

SENATE BILL NO. 46
INTRODUCED BY MAZUREK

IN THE SENATE

JANUARY 3, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON EDUCATION & CULTURAL RESOURCES.
	FIRST READING.
JANUARY 24, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
JANUARY 25, 1989	PRINTING REPORT.
JANUARY 26, 1989	SECOND READING, DO PASS.
JANUARY 27, 1989	ENGROSSING REPORT.
JANUARY 28, 1989	THIRD READING, PASSED. AYES, 44; NOES, 0.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

JANUARY 28, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON EDUCATION & CULTURAL RESOURCES.
FEBRUARY 20, 1989	FIRST READING.
MARCH 2, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 4, 1989	SECOND READING, CONCURRED IN.
MARCH 6, 1989	THIRD READING, CONCURRED IN. AYES, 88; NOES, 3.
	RETURNED TO SENATE.

IN THE SENATE

MARCH 7, 1989	RECEIVED FROM HOUSE.
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SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 SENATE BILL NO. 46
2 INTRODUCED BY MAZUREK
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE A
5 DISCONTINUED SCHOOL DISTRICT, WHICH HAS DISPOSED OF ITS
6 CASH, TO PAY ANY REMAINING OUTSTANDING TUITION OBLIGATION BY
7 IMPOSING A MILL LEVY ON THE PROPERTY OF THE DISTRICT;
8 AMENDING SECTION 20-6-413, MCA; AND PROVIDING AN EFFECTIVE
9 DATE."

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

12 **Section 1.** Section 20-6-413, MCA, is amended to read:

13 "20-6-413. Cash disposition when district ceases to
14 exist -- special levy for tuition debt. Whenever a district
15 shall cease to exist in any manner prescribed in this title,
16 except when districts are consolidated, the cash on hand to
17 the credit of the funds of the district and the debts of
18 such district shall be allocated in the following manner:

19 (1) Any cash to the credit of the district shall be
20 used to pay any debts of the district, including bonded
21 indebtedness, except that any cash available in the debt
22 service fund shall be used first to pay bond interest and
23 all outstanding bonds.

24 (2) If any cash remains to the credit of the district
25 after paying its debts, the cash shall be transferred by the

1 county treasurer to the credit of the district or districts
2 assuming its territory. When the territory is assumed by
3 more than one district, the remaining cash shall be prorated
4 between the districts on the basis of the number of children
5 attending school and residing within the territory assumed
6 by each district as determined by the county superintendent.

7 (3) If any tuition debt remains as an obligation of
8 the district, the tuition debt shall be the obligation of
9 the taxable property of the discontinued district. The
10 tuition debt shall be financed by a mill levy on the
11 property of the discontinued district and paid from these
12 proceeds by the county superintendent.

13 ~~(3)~~(4) If any debts, other than bonded indebtedness
14 and tuition, remain as an obligation of the district after
15 the cash has been utilized under the provisions of
16 subsection (1) above, the debts shall be assigned in the
17 same manner prescribed for the transfer of cash under
18 subsection (2) above."

19 **Section 2.** Effective date. [This act] is effective
20 July 1, 1989.

-End-

APPROVED BY COMM. ON EDUCATION
AND CULTURAL RESOURCES

SENATE BILL NO. 46

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A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE A DISCONTINUED SCHOOL DISTRICT, WHICH HAS DISPOSED OF ITS CASH, TO PAY ANY REMAINING OUTSTANDING TUITION OBLIGATION BY IMPOSING A MILL LEVY ON THE PROPERTY OF THE DISTRICT, EXCEPT WHEN THE TUITION OBLIGATION HAS BEEN ASSUMED BY THE CONSOLIDATED OR ANNEXING DISTRICT; AMENDING SECTION 20-6-413, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 20-6-413, MCA, is amended to read:

"20-6-413. Cash disposition when district ceases to exist -- special levy for tuition debt. Whenever a district shall cease to exist in any manner prescribed in this title, except when districts are consolidated, the cash on hand to the credit of the funds of the district and the debts of such district shall be allocated in the following manner:

(1) Any cash to the credit of the district shall be used to pay any debts of the district, including bonded indebtedness, except that any cash available in the debt service fund shall be used first to pay bond interest and all outstanding bonds.

(2) If any cash remains to the credit of the district

after paying its debts, the cash shall be transferred by the county treasurer to the credit of the district or districts assuming its territory. When the territory is assumed by more than one district, the remaining cash shall be prorated between the districts on the basis of the number of children attending school and residing within the territory assumed by each district as determined by the county superintendent.

(3) If any tuition debt remains as an obligation of the district, the tuition debt shall be the obligation of the taxable property of the discontinued district, EXCEPT WHEN THE TUITION DEBT HAS BEEN ASSUMED BY THE CONSOLIDATED OR ANNEXING DISTRICT. The tuition debt shall be financed by a mill levy on the property of the discontinued district and paid from these proceeds by the county superintendent.

~~(3)~~(4) If any debts, other than bonded indebtedness and tuition, remain as an obligation of the district after the cash has been utilized under the provisions of subsection (1) above, the debts shall be assigned in the same manner prescribed for the transfer of cash under subsection (2) above."

NEW SECTION. Section 2. Effective date. [This act] is effective July 1, 1989.

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{3}{4} If any debts, other than bonded indebtedness and tuition, remain as an obligation of the district after the cash has been utilized under the provisions of subsection (1) above, the debts shall be assigned in the same manner prescribed for the transfer of cash under subsection (2) above."

NEW SECTION. Section 2. Effective date. [This act] is effective July 1, 1989.

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