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House BILL NO. 233

INTRODUCED BY

*Knox Ross M. Hanson Story
Foster Larson Rehbein Euel Allett*

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE DISSOLUTION OF A K-12 SCHOOL DISTRICT; AMENDING SECTION 20-6-104, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. Section 1. Dissolution of K-12 school district. The dissolution of a K-12 school district must be conducted under the following procedure:

(1) Prior to February 1 of the current school fiscal year, a dissolution proposition may be introduced in a K-12 district by either of the following methods:

(a) the trustees may pass a resolution requesting the county superintendent to order an election to consider a proposition for the dissolution of the K-12 district; or

(b) not less than 20% of the electors of the K-12 district who are qualified to vote under the provisions of 20-20-301 may petition the county superintendent, requesting an election to consider a proposition on the dissolution of the K-12 district.

(2) When the county superintendent receives a resolution or a valid petition under the provisions of subsection (1), the county superintendent shall, within 10 days after receipt of the resolution or petition and as provided by 20-20-201, order the trustees of the K-12 district to call a dissolution election. The election may be held in conjunction with a regular school election.

(3) The districts shall call and conduct the election in the manner prescribed in this title for school elections.

(4) After the county superintendent receives the certificate of election provided for in 20-20-416 from the trustees of the K-12 district, the county superintendent shall determine whether the dissolution proposition has been approved. If the K-12 district has approved the dissolution proposition, the county superintendent shall, within 10 days after the receipt of the election certificate, order the dissolution of the K-12 district into the original elementary district and high school district, to take effect on July 1 of the ensuing school fiscal year. Within 30 days of the order, the county superintendent shall send a copy of the dissolution order to the board of county commissioners, the trustees of the district included in the

1 dissolution order, and the superintendent of public instruction.

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3 **Section 2.** Section 20-6-104, MCA, is amended to read:

4 **"20-6-104. Moratorium on creation of new district -- exception.** (1) ~~Following July 1, 1993, a~~ A
5 school district may not initiate the creation of a new elementary district under the provisions of 20-6-216
6 and 20-6-217 or initiate the creation of a new high school district under the provisions of 20-6-303 and
7 20-6-325.

8 (2) This section does not apply to ~~a petition to create a new elementary or high school district that~~
9 was filed prior to July 1, 1993 a district that results from the procedure for the dissolution of a K-12 school
10 district pursuant to [section 1]."

11

12 **NEW SECTION. Section 3. Codification instruction.** [Section 1] is intended to be codified as an
13 integral part of Title 20, chapter 6, part 7, and the provisions of Title 20 apply to [section 1].

14

15 **NEW SECTION. Section 4. Effective date.** [This act] is effective on passage and approval.

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provisions of 20-20-301 may petition the county superintendent, requesting an election to consider a
proposition on the dissolution of the K-12 district.~~

~~(2) When the county superintendent receives a resolution or a valid petition under the provisions
of subsection (1), the county superintendent shall, within 10 days after receipt of the resolution or petition
and as provided by 20-20-201, order the trustees of the K-12 district to call a dissolution election. The
election may be held in conjunction with a regular school election.~~

~~(3) The districts shall call and conduct the election in the manner prescribed in this title for school
elections.~~ (1) IN ORDER TO DISSOLVE A K-12 DISTRICT UNDER THE PROVISIONS OF THIS SECTION, THE
ELECTORS OF THE K-12 DISTRICT SHALL APPROVE A PROPOSITION DISSOLVING THE K-12 DISTRICT
FOR THE PURPOSE OF ANNEXING OR CONSOLIDATING THE K-12 DISTRICT'S ELEMENTARY OR HIGH
SCHOOL PROGRAM WITH AN ADJACENT SCHOOL DISTRICT OR DISTRICTS IN AN ENSUING SCHOOL
FISCAL YEAR UNDER THE PROVISIONS OF 20-6-203 THROUGH 20-6-208 OR 20-6-315 THROUGH
20-6-319.

(2) IF THE ENTIRE TERRITORY OF THE DISSOLVING K-12 DISTRICT WILL BE ANNEXED OR

1 CONSOLIDATED WITH AN ADJACENT DISTRICT OR DISTRICTS, THE RESOLUTION OR PETITION
 2 REQUIRED IN SUBSECTION (1) MUST CONTAIN A DESCRIPTION OF THE MANNER IN WHICH THE REAL
 3 AND PERSONAL PROPERTY AND FUNDS OF THE DISTRICT ARE TO BE APPORTIONED IN THE
 4 DISSOLUTION OF THE DISTRICT AND THE SUBSEQUENT ANNEXATION OR CONSOLIDATION WITH ONE
 5 OR MORE OTHER DISTRICTS. IF A PORTION OF THE DISSOLVING K-12 DISTRICT WILL NOT BE ANNEXED
 6 OR CONSOLIDATED WITH ANOTHER DISTRICT OR DISTRICTS AND THE RESOLUTION OR PETITION
 7 DOES NOT CONTAIN A DESCRIPTION OF THE APPORTIONMENT OF FUNDS AND PROPERTY, THE
 8 PROVISIONS OF SUBSECTION (4)(C) MUST BE USED TO DETERMINE THE DISPOSITION OF PROPERTY
 9 AND FUNDS.

10 (4)(3) After the county superintendent receives the certificate of election provided for in 20-20-416
 11 from the trustees of the K-12 district AND FROM EACH DISTRICT INCLUDED IN A CONSOLIDATION
 12 PROPOSITION, the county superintendent shall determine whether the dissolution AND ANNEXATION OR
 13 CONSOLIDATION proposition ~~has~~ OR PROPOSITIONS HAVE been approved. If the K-12 district has
 14 approved the dissolution proposition AND EACH DISTRICT INVOLVED IN A CONSOLIDATION HAS
 15 APPROVED THE CONSOLIDATION PROPOSITION, the county superintendent shall, within 10 days after
 16 the receipt of the election certificate, order the dissolution of the K-12 district into the original elementary
 17 district and high school district, to take effect on July 1 of the ensuing school fiscal year. Within 30 days
 18 of the order, the county superintendent shall send a copy of the dissolution order to the board of county
 19 commissioners, the trustees of the district included in the dissolution order, and the superintendent of public
 20 instruction.

21 (4) WHENEVER A K-12 DISTRICT IS DISSOLVED FOR THE PURPOSE OF ANNEXING OR
 22 CONSOLIDATING THE HIGH SCHOOL OR ELEMENTARY PROGRAM WITH ONE OR MORE OTHER
 23 DISTRICTS, THE FOLLOWING PROVISIONS APPLY:

24 (A) THE TRUSTEES OF THE K-12 DISTRICT ARE THE TRUSTEES OF THE DISTRICT WHOSE
 25 TERRITORY IS NOT CONSOLIDATED OR ANNEXED TO ONE OR MORE ADJACENT DISTRICTS UPON
 26 DISSOLUTION OF THE K-12 DISTRICT.

27 (B) THE TRUSTEES OF THE DISTRICT WHOSE TERRITORY IS NOT ANNEXED OR CONSOLIDATED
 28 UPON DISSOLUTION OF THE K-12 DISTRICT ARE RESPONSIBLE FOR THE EXECUTION OF REMAINING
 29 FINANCIAL OBLIGATIONS OF THE K-12 DISTRICT, INCLUDING TUITION.

30 (C) UNLESS OTHERWISE PROVIDED FOR IN THE PROPOSITION FOR DISSOLUTION OF THE K-12

1 DISTRICT, ALL THE TANGIBLE PROPERTY, REAL AND PERSONAL, OF THE K-12 DISTRICT AND ALL CASH
2 AND RECEIVABLES REMAINING TO THE CREDIT OF THE K-12 DISTRICT AFTER PROVIDING FOR
3 PAYMENT OF OUTSTANDING DEBTS, EXCEPT BONDED INDEBTEDNESS, BECOME THE PROPERTY OF
4 THE DISTRICT WHOSE TERRITORY IS NOT ANNEXED OR CONSOLIDATED WITH ONE OR MORE
5 ADJACENT DISTRICTS.

6 (D) THE PROVISIONS OF 20-6-410 APPLY FOR TENURE TEACHERS IN THE DISSOLUTION OF A
7 K-12 DISTRICT.

8 (E) FOR PURPOSES OF APPLYING THE BUDGET LIMITATION PROVISIONS OF 20-9-308, THE
9 BUDGET OF A K-12 DISTRICT DURING ITS LAST YEAR OF OPERATIONS AS A K-12 DISTRICT WILL BE
10 PRORATED BASED ON RULES PROMULGATED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION.

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12 **Section 2.** Section 20-6-104, MCA, is amended to read:

13 **"20-6-104. Moratorium on creation of new district -- exception.** (1) ~~Following July 1, 1993, a A~~
14 school district may not initiate the creation of a new elementary district under the provisions of 20-6-216
15 and 20-6-217 or initiate the creation of a new high school district under the provisions of 20-6-303 and
16 20-6-325.

17 (2) This section does not apply to ~~a petition to create a new elementary or high school district that~~
18 ~~was filed prior to July 1, 1993~~ a district that results from the procedure for the dissolution of a K-12 school
19 district pursuant to [section 1]."

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21 **NEW SECTION. Section 3. Codification instruction.** [Section 1] is intended to be codified as an
22 integral part of Title 20, chapter 6, part 7, and the provisions of Title 20 apply to [section 1].

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24 **NEW SECTION. Section 4. Effective date.** [This act] is effective on passage and approval.

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~~(b) not less than 20% of the electors of the K-12 district who are qualified to vote under the provisions of 20-20-301 may petition the county superintendent, requesting an election to consider a proposition on the dissolution of the K-12 district.~~

~~(2) When the county superintendent receives a resolution or a valid petition under the provisions of subsection (1), the county superintendent shall, within 10 days after receipt of the resolution or petition and as provided by 20-20-201, order the trustees of the K-12 district to call a dissolution election. The election may be held in conjunction with a regular school election.~~

~~(3) The districts shall call and conduct the election in the manner prescribed in this title for school elections.~~ (1) IN ORDER TO DISSOLVE A K-12 DISTRICT UNDER THE PROVISIONS OF THIS SECTION, THE ELECTORS OF THE K-12 DISTRICT SHALL APPROVE A PROPOSITION DISSOLVING THE K-12 DISTRICT FOR THE PURPOSE OF ANNEXING OR CONSOLIDATING THE K-12 DISTRICT'S ELEMENTARY OR HIGH SCHOOL PROGRAM WITH AN ADJACENT SCHOOL DISTRICT OR DISTRICTS IN AN ENSUING SCHOOL FISCAL YEAR UNDER THE PROVISIONS OF 20-6-203 THROUGH 20-6-208 OR 20-6-315 THROUGH 20-6-319.

(2) IF THE ENTIRE TERRITORY OF THE DISSOLVING K-12 DISTRICT WILL BE ANNEXED OR

1 CONSOLIDATED WITH AN ADJACENT DISTRICT OR DISTRICTS, THE RESOLUTION OR PETITION
 2 REQUIRED IN SUBSECTION (1) MUST CONTAIN A DESCRIPTION OF THE MANNER IN WHICH THE REAL
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 11 from the trustees of the K-12 district AND FROM EACH DISTRICT INCLUDED IN A CONSOLIDATION
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