

SECOND REGULAR SESSION

# HOUSE BILL NO. 1173

## 92ND GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES CUNNINGHAM (86) (Sponsor), LEMBKE, THRELKELD, BAKER, PARKER, ICET, STEFANICK, KINGERY, MUCKLER, HUBBARD, SAGER, SMITH (118), DIXON, ERVIN, WAGNER, DAVIS (122), WALTON, WARD, HAMPTON, WALLACE, HAYWOOD AND DUSENBERG (Co-sponsors).

Read 1<sup>st</sup> time January 20, 2004, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

3330L.01I

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### AN ACT

To repeal section 163.036, RSMo, and to enact in lieu thereof one new section relating to the counting of pupils for school aid.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 163.036, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 163.036, to read as follows:

163.036. 1. In computing the amount of state aid a school district is entitled to receive **for the minimum school term only** under section 163.031, a school district may use an estimate of the number of eligible pupils for the ensuing year, the number of eligible pupils for the immediately preceding year or the number of eligible pupils for the second preceding school year, whichever is greater. **Beginning with the 2004-2005 school year, the summer school add-on for eligible pupils, as defined in section 163.011, shall include only those eligible pupils that attend summer school in the ensuing year.** Except as otherwise provided in subsection 3 of this section, any error made in the apportionment of state aid because of a difference between the actual number of eligible pupils and the estimated number of eligible pupils shall be corrected as provided in section 163.091, except that if the amount paid to a district estimating eligible pupils exceeds the amount to which the district was actually entitled by more than five percent, interest at the rate of six percent shall be charged on the excess and shall be added to the amount to be deducted from the district's apportionment the next succeeding year.

2. Notwithstanding the provisions of subsection 1 of this section or any other provision of law, the state board of education shall make an adjustment for the immediately preceding year

17 for any increase in the actual number of eligible pupils above the number on which the state aid  
18 in section 163.031 was calculated. Said adjustment shall be made in the manner providing for  
19 correction of errors under subsection 1 of this section.

20 3. (1) For any district which has, for at least five years immediately preceding the year  
21 in which the error is discovered, adopted a calendar for the school term in which elementary  
22 schools are in session for twelve months of each calendar year, any error made in the  
23 apportionment of state aid to such district because of a difference between the actual number of  
24 eligible pupils and the estimated number of eligible pupils shall be corrected as provided in  
25 section 163.091 and subsection 1 of this section, except that if the amount paid exceeds the  
26 amount to which the district was actually entitled by more than five percent and the district  
27 provides written application to the state board requesting that the deductions be made pursuant  
28 to subdivision (2) of this subsection, then the amounts shall be deducted pursuant to subdivision  
29 (2) of this subsection.

30 (2) For deductions made pursuant to this subdivision, interest at the rate of six percent  
31 shall be charged on the excess and shall be included in the amount deducted and the total amount  
32 of such excess plus accrued interest shall be deducted from the district's apportionment in equal  
33 monthly amounts beginning with the succeeding school year and extending for a period of  
34 months specified by the district in its written request and no longer than sixty months.

35 4. For the purposes of distribution of state school aid pursuant to section 163.031, a  
36 school district may elect to use the district's equalized assessed valuation for the preceding year,  
37 or an estimate of the current year's assessed valuation if the current year's equalized assessed  
38 valuation is estimated to be more than ten percent less than the district's equalized assessed  
39 valuation for the preceding year. A district shall give prior notice to the department of its  
40 intention to use the current year's assessed valuation pursuant to this subsection. Any error made  
41 in the apportionment of state aid because of a difference between the actual equalized assessed  
42 valuation for the current year and the estimated equalized assessed valuation for the current year  
43 shall be corrected as provided in section 163.091, except that if the amount paid to a district  
44 estimating current equalized assessed valuation exceeds the amount to which the district was  
45 actually entitled, interest at the rate of six percent shall be charged on the excess and shall be  
46 added to the amount to be deducted from the district's apportionment the next succeeding year.

47 5. For the purposes of distribution of state school aid pursuant to section 163.031, a  
48 school district with ten percent or more of its assessed valuation that is owned by one person or  
49 corporation as commercial or personal property who is delinquent in a property tax payment may  
50 elect, after receiving notice from the county clerk on or before March fifteenth, except in the year  
51 enacted, that more than ten percent of its current taxes due the preceding December thirty-first  
52 by a single property owner are delinquent, to use on line 2 of the state aid formula the district's

53 equalized assessed valuation for the preceding year or the actual assessed valuation of the year  
54 for which the taxes are delinquent less the assessed valuation of property for which the current  
55 year's property tax is delinquent. To qualify for use of the actual assessed valuation of the year  
56 for which the taxes are delinquent less the assessed valuation of property for which the current  
57 year's property tax is delinquent, a district must notify the department of elementary and  
58 secondary education on or before April first, except in the year enacted, of the current year  
59 amount of delinquent taxes, the assessed valuation of such property for which delinquent taxes  
60 are owed and the total assessed valuation of the district for the year in which the taxes were due  
61 but not paid. Any district giving such notice to the department of elementary and secondary  
62 education shall present verification of the accuracy of such notice obtained from the clerk of the  
63 county levying delinquent taxes. When any of the delinquent taxes identified by such notice are  
64 paid during a four- year period following the due date, the county clerk shall give notice to the  
65 district and the department of elementary and secondary education, and state aid paid to the  
66 district shall be reduced by an amount equal to the delinquent taxes received plus interest. The  
67 reduction in state aid shall occur over a period not to exceed five years and the interest rate on  
68 excess state aid not refunded shall be six percent annually.

69         6. If a district receives state aid based on equalized assessed valuation as determined by  
70 subsection 5 of this section and if prior to such notice the district was paid state aid pursuant to  
71 subdivision (2) of subsection 5 of section 163.031, the amount of state aid paid during the year  
72 of such notice and the first year following shall equal the sum of state aid paid pursuant to line  
73 1 minus line 10 as defined in subsections 1, 2, 3 and 6 of section 163.031 plus the difference  
74 between the state aid amount being paid after such notice minus the amount of state aid the  
75 district would have received pursuant to line 1 minus line 10 as defined in subsections 1, 2, 3 and  
76 6 of section 163.031 before such notice. To be eligible to receive state aid based on this  
77 provision the district must levy during the first year following such notice at least the maximum  
78 levy permitted school districts by article X, section 11(b) of the Missouri Constitution and have  
79 a voluntary rollback of its tax rate which is no greater than one cent per one hundred dollars  
80 assessed valuation.