

HOUSE BILL NO. 156

INTRODUCED BY D. BEDEY, L. JONES

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING SCHOOL FUNDING LAWS; ENHANCING SCHOOL FUNDING EQUALIZATION BY REPLACING THE GUARANTEED-TAX-BASE-AID-SUPPORTED SCHOOL DISTRICT BASE LEVY WITH A GUARANTEED-TAX-BASE-AID-SUPPORTED COUNTYWIDE LEVY TO SUPPORT THE BASE BUDGETS OF SCHOOL DISTRICTS; REDUCING REQUIRED TUITION PAYMENTS TO REFLECT THE COUNTYWIDE LEVY; REVISING THE USE OF VARIOUS FORMS OF NONLEVY REVENUE IN RELATION TO SCHOOL DISTRICT GENERAL FUND BUDGETS; REPLACING DISTRICT GUARANTEED TAX BASE AID WITH COUNTY GUARANTEED TAX BASE AID IN SUPPORT OF THE NEW COUNTYWIDE LEVY; REVISING GUARANTEED TAX BASE AID LAWS; REVISING THE DUTIES OF TRUSTEES, DISTRICT CLERKS, COUNTY SUPERINTENDENTS, AND COUNTY TREASURERS AS RELATED TO THE NEW COUNTYWIDE LEVY; AMENDING SECTIONS 7-15-4291, 15-1-402, 20-3-209, 20-3-324, 20-5-323, 20-5-324, 20-6-702, 20-9-101, 20-9-104, 20-9-131, 20-9-141, 20-9-212, 20-9-235, 20-9-306, 20-9-308, 20-9-310, 20-9-336, 20-9-366, 20-9-367, 20-9-368, 20-9-369, AND 20-9-515, MCA; REPEALING SECTION 15-1-409, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

**Section 1.** Section 7-15-4291, MCA, is amended to read:

**"7-15-4291. Voluntary agreement to remit unused portion of urban renewal district tax increments.** (1) Subject to subsections (2) through (5), a local government with an urban renewal district containing a tax increment provision may enter into an agreement to remit any portion of the annual tax increment not currently required for the payment of the costs listed in 7-15-4288 or pledged to the payment of the principal of premiums, if any, and interest on the bonds referred to in 7-15-4289. The remittance agreement must:

(a) provide for remittance to each taxing jurisdiction for which the mill rates are included in the

~~tax base ratios used for funding BASE budgets~~ guaranteed tax base ratio for the countywide levy for BASE funding support 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~~ counties 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 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 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%.

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

(b) Adjustments to the multipliers 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 18.** Section 20-9-366, MCA, is amended to read:

1           **"20-9-366. Definitions.** Subject to adjustments pursuant to 20-9-336, as used in 20-9-366 through  
2 20-9-371, the following definitions apply:

3           ~~(1) "County retirement mill value per elementary ANB" or "county retirement mill value per high~~  
4 ~~school ANB" means the sum of the taxable valuation in the previous year of all property in the county divided by~~  
5 ~~1,000, with the quotient divided by the total county elementary ANB count or the total county high school ANB~~  
6 ~~count used to calculate the elementary school districts' and high school districts' prior year total per ANB~~  
7 ~~entitlement amounts.~~

8           ~~(2)(1)~~ (a) "District-County elementary guaranteed tax base ratio" or "county high school guaranteed  
9 tax base ratio" for guaranteed tax base funding for the countywide levy for BASE budget funding support of an  
10 eligible district-county means the taxable valuation in the previous year of all property in the district, except for  
11 property value disregarded because of protested taxes under 15-1-409(2) or property subject to the creation of  
12 a new school district under 20-6-326 county, divided by the district's sum of the prior year GTBA budget area  
13 areas of the elementary school districts or the high school districts in the county. The GTBA budget areas for  
14 joint districts must be prorated to each county in which a part of the district is located in the same proportion as  
15 the district ANB of the joint district is distributed by pupil residence in each county.

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

20           (2) "County retirement mill value per elementary ANB" or "county retirement mill value per high  
21 school ANB" means the sum of the taxable valuation in the previous year of all property in the county divided by  
22 1,000, with the quotient divided by the total county elementary ANB count or the total county high school ANB  
23 count used to calculate the elementary school districts' and high school districts' prior year total per-ANB  
24 entitlement amounts.

25           (3) "Facility guaranteed mill value per ANB", for school facility entitlement guaranteed tax base  
26 purposes, means, subject to adjustment under 20-9-336, the sum of the taxable valuation in the previous year  
27 of all property in the state, multiplied by 140% and divided by 1,000, with the quotient divided by the total state

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1 elementary ANB count or the total state high school ANB count used to calculate the elementary school  
2 districts' and high school districts' prior year total per-ANB entitlement amounts.

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

5 (a) ~~direct state aid;~~

6 (b) ~~the total data for achievement payment;~~

7 (c) ~~the total quality educator payment;~~

8 (d) ~~the total at-risk student payment;~~

9 (e) ~~the total Indian education for all payment;~~

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

11 (g) ~~the state special education allowable cost payment~~ BASE aid is subtracted.

12 (5) (a) "Statewide elementary guaranteed tax base ratio" or "statewide high school guaranteed tax  
13 base ratio", for guaranteed tax base funding for the ~~BASE budget of an eligible district~~ the countywide levy for  
14 BASE funding support, means, subject to adjustment under 20-9-336, the sum of the taxable valuation in the  
15 previous year of all property in the state, multiplied by ~~254% for fiscal year 2024 and by 259%~~ 280% for fiscal  
16 year 2025-2026- the percentage determined under [section 25] for fiscal year 2027 and each succeeding fiscal  
17 year and divided by the prior year statewide GTBA budget area for the state elementary school districts or the  
18 state high school districts. ~~For fiscal year 2024 and subsequent fiscal years, the superintendent of public~~  
19 ~~instruction shall increase the multiplier, not to exceed 262%, in this subsection (5)(a) as follows:~~

20 (i) ~~for fiscal years 2024 through 2031, if the revenue transferred to the state general fund pursuant~~  
21 ~~to 16-12-111 in the prior fiscal year is at least \$1 million more than the revenue transferred in the fiscal year 2~~  
22 ~~years prior, then:~~

23 (A) ~~multiply the amount of increased revenue transferred to the state general fund pursuant to 16-~~  
24 ~~12-111 in the prior fiscal year above the amount of revenue transferred in the fiscal year 2 years prior by 0.25,~~  
25 ~~divide the resulting product by \$500,000, and round to the nearest whole number; and~~

26 (B) ~~add the number derived in subsection (5)(a)(i)(A) as a percentage point increase to the~~  
27 ~~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, the sum of the taxable valuation in the previous year of all property in the state, multiplied by 189% 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 19.** 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 county elementary or high school guaranteed tax base ratio is less than the corresponding statewide elementary or high school guaranteed tax base ratio, the district county may receive guaranteed tax base aid based on the number of mills levied in the district in support of up to 35.3% of the basic entitlement, up to 35.3% of the total per-ANB entitlement, and up to 40% of the special education allowable cost payment budgeted within the general fund budget for the countywide levy for BASE funding support.~~

(2) If the county retirement mill value per elementary ANB or the county retirement mill value per high school ANB is less than the corresponding statewide mill value per elementary ANB or high school ANB, the county may receive guaranteed tax base aid based on the number of mills levied in the county in support of the retirement fund budgets of the respective elementary or high school districts in the county.

1 (5) The county superintendent shall:

2 (a) calculate the number of mills to be levied on the taxable property in the county to finance the  
3 BASE funding levy requirement by ~~dividing~~ SUBTRACTING FROM the amount determined in subsection ~~(3)~~ (2) ANY  
4 FUND BALANCE DETERMINED UNDER SUBSECTION (4) AND THEN DIVIDING THE REMAINING TOTAL by the sum of:

5 (i) the amount of guaranteed tax base aid that the county will receive for each mill levied, as  
6 certified by the superintendent of public instruction; and

7 (ii) the taxable valuation of the district divided by 1,000; and

8 (b) report the number of mills required to fund the BASE funding levy requirement to the county  
9 commissioners by the later of the first Tuesday in September or within 30 calendar days after receiving certified  
10 taxable values.

11 (6) The county commissioners shall fix and set the countywide BASE funding levies in accordance  
12 with 20-9-142.

13 (7) The county superintendent of each county shall submit a report of the revenue amounts used  
14 to establish the BASE funding levy requirements to the superintendent of public instruction on or before  
15 September 15. The report must be completed on forms supplied by the superintendent of public instruction.

16  
17 NEW SECTION. Section 24. Repealer. The following section of the Montana Code Annotated is  
18 repealed:

19 15-1-409. Exclusion of certain property subject to property tax protest -- guaranteed tax base -- tax  
20 refund.

21  
22 NEW SECTION. Section 25. Transition. (1) The legislature intends this act to be fully operational in  
23 fiscal year 2027 with the first countywide levies to support BASE budgets levied in fiscal year 2027. The office  
24 of public instruction shall prepare for this implementation and support counties and school districts with this  
25 transition, including any necessary rulemaking, in a timely manner.

26 (2) (a) The superintendent of public instruction shall determine the multiplier used to calculate  
27 guaranteed tax base funding for the countywide levy for BASE funding support in 20-9-366(5)(a) for fiscal year

2027 to result in a statewide distribution of guaranteed tax base funding for the countywide levy for BASE funding support equal to the statewide distribution of guaranteed tax base funding for the BASE budgets of school districts in fiscal year 2026 multiplied by 1.03.

(b) The adjustment to the multiplier under subsection (2)(a) must remain in effect for subsequent fiscal years unless otherwise provided by law.

NEW SECTION. Section 26. Codification instruction. [Section 23] 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 22].

COORDINATION SECTION. Section 27. Coordination instruction. If both House Bill No. 483 and [this act] are passed and approved, then [section 14 of this act], amending 20-9-306, is void and 20-9-306 must be amended as follows:

**"20-9-306. Definitions.** As used in this title, unless the context clearly indicates otherwise, the following definitions apply:

(1) "BASE" means base amount for school equity.

(2) "BASE aid" means:

(a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund budget of a district;

~~(b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and 40% of the special education allowable cost payment;~~

~~(e)(b)~~ the total quality educator payment;

~~(d)(c)~~ the total at-risk student payment;

~~(e)(d)~~ the total Indian education for all payment;

~~(f)(e)~~ the total American Indian achievement gap payment;

~~(g)(f)~~ the total data-for-achievement payment; and

~~(h)(g)~~ the special education allowable cost payment.

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(3) "BASE budget" means the minimum general fund budget of a district, which includes:

(a) subject to adjustment under 20-9-336, 80% of the basic entitlement, and 80% of the total per-ANB entitlement;

(b) 100% of the following payments:

(i) the total quality educator payment, 100% of;

(ii) the total at-risk student payment, 100% of;

(iii) the total Indian education for all payment, 100% of;

(iv) the total American Indian achievement gap payment, 100% of; and

(v) the total data-for-achievement payment; and

(c) 140% of the special education allowable cost payment.

(4) "BASE funding program" means the state program for the equitable distribution of the state's share of the cost of Montana's basic system of public elementary schools and high schools, through county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.

(4)(5) "BASE budget levy funding revenue requirement" means the district levy amount calculated in support of the BASE budget of a district, which is funded by the countywide levy for BASE funding support under [section 23] and may be supplemented by guaranteed tax base aid if the district-county is eligible under the provisions of 20-9-366 through 20-9-369.

(5) "BASE funding program" means the state program for the equitable distribution of the state's share of the cost of Montana's basic system of public elementary schools and high schools, through county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.

(6) "Basic entitlement" means:

(a) for each high school district:

(i) \$343,483 for fiscal year 2024 and \$353,787 for each succeeding fiscal year for school districts



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with an ANB of 800 or fewer; and

(ii) \$343,483 for fiscal year 2024 and \$353,787 for each succeeding fiscal year for school districts with an ANB of more than 800, plus \$17,175 for fiscal year 2024 and \$17,690 for each succeeding fiscal year for each additional 80 ANB over 800;

(b) for each elementary school district or K-12 district elementary program without an approved and accredited junior high school, 7th and 8th grade program, or middle school:

(i) \$57,246 for fiscal year 2024 and \$58,963 for each succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of 250 or fewer; and

(ii) \$57,246 for fiscal year 2024 and \$58,963 for each succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of more than 250, plus \$2,863 for fiscal year 2024 and \$2,949 for each succeeding fiscal year for each additional 25 ANB over 250;

(c) for each elementary school district or K-12 district elementary program with an approved and accredited junior high school, 7th and 8th grade program, or middle school:

(i) for the district's kindergarten through grade 6 elementary program:

(A) \$57,246 for fiscal year 2024 and \$58,963 for each succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of 250 or fewer; and

(B) \$57,246 for fiscal year 2024 and \$58,963 for each succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of more than 250, plus \$2,863 for fiscal year 2024 and \$2,949 for each succeeding fiscal year for each additional 25 ANB over 250; and

(ii) for the district's approved and accredited junior high school, 7th and 8th grade programs, or middle school:

(A) \$114,493 for fiscal year 2024 and \$117,928 for each succeeding fiscal year for school districts or K-12 district elementary programs with combined grades 7 and 8 with an ANB of 450 or fewer; and

(B) \$114,493 for fiscal year 2024 and \$117,928 for each succeeding fiscal year for school districts or K-12 district elementary programs with combined grades 7 and 8 with an ANB of more than 450, plus \$5,724 for fiscal year 2024 and \$5,896 for each succeeding fiscal year for each additional 45 ANB over 450.

(7) "Budget unit" means the unit for which the ANB of a district is calculated separately pursuant to

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(8) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund budget of a district and funded with state and county equalization aid.

(9) "Maximum general fund budget" means a district's general fund budget amount calculated from the basic entitlement for the district, the total per-ANB entitlement for the district, the total quality educator payment, the total at-risk student payment, the total Indian education for all payment, the total American Indian achievement gap payment, the total data-for-achievement payment, and the greater of the district's special education allowable cost payment multiplied by:

(a) 175%; or

(b) the ratio, expressed as a percentage, of the district's special education allowable cost expenditures to the district's special education allowable cost payment for the fiscal year that is 2 years previous, with a maximum allowable ratio of 200%.

(10) "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted that is above the BASE budget and within the general fund budget limits established in 20-9-308 and calculated as provided in 20-9-141.

(11) "Total American Indian achievement gap payment" means the payment resulting from multiplying \$235 for fiscal year 2024 and \$242 for each succeeding fiscal year times the number of American Indian students enrolled in the district as provided in 20-9-330.

(12) "Total at-risk student payment" means the payment resulting from the distribution of any funds appropriated for the purposes of 20-9-328.

(13) "Total data-for-achievement payment" means the payment provided in 20-9-325 resulting from multiplying \$22.89 for fiscal year 2024 and \$23.58 for each succeeding fiscal year by the district's ANB calculated in accordance with 20-9-311.

(14) "Total Indian education for all payment" means the payment resulting from multiplying \$23.91 for fiscal year 2024 and \$24.63 for each succeeding fiscal year times the ANB of the district or \$100 for each district, whichever is greater, as provided for in 20-9-329.

(15) "Total per-ANB entitlement" means the district entitlement resulting from the following

calculations and using either the current year ANB or the 3-year ANB provided for in 20-9-311:

(a) for a high school district or a K-12 district high school program, a maximum rate of \$7,840 for fiscal year 2024 and \$8,075 for each succeeding fiscal year for the first ANB, decreased at the rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

(b) for an elementary school district or a K-12 district elementary program without an approved and accredited junior high school, 7th and 8th grade program, or middle school, a maximum rate of \$6,123 for fiscal year 2024 and \$6,307 for each succeeding fiscal year for the first ANB, decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

(c) for an elementary school district or a K-12 district elementary program with an approved and accredited junior high school, 7th and 8th grade program, or middle school, the sum of:

(i) a maximum rate of \$6,123 for fiscal year 2024 and \$6,307 for each succeeding fiscal year for the first ANB for kindergarten through grade 6, decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

(ii) a maximum rate of \$7,840 for fiscal year 2024 and \$8,075 for each succeeding fiscal year for the first ANB for grades 7 and 8, decreased at the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB.

(16) "Total quality educator payment" means the payment resulting from multiplying \$3,566 for fiscal year 2024 and \$3,673 for each succeeding fiscal year by the sum of:

(a) the number of full-time equivalent educators as provided in 20-9-327; and

(b) as provided in 20-9-324, for a school district meeting the legislative goal for competitive base pay of teachers, the number of full-time equivalent teachers that were in the first 3 years of the teacher's teaching career in the previous year.

(17) "Total special education allocation" means the state payment distributed pursuant to 20-9-321

that is the greater of the amount resulting from multiplying \$293.74 for fiscal year 2024 and \$302.55 for each succeeding fiscal year by the statewide current year ANB or the amount of the previous year's total special education allocation."

COORDINATION SECTION. **Section 28. Coordination instruction.** If both House Bill No. 483 and [this act] are passed and approved, then [section 17 of this act], amending 20-9-336, is void and 20-9-336 must be amended as follows:

**"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~~ guaranteed tax base ratio for the countywide levy for BASE funding support 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~~ counties 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 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, the superintendent, using 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),~~

1 then:

2 (A) the superintendent shall increase the percentages of the basic and per-ANB entitlements in 20-  
3 9-306(2)(b) and (3)(a) by whole numbers not to exceed 45.3% and 90% respectively, then the multiplier used to  
4 calculate the statewide elementary and high school guaranteed tax base ratios used for guaranteed tax base  
5 funding for the countywide levy for BASE funding support under 20-9-366 by whole numbers in a manner  
6 determined by the superintendent to result in an increase in the amount of guaranteed tax base aid distributed  
7 to eligible counties as close as mathematically possible to the excess amount remaining without an increase in  
8 the amount of countywide BASE funding levies on a statewide basis; and

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

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

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

17  
18 NEW SECTION. Section 29. Effective date. [This act] is effective July 1, 2026.

19  
20 COORDINATION SECTION. Section 30. Coordination instruction. If both House Bill No. 483 and  
21 [this act] are passed and approved, then:

22 (1) the section amending 20-9-366 in House Bill No. 83 terminates June 30, 2026; and

23 (2) [section 18 of this act], amending 20-9-366, is void and 20-9-366 must be amended as follows:

24 **"20-9-366. Definitions.** Subject to adjustments pursuant to 20-9-336, as used in 20-9-366 through  
25 20-9-371, the following definitions apply:

26 ~~(1) "County retirement mill value per elementary ANB" or "county retirement mill value per high~~  
27 ~~school ANB" means the sum of the taxable valuation in the previous year of all property in the county divided by~~

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

4 ~~(2)(1)~~ (a) "~~District-County elementary~~ guaranteed tax base ratio" or "~~county high school guaranteed~~  
5 ~~tax base ratio~~" for guaranteed tax base funding for the ~~countywide levy for~~ BASE ~~budget funding support~~ of an  
6 eligible ~~district-county~~ means the taxable valuation in the previous year of all property in the ~~district-county,~~  
7 ~~except for property value disregarded because of protested taxes under 15-1-409(2) or property subject to the~~  
8 ~~creation of a new school district under 20-6-326,~~ divided by the ~~district's sum of the~~ prior year GTBA budget  
9 ~~area areas of the elementary school districts or the high school districts in the county. The GTBA budget areas~~  
10 ~~for joint districts must be prorated to each county in which a part of the district is located in the same proportion~~  
11 ~~as the district ANB of the joint district is distributed by pupil residence in each county.~~

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

16 ~~(2)~~ "County retirement mill value per elementary ANB" or "county retirement mill value per high  
17 school ANB" means the sum of the taxable valuation in the previous year of all property in the county divided by  
18 ~~1,000, with the quotient divided by the total county elementary ANB count or the total county high school ANB~~  
19 ~~count used to calculate the elementary school districts' and high school districts' prior year total per-ANB~~  
20 ~~entitlement amounts.~~

21 (3) "Facility guaranteed mill value per ANB", for school facility entitlement guaranteed tax base  
22 purposes, means, ~~subject to adjustment under 20-9-336,~~ the sum of the taxable valuation in the previous year  
23 of all property in the state, multiplied by 140% and divided by 1,000, with the quotient divided by the total state  
24 elementary ANB count or the total state high school ANB count used to calculate the elementary school  
25 districts' and high school districts' prior year total per-ANB entitlement amounts.

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

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~~(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 BASE aid is subtracted.~~

(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~~ the countywide levy for BASE funding support, means, subject to adjustment under 20-9-336 and [section 19 of House Bill No. 483], 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~~ the percentage determined under [section 25 of this act] 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 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;~~



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~~(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 of House Bill No. 483], the sum of the taxable valuation in the previous year of all property in the state, multiplied by 189% 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."

NEW SECTION. Section 31. Applicability. [This act] applies to fiscal years beginning on or after July 1, 2026.

- END -