

HOUSE BILL NO. 864

INTRODUCED BY D. BEDEY, B. BARKER, L. JONES, M. NIKOLAKAKOS, E. TILLEMAN, K. WALSH

A BILL FOR AN ACT ENTITLED: "AN ACT IMPLEMENTING THE PROVISIONS OF HOUSE BILL NO. 2; EXPANDING USE OF THE SCHOOL FACILITY AND TECHNOLOGY ACCOUNT; REVISING DEFINITIONS; PROVIDING FOR TRANSFERS TO AND FROM THE COMMUNITY COLLEGE FTE ADJUSTMENT ACCOUNT; INCREASING THE RESIDENT NONBENEFICIARY STUDENT PAYMENT FOR TRIBAL COLLEGES; PROVIDING FOR A STUDY BY THE EDUCATION INTERIM BUDGET COMMITTEE OF INTERLIBRARY RESOURCE SHARING PROGRAMS AND THE STRUCTURE AND ORGANIZATION OF THE OFFICE OF PUBLIC INSTRUCTION; AMENDING SECTIONS 20-9-516, 20-15-310, 20-15-328, AND 20-25-428, MCA; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

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

**Section 1.** Section 20-9-516, MCA, is amended to read:

**"20-9-516. School facility and technology account.** (1) There is a school facility and technology account in the state special revenue fund provided for in 17-2-102. The purpose of the account is to provide, contingent on appropriation from the legislature, funding for the following in priority order:

(a) school technology purposes, including but not limited to purposes as provided in 20-9-534; and

(b) state debt service assistance as provided in 20-9-371.

(2) There must be deposited in the account:

(a) an amount of money equal to the income attributable to the difference between the average sale value of 18 million board feet and the total income produced from the annual timber harvest on common school trust lands during the fiscal year; and

(b) the income received from certain lands and riverbeds as provided in 17-3-1003(5).

(3) If in any fiscal year the amount of revenue in the school facility and technology account is sufficient to fund debt service assistance without a proration reduction pursuant to 20-9-346(2)(b) and if in that same fiscal year the amount of revenue available in the school major maintenance aid account established in

**NEW SECTION. Section 7. Notification to tribal governments.** The secretary of state shall send a copy of [this act] to each federally recognized tribal government in Montana.

**COORDINATION SECTION. Section 8. Coordination instruction -- directions to code commissioner.** If both House Bill No. 252 and [this act] are passed and approved, the code commissioner is directed to change "quality educator" to "quality educator and qualified staff" in Title 5, Title 20, and all legislation enacted by the 2025 legislature whenever a reference to "quality educator" appears in relation to the quality educator payment provided for in 20-9-327.

**COORDINATION SECTION. Section 9. Coordination instruction.** If both House Bill No. 515 and [this act] are passed and approved and if both contain a section that amends 20-9-516, then the sections amending 20-9-516 are void and 20-9-516 must be amended as follows:

**"20-9-516. School facility and technology account -- statutory appropriation for school technology purposes.** (1) There is a school facility and technology account in the state special revenue fund provided for in 17-2-102. The purpose of the account is to provide, ~~contingent on appropriation from the legislature,~~ funding for the following in priority order:

(a) school technology purposes ~~as~~ provided in ~~20-9-534 subsection (3);~~  
(b) contingent on appropriation from the legislature, other technology purposes;  
(c) contingent on appropriation from the legislature, school major maintenance aid as provided in 20-9-525; and  
(~~b~~)(d) contingent on appropriation from the legislature, state debt service assistance as provided in 20-9-371.

(2) There must be deposited in the account:  
(a) an amount of money equal to the income attributable to the difference between the average sale value of 18 million board feet and the total income produced from the annual timber harvest on common school trust lands during the fiscal year; and

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Drafter: Pad McCracken,

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(b) the income received from certain lands and riverbeds as provided in 17-3-1003(5);

(c) earnings from the school facilities fund within the coal severance tax trust fund as provided in 17-5-703; and

(d) if applicable, excess interest and income revenue as provided in 20-9-622.

(3) (a) The amount of \$1 million a year is statutorily appropriated, as provided in 17-7-502, from the school facility and technology account established in this section for grants for school technology purposes.

(b) By the last working day in August, the superintendent of public instruction shall allocate a portion of the \$1 million for school technology purposes to each district based on the ratio that each district's BASE budget bears to the statewide BASE budget amount for all school districts for the purposes of 20-9-533.

~~(3) If in any fiscal year the amount of revenue in the school facility and technology account is sufficient to fund debt service assistance without a proration reduction pursuant to 20-9-346(2)(b) and if in that same fiscal year the amount of revenue available in the school major maintenance aid account established in 20-9-525 will result in a proration reduction in school major maintenance aid pursuant to 20-9-525(5) for that fiscal year, the state treasurer shall transfer any excess funds in the school facility and technology account to the school major maintenance aid account not to exceed the amount required to avoid a proration reduction."~~

NEW SECTION. **Section 10. Effective date.** [This act] is effective July 1, 2025.

NEW SECTION. **Section 11. Termination.** [Sections 5 and 6] terminate December 31, 2026.

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