ANB for school retirement guaranteed tax base purposes under 20-9-366 to the nearest whole number determined by the superintendent to result in a decrease in the amount of retirement guaranteed tax base aid distributed to eligible ~~school districts~~ counties equal to 15% of the decrease in the calculated amount between the 2 years;.

~~(b) more, then the superintendent shall increase the multipliers used in the guaranteed tax base~~

Amendment - 1st Reading-white - Requested by: Llew Jones - (H) Appropriations

- 2025

69th Legislature 2025

Drafter: Pad McCracken,

HB0483.001.001

formulas under 20-9-366 and in the formula for school major maintenance aid under 20-9-525 to the nearest whole number by an amount calculated by the superintendent to result in an increase in the amount of guaranteed tax base aid and school major maintenance aid distributed to eligible counties and school districts equal to 55% of the increase in the calculated amount between the 2 years in the following order, with any amount exceeding the caps under subsections (3)(b)(i) through (3)(b)(iii) flowing to the next mechanism:

(i) first, the multiplier used in calculating the statewide mill value per elementary and high school ANB for retirement purposes, not to exceed 305%;

(ii) second, the multiplier used in calculating the amount of state school major maintenance aid support for each dollar of local effort, not to exceed 365%; and

(iii) third, the multiplier used in calculating the facility guaranteed mill value per ANB for school facility entitlement guaranteed tax base purposes, not to exceed 300%.

(c) If the forecasted amount in subsection (3)(a) is greater than the amount determined through the same calculation in the prior fiscal year by more than 105%, the superintendent, using the forecasted amount in excess of 105% of the prior year an amount equal to 50% of the forecasted revenue growth up to revenue growth of 105% of the prior fiscal year revenue plus all forecasted revenue growth above 105% of the prior fiscal year revenue, shall:

(i) first increase the multiplier used to calculate statewide mill value per elementary and high school ANB for retirement purposes under 20-9-366, not to exceed 305%, to the nearest whole number determined by the superintendent to result in an increase in the amount of guaranteed tax base aid distributed to eligible counties as close as mathematically possible to the excess amount determined in subsection (3)(c);

and

(ii) if there is an excess amount remaining after the 305% cap is hit under subsection (3)(c)(i), then:

(A) the superintendent shall increase the percentages of the basic and per-ANB entitlements in 20-9-306(2)(b) and (3)(a) by whole numbers not to exceed 45.3% and 90% respectively, then the multiplier used to calculate the statewide elementary and high school guaranteed tax base ratios used for funding BASE budgets under 20-9-366 by whole numbers in a manner determined by the superintendent to result in an increase in the amount of guaranteed tax base aid distributed to eligible districts as close as mathematically possible to the

Amendment - 1st Reading-white - Requested by: Llew Jones - (H) Appropriations

- 2025

69th Legislature 2025

Drafter: Pad McCracken,

HB0483.001.001

excess amount remaining without an increase in the amount of BASE property taxes on a statewide basis; and

(B) in making the calculations under subsection (3)(c)(ii)(A) and in calculating the guaranteed tax base aid ratios under 20-9-366 for the ensuing school fiscal year, the superintendent shall utilize a GTBA budget area for the prior year based on the adjusted percentages of the basic and per-ANB entitlements.

(4) (a) The adjustments to the multipliers and percentages under subsection (3) are applicable to state equalization aid distributions in the fiscal year following the adjustment.

(b) Adjustments to the multipliers and percentages made under subsection (3) remain in effect in subsequent years unless further changed under 20-9-366 or subsection (3) of this section or as otherwise provided by law."

Section 6. Section 20-9-360, MCA, is amended to read:

"20-9-360. State equalization aid levy. ~~Subject to 15-10-420, there~~ There is a levy of 40 mills imposed by the county commissioners of each county on all taxable property within the state, except property for which a tax or fee is required under 61-3-321(2) or (3), 61-3-529, 61-3-537, 61-3-562, 61-3-570, and 67-3-204. Proceeds of the levy must be remitted to the department of revenue, as provided in 15-1-504, and must be deposited to the credit of the school equalization and property tax reduction account established in 20-9-336 for state equalization aid to the public schools of Montana."

Section 7. Section 20-9-366, MCA, is amended to read:

"20-9-366. Definitions. Subject to adjustments pursuant to 20-9-336, 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

Amendment - 1st Reading-white - Requested by: Llew Jones - (H) Appropriations

- 2025

69th Legislature 2025

Drafter: Pad McCracken,

HB0483.001.001

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 calculate the district's prior year total per-ANB entitlement amount.

(3) "Facility guaranteed mill value per ANB", for school facility entitlement guaranteed tax base purposes, means, ~~subject to adjustment under 20-9-336~~, 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' prior year total per-ANB entitlement amounts.

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

- (a) direct state aid;
- (b) the total data-for-achievement payment;
- (c) the total quality educator payment;
- (d) the total at-risk student payment;
- (e) the total Indian education for all payment;
- (f) the total American Indian achievement gap payment; and
- (g) the state special education allowable cost payment.

(5) (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, subject to adjustment under 20-9-336 and [section 19], the sum of the taxable valuation in the previous year of all property in the state, multiplied by ~~254% for fiscal year 2024 and by 259% for fiscal year 2025~~ 300%-262%, subject to adjustment by the superintendent of public instruction pursuant to [section 20], for fiscal year 2026 and by 262% for fiscal year 2027 and each succeeding fiscal year and divided by the prior year statewide GTBA budget area for the state elementary school districts or the state high school districts. ~~For fiscal year 2024 and subsequent fiscal years, the superintendent of public instruction shall increase the multiplier, not to exceed~~

Amendment - 1st Reading-white - Requested by: Llew Jones - (H) Appropriations

- 2025

69th Legislature 2025

Drafter: Pad McCracken,

HB0483.001.001

262%, in this subsection (5)(a) 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:~~

(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~~

(B) ~~add the number derived in subsection (5)(a)(i)(A) as a percentage point increase to the multiplier used for the prior fiscal year;~~

(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;~~

(iii) ~~for fiscal years 2032 and subsequent fiscal years, the multiplier is equal to the multiplier used for fiscal year 2031; and~~

(iv) ~~for all multiplier increases under this subsection (5)(a), the calculations are made in the year prior to the year in which the increase to the multiplier takes effect and impacts distribution of guaranteed tax base aid.~~

(b) "Statewide mill value per elementary ANB" or "statewide mill value per high school ANB", for school retirement guaranteed tax base purposes, means, subject to adjustment under 20-9-336 and [section 19], the sum of the taxable valuation in the previous year of all property in the state, multiplied by 189%, subject to adjustment by the superintendent of public instruction pursuant to [section 20], for fiscal year 2026 and 189% for fiscal year 2027 and each succeeding fiscal year 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."

Section 8. Section 20-9-367, MCA, is amended to read:

"20-9-367. Eligibility to receive guaranteed tax base aid or state debt service assistance for school facilities. (1) If the district guaranteed tax base ratio of an elementary or high school district is less than

Amendment - 1st Reading-white - Requested by: Llew Jones - (H) Appropriations

- 2025

69th Legislature 2025

Drafter: Pad McCracken,

HB0483.001.001

underlying perpetual levy previously approved and a proposed duration for the proposed increase in the amount of the levy, neither of which may exceed 10 years. If the proposition is approved by the qualified electors, both the underlying levy previously approved for a perpetual duration and the increase in the amount of the levy are subject to the revised durational limit specified on the ballot.

(9) The trustees of a district may not use revenue in the technology acquisition and depreciation fund to finance contributions to the teachers' retirement system, the public employees' retirement system, or the federal social security system or for unemployment compensation insurance."

Section 13. Section 20-10-141, MCA, is amended to read:

"20-10-141. Schedule of maximum reimbursement by mileage rates. (1) The mileage rates in subsection (2) for school transportation constitute the maximum reimbursement to districts for school transportation from state and county sources of transportation revenue under the provisions of 20-10-145 and 20-10-146. These rates may not limit the amount that a district may budget in its transportation fund budget in order to provide for the estimated and necessary cost of school transportation during the ensuing school fiscal year. All bus miles traveled on bus routes approved by the county transportation committee are reimbursable. Nonbus mileage is reimbursable for a vehicle driven by a bus driver to and from an overnight location of a school bus when the location is more than 10 miles from the school. A district may approve additional bus or nonbus miles within its own district or approved service area but may not claim reimbursement for the mileage. Any vehicle, the operation of which is reimbursed for bus mileage under the rate provisions of this schedule, must be a school bus, as defined by this title, driven by a qualified driver on a bus route approved by the county transportation committee and the superintendent of public instruction.

(2) Subject to adjustment by the superintendent of public instruction pursuant to [section 20]:

(a) ~~The~~the rate for each bus mile traveled must be determined in accordance with the following schedule:

(i) ~~50 cents~~ \$1.00-50 cents for a school bus as defined in 20-10-101(5)(a)(ii);

(ii) ~~95 cents~~ \$1.90-95 cents for a school bus with a rated capacity of not more than 49 passenger seating positions;

(iii) ~~\$1.15~~ \$2.30 \$1.15 for a school bus with a rated capacity of 50 to 59 passenger seating

1 positions;

2 (iv) ~~\$1.36~~ ~~\$2.72~~ \$1.36 for a school bus with a rated capacity of 60 to 69 passenger seating

3 positions;

4 (v) ~~\$1.57~~ ~~\$3.14~~ \$1.57 for a school bus with a rated capacity of 70 to 79 passenger seating

5 positions; and

6 (vi) ~~\$1.80~~ ~~\$3.60~~ \$1.80 for a school bus with 80 or more passenger seating positions.

7 (b) Nonbus mileage, as provided in subsection (1), must be reimbursed at a rate of ~~50 cents~~ \$1.00

8 50 cents a mile.

9 (3) The rated capacity is the number of passenger seating positions of a school bus as determined

10 under the policy adopted by the board of public education. If modification of a school bus to accommodate

11 pupils with disabilities reduces the rated capacity of the bus, the reimbursement to a district for pupil

12 transportation is based on the rated capacity of the bus prior to modification.

13 (4) The number of pupils riding the school bus may not exceed the passenger seating positions of

14 the bus."

15

16 **Section 14.** Section 20-10-144, MCA, is amended to read:

17 **"20-10-144. Computation of revenue and net tax levy requirements for district transportation**

18 **fund budget.** Before the second Monday of August, the county superintendent shall compute the revenue

19 available to finance the transportation fund budget of each district. The county superintendent shall compute

20 the revenue for each district on the following basis:

21 (1) The "schedule amount" of the budget expenditures that is derived from the rate schedules in

22 20-10-141 and 20-10-142 must be determined by adding the following amounts:

23 (a) the sum of the maximum reimbursable expenditures for all approved school bus routes

24 maintained by the district (to determine the maximum reimbursable expenditure, multiply the applicable rate for

25 each bus mile by the total number of miles to be traveled during the ensuing school fiscal year on each bus

26 route approved by the county transportation committee and maintained by the district); plus

27 (b) the total of all individual transportation per diem reimbursement rates for the district as

28 determined from the contracts submitted by the district multiplied by the number of pupil-instruction days

1
2 **NEW SECTION. Section 19. Adjustments to guaranteed tax base multipliers and calculations to**
3 **mitigate impacts of reappraisal on property tax relief.** (1) The department of revenue and the office of public
4 instruction shall annually collaborate and jointly assess how reappraisal affects, on a statewide basis, the
5 portions of funding between guaranteed tax base aid and local property tax responsibilities for the general fund
6 BASE budgets of school districts and the countywide school retirement funds budgets of counties.

7 (2) After completing the analysis under subsection (1) and by the May 1 deadline for finalizing
8 guaranteed tax base aid ratios under 20-9-369, the office of public instruction shall annually adjust the
9 guaranteed tax base multipliers and calculations outlined in sections 20-9-366 through 20-9-368 to prevent any
10 statewide increase in property taxes due to the combined effects of reappraisal and the standard guaranteed
11 tax base aid formulas for the general fund BASE budgets of school districts and the countywide school
12 retirement funds budgets of counties.

13
14 **NEW SECTION. Section 20. School funding adjustments following 2025 legislative session --**
15 **duties of superintendent of public instruction and department of revenue.** (1) Following the conclusion of
16 the 2025 legislative session and no later than May 15, 2025, the department of revenue shall provide to the
17 superintendent of public instruction an estimate of the revenue in excess of \$441.624 million expected to be
18 generated by the county and statewide school equalization levies under 20-9-331, 20-9-333, and 20-9-360 in
19 fiscal year 2026.

20 (2) If the amount reported under subsection (1) is greater than \$0 and less than \$24.5 million, the
21 superintendent shall:

22 (a) leave the guaranteed tax base multipliers under 20-9-366, as amended by [this act],
23 unadjusted; and

24 (b) increase the school transportation mileage rates in 20-10-141(2)(a) and (2)(b), as amended by
25 [this act], by the same percentage, not to exceed 200%, to rates that result in an increase in the distribution of
26 total state transportation reimbursements to school districts in fiscal year 2026 equal to the amount reported
27 under subsection (1) of this section. Adjustments to the rates made under this subsection (2)(b) remain in effect
28 in subsequent fiscal years.

Amendment - 1st Reading-white - Requested by: Llew Jones - (H) Appropriations

- 2025

69th Legislature 2025

Drafter: Pad McCracken,

HB0483.001.001

(3) If the amount reported under subsection (1) is equal to or greater than \$24.5 million, the superintendent shall:

(a) increase the school transportation mileage rates pursuant to subsection (2)(b); and

(b) subtract \$24.5 million from the amount reported under subsection (1) and use the remainder for the calculations in subsection (4).

(4) Using the amount determined under subsection (3)(b), the superintendent of public instruction shall calculate:

(a) first, an increase in the multiplier used in calculating the statewide mill value per elementary and high school ANB for retirement purposes under 20-9-366, as amended by [this act], for fiscal year 2026 that results in an increase in the amount of guaranteed tax base aid for retirement distributed to counties in fiscal year 2026 that is equal to the amount determined under subsection (3)(b), not to exceed \$7.7 million;

(b) then, if money remains, an increase in the multiplier used in calculating the statewide elementary and high school guaranteed tax base ratios used for funding BASE budgets under 20-9-366, as amended by [this act], for fiscal year 2026 that results in an increase in the amount of guaranteed tax base aid distributed to school districts in fiscal year 2026 that is equal to the amount remaining, not to exceed \$17.9 million.

~~NEW SECTION. Section 20. Effective date. [This act] is effective on passage and approval.~~

NEW SECTION. Section 21. Codification instruction. [Section 19] is intended to be codified as an integral part of Title 20, chapter 9, part 3, and the provisions of Title 20, chapter 9, part 3, apply to [section 19].

COORDINATION SECTION. Section 22. Coordination instruction. If both House Bill No. 2 and [this act] are passed and approved, then:

(1) the appropriations for "Transportation Aid" in House Bill No. 2 for fiscal year 2026 and fiscal year 2027 must be increased to align with the adjustments made to school transportation mileage rates by the superintendent of public instruction under [section 20 of this act] but the increases may not result in a "Transportation Aid" appropriation exceeding \$36.5 million for either fiscal year; and

Amendment - 1st Reading-white - Requested by: Llew Jones - (H) Appropriations

- 2025

69th Legislature 2025

Drafter: Pad McCracken,

HB0483.001.001

(2) the general fund appropriation for "K-12 BASE Aid" in House Bill No. 2 for fiscal year 2026 must be increased in accordance with the adjustments made by the superintendent of public instruction under [section 20 of this act] but the increase may not exceed \$25.6 million.

COORDINATION SECTION. **Section 23. Coordination instruction.** If both House Bill No. 156 and [this act] are passed and approved, then:

(1) [sections 8 and 9 of this act], amending 20-9-367 and 20-9-368, terminate June 30, 2026; and
(2) effective July 1, 2026, [section 19(2) of this act] must be replaced with:
"(2) After completing the analysis under subsection (1) and by the May 1 deadline for finalizing guaranteed tax base aid ratios under 20-9-369, the office of public instruction shall annually adjust the guaranteed tax base multipliers and calculations outlined in sections 20-9-366 through 20-9-368 to prevent any statewide increase in property taxes due to the combined effects of reappraisal and the standard guaranteed tax base aid formulas supporting the countywide levy for BASE budget funding support and the countywide school retirement funds budgets of counties."

NEW SECTION. **Section 24. Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 25. Applicability.** [This act] applies to school district budgeting and funding distributions for school fiscal years beginning on or after July 1, 2025.

- END -