

1 *Senate* BILL NO. 410
 2 INTRODUCED BY *Playlock*
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A PUBLIC
 5 SCHOOL DISTRICT BOARD OF TRUSTEES TO ESTABLISH AN EQUIPMENT
 6 RESERVE FUND FOR THE PURPOSE OF PURCHASING OR REPLACING
 7 MAJOR ITEMS OF INSTRUCTIONAL EQUIPMENT AND PROVIDING A
 8 METHOD OF FINANCING."

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

11 Section 1. Instructional equipment reserve fund --
 12 establishment. The trustees of any public school district
 13 may establish an equipment reserve fund for the purpose of
 14 future purchase or replacement of major items of equipment
 15 needed for instructional purposes. In order to establish the
 16 equipment reserve fund, the trustees of the district must
 17 pass a resolution that specifies:

- 18 (1) the purpose or purposes for which the equipment is
- 19 to be used;
- 20 (2) the period of time for which the equipment reserve
- 21 fund is to be established; and
- 22 (3) the total amount of money that is to be raised
- 23 over the specified period of time.

24 Section 2. Equipment reserve fund -- transfer from
 25 general fund. Whenever an equipment reserve fund has been

1 established, the trustees may transfer into such fund from
 2 the district general fund an amount not to exceed the
 3 unexpended budget allocation for new equipment as of June 30
 4 of the then current school fiscal year.

5 Section 3. Authority to expend moneys -- reversion of
 6 surplus to general fund. The trustees of a district
 7 maintaining an equipment reserve fund may expend money from
 8 the fund for the purpose for which it was established when,
 9 in their judgment, there is sufficient money to make such
 10 purchases. If the amount of money in the fund exceeds that
 11 needed for the authorized purpose, the surplus reverts to
 12 the district general fund.

13 Section 4. Right of investment. Whenever money is
 14 credited to the equipment reserve fund for which there is no
 15 immediate need, the trustees may invest such money in
 16 accordance with 75-6806(4).

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