_____ BILL NO. _____

INTRODUCED BY _____

BY REQUEST OF THE EDUCATION INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: “AN ACT GENERALLY REVISING SCHOOL FINANCE LAWS; UPDATING STATUTE WITH TRANSPORTATION REIMBURSEMENT RATES CALCULATED BY THE OFFICE OF PUBLIC INSTRUCTION FOLLOWING THE CONCLUSION OF THE 2025 LEGISLATIVE SESSION AS DIRECTED BY LAW; UPDATING STATUTE WITH THE NEW GUARANTEED TAX BASE MULTIPLIER CALCULATED BY THE OFFICE OF PUBLIC INSTRUCTION TO TAKE EFFECT IN FISCAL YEAR 2027 AS DIRECTED BY LAW; AMENDING SECTIONS 20-9-366 AND 20-10-141, 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.** Subject to adjustments pursuant to 20-9-336, as used in 20-9-366 through 20-9-371 the following definitions apply:

(1) (a) "County elementary guaranteed tax base ratio" or "county high school guaranteed tax base ratio" for guaranteed tax base funding for the countywide levy for BASE funding support of an eligible county means the taxable valuation in the previous year of all property in the county, divided by the sum of the prior year GTBA budget areas of the elementary school districts or the high school districts in the county. The GTBA budget areas for joint districts must be prorated to each county in which a part of the district is located in the same proportion as the district ANB of the joint district is distributed by pupil residence in each county.

(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.

(2) "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.

(3) "Facility guaranteed mill value per ANB", for school facility entitlement guaranteed tax base purposes, means 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 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 countywide levy for BASE funding support, means, subject to adjustment under 20-9-336 and 20-9-365, the sum of the taxable valuation in the previous year of all property in the state, multiplied by ~~the percentage determined under section 25, Chapter 424, Laws of 2025,~~ 299% 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.

(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 20-9-365, 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 2. 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, Chapter 658, Laws of 2025:~~

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

(i) ~~50~~ 83 cents for a school bus as defined in 20-10-101(5)(a)(ii);

(ii) ~~95 cents~~ $1.57 for a school bus with a rated capacity of not more than 49 passenger seating positions;

(iii) ~~$1.15~~ $1.90 for a school bus with a rated capacity of 50 to 59 passenger seating positions;

(iv) ~~$1.36~~ $2.24 for a school bus with a rated capacity of 60 to 69 passenger seating positions;

(v) ~~$1.57~~ $2.59 for a school bus with a rated capacity of 70 to 79 passenger seating positions; and

(vi) ~~$1.80~~ $2.97 for a school bus with 80 or more passenger seating positions.

(b) Nonbus mileage, as provided in subsection (1), must be reimbursed at a rate of ~~50~~ 83 cents a mile.

(3) The rated capacity is the number of passenger seating positions of a school bus as determined under the policy adopted by the board of public education. If modification of a school bus to accommodate pupils with disabilities reduces the rated capacity of the bus, the reimbursement to a district for pupil transportation is based on the rated capacity of the bus prior to modification.

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

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

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