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INTRODUCED BY

Rep House BILL NO. 560

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A BILL FOR AN ACT ENTITLED: "AN ACT IMPLEMENTING THE MORATORIUM ON THE CREATION OF NEW SCHOOL DISTRICTS BY ELIMINATING THE PROCEDURES FOR CREATION OF A NEW ELEMENTARY OR HIGH SCHOOL DISTRICT; ELIMINATING DUTIES OF BOUNDARY COMMISSIONS RELATING TO CREATION OF DISTRICTS; ELIMINATING OUTDATED REFERENCES AND PROCEDURES RELATING TO COUNTY HIGH SCHOOL DISTRICTS; AMENDING SECTIONS 7-6-2701, 7-7-2203, 7-14-2524, 20-3-106, 20-3-206, 20-3-302, 20-3-312, 20-3-342, 20-3-343, 20-3-351, 20-3-352, 20-3-355, 20-3-356, 20-6-101, 20-6-104, 20-6-312, 20-6-313, 20-9-402, 20-9-435, AND 20-15-404, MCA; REPEALING SECTIONS 7-6-2802, 20-6-216, 20-6-217, 20-6-303, 20-6-304, 20-6-311, 20-6-325, 20-6-415, 20-9-451, 20-9-452, 20-9-453, 20-9-454, 20-9-455, AND 20-9-456, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

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15

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

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**Section 1.** Section 7-6-2701, MCA, is amended to read:

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**"7-6-2701. Investment of certain money in county, municipal, hospital, and school warrants. (1)**

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~~Except as provided in 7-6-2802, if~~ If a county has under its control any money for which there is no immediate demand, in any special fund subject to deposit, which in the judgment of the board of county commissioners it would be advantageous to invest in county, municipal, hospital district, or school district registered warrants, the county commissioners are authorized in their discretion to direct the county treasurer to purchase ~~such~~ the warrants of entities located in the same county.

24

(2) For ~~such~~ the purchases, the county commissioners shall:

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(a) designate the fund or funds to be ~~so~~ invested;

26

(b) fix the amount that may be purchased;

27

(c) establish the rate of interest the county ~~shall~~ must receive for the investment; and

28

(d) designate the warrants ~~which~~ that are to be purchased by ~~such~~ the funds.

29

(3) The officer drawing a warrant to be purchased for investment by a county shall ~~cause to be~~

30

~~attached~~ attach to or ~~stamped~~ stamp, ~~written, or printed~~ write, or print upon the warrant a notice to the

1 effect that the county will exercise its preference right to purchase the warrant.

2 (4) (a) A school district, hospital district, or county warrant presented to the county treasurer for  
3 purchase by the county must be registered as any other school district, hospital district, or county warrant.

4 (b) A municipal warrant presented to the municipal clerk or treasurer for purchase by the county  
5 must be registered, and the holder of the warrant must be informed that the warrant may be presented to  
6 the county treasurer for purchase by the county.

7 (5) The county treasurer shall, when a warrant designated for purchase under the provisions of  
8 subsection (2) is presented to ~~him~~ the treasurer, purchase the ~~same~~ warrant out of the proper fund as  
9 designated by the board. When the designated amounts have been invested, the county treasurer shall  
10 notify the county clerk and recorder or the applicable officer authorized to draw ~~such~~ the warrants.

11 (6) Interest earned from ~~such~~ the investments, including interest on the sale of bonds accrued in  
12 the period between the date of issue and the time of purchase, ~~shall~~ must be credited to the sinking fund  
13 of the county, notwithstanding the provisions of 7-6-204(1).

14 (7) ~~No~~ A provision of this section may not be construed to prevent the investment of county or  
15 county high school money under the state unified investment program established in Title 17, chapter 6,  
16 part 2."

17

18 **Section 2.** Section 7-7-2203, MCA, is amended to read:

19 "**7-7-2203. Limitation on amount of bonded indebtedness.** (1) Except as provided in subsections  
20 (2) through (4), a county may not issue general obligation bonds for any purpose that, with all outstanding  
21 bonds and warrants except ~~county high school bonds and~~ emergency bonds, will exceed 11.25% of the  
22 total of the taxable value of the property in the county, plus the value provided by the department of  
23 revenue under 15-36-324(10), to be ascertained by the last assessment for state and county taxes prior  
24 to the proposed issuance of bonds, plus, for general obligation bonds to be issued during fiscal year 1997,  
25 an additional 11% of the taxable value of class eight property within the county for tax year 1995, for  
26 general obligation bonds to be issued during fiscal year 1998, an additional 22% of the taxable value of  
27 class eight property within the county for tax year 1995, and for general obligation bonds to be issued  
28 during fiscal years 1999 through 2008, an additional 33% of the taxable value of class eight property  
29 within the county for tax year 1995, in each case of class eight property, multiplied by 11.25%.

30 (2) In addition to the bonds allowed by subsection (1), a county may issue bonds that, with all

1 outstanding bonds and warrants, will not exceed 27.75% of the total of the taxable value of the property  
2 in the county subject to taxation, plus the value provided by the department of revenue under  
3 15-36-324(10), when necessary to do so, to be ascertained by the last assessment for state and county  
4 taxes, plus, for bonds to be issued during fiscal year 1997, an additional 11% of the taxable value of class  
5 eight property within the county for tax year 1995, and for bonds to be issued during fiscal year 1998, an  
6 additional 22% of the taxable value of class eight property within the county for tax year 1995, ~~and for~~  
7 ~~bonds to be issued during fiscal years 1999 through 2008, an additional 33% of the taxable value of class~~  
8 ~~eight property within the county for tax year 1995, in each case of class eight property, multiplied by~~  
9 ~~27.75%, for the purpose of acquiring land for a site for county high school buildings and for erecting or~~  
10 ~~acquiring buildings on the site and furnishing and equipping the buildings for county high school purposes.~~

11 (3) In addition to the bonds allowed by subsections (1) and (2), a county may issue bonds for the  
12 construction or improvement of a jail that will not exceed 12.5% of the taxable value of the property in the  
13 county subject to taxation, plus the adjustments permitted by 7-7-2101.

14 (4) The limitation in subsection (1) does not apply to refunding bonds issued for the purpose of  
15 paying or retiring county bonds lawfully issued prior to January 1, 1932, or to bonds issued for the  
16 repayment of tax protests lost by the county."

17  
18 **Section 3.** Section 7-14-2524, MCA, is amended to read:

19 **"7-14-2524. Limitation on amount of bonds issued -- excess void.** (1) Except as otherwise  
20 provided in 7-7-2203, 7-7-2204, and this section, a county may not issue bonds that, with all outstanding  
21 bonds and warrants ~~except county high school bonds and~~ emergency bonds, will exceed 11.25% of the  
22 total of the taxable value of the property in the county, plus the value provided by the department of  
23 revenue under 15-36-324(10). The taxable property and the amount of taxes levied on new production,  
24 production from horizontally completed wells, and incremental production must be ascertained by the last  
25 assessment for state and county taxes prior to the issuance of the bonds.

26 (2) A county may issue bonds that, with all outstanding bonds and warrants ~~except county high~~  
27 ~~school bonds~~, will exceed 11.25% but will not exceed 22.5% of the total of the taxable value of the  
28 property, plus the value provided by the department of revenue under 15-36-324(10) when necessary for  
29 the purpose of replacing, rebuilding, or repairing county buildings, bridges, or highways that have been  
30 destroyed or damaged by an act of God or by a disaster, catastrophe, or accident.

1           (3) The value of the bonds issued and all other outstanding indebtedness of the county, ~~except~~  
 2 ~~county high school bonds,~~ may not exceed 22.5% of the total of the taxable value of the property within  
 3 the county, plus the value provided by the department of revenue under 15-36-324(10), as ascertained by  
 4 the last preceding general assessment."

5

6           **Section 4.** Section 20-3-106, MCA, is amended to read:

7           **"20-3-106. Supervision of schools -- powers and duties.** The superintendent of public instruction  
 8 has the general supervision of the public schools and districts of the state and shall perform the following  
 9 duties or acts in implementing and enforcing the provisions of this title:

10           (1) resolve any controversy resulting from the proration of costs by a joint board of trustees under  
 11 the provisions of 20-3-362;

12           (2) issue, renew, or deny teacher certification and emergency authorizations of employment;

13           (3) negotiate reciprocal tuition agreements with other states in accordance with the provisions of  
 14 20-5-314;

15           (4) serve on the teachers' retirement board in accordance with the provisions of 2-15-1010;

16           (5) ~~approve or disapprove the orders of a high school boundary commission in accordance with~~  
 17 ~~the provisions of 20-6-311;~~

18           ~~(6)~~ approve or disapprove the opening or reopening of a school in accordance with the provisions  
 19 of 20-6-502, 20-6-503, 20-6-504, or 20-6-505;

20           ~~(7)~~(6) approve or disapprove school isolation within the limitations prescribed by 20-9-302;

21           ~~(8)~~(7) generally supervise the school budgeting procedures prescribed by law in accordance with  
 22 the provisions of 20-9-102 and prescribe the school budget format in accordance with the provisions of  
 23 20-9-103 and 20-9-506;

24           ~~(9)~~(8) establish a system of communication for calculating joint district ~~revenues~~ revenue in  
 25 accordance with the provisions of 20-9-151;

26           ~~(10)~~(9) approve or disapprove the adoption of a district's budget amendment resolution under the  
 27 conditions prescribed in 20-9-163 and adopt rules for an application for additional direct state aid for a  
 28 budget amendment in accordance with the approval and disbursement provisions of 20-9-166;

29           ~~(11)~~(10) generally supervise the school financial administration provisions as prescribed by  
 30 20-9-201(2);

1           ~~(12)~~(11) prescribe and furnish the annual report forms to enable the districts to report to the county  
2 superintendent in accordance with the provisions of 20-9-213(5) and the annual report forms to enable the  
3 county superintendents to report to the superintendent of public instruction in accordance with the  
4 provisions of 20-3-209;

5           ~~(13)~~(12) approve, disapprove, or adjust an increase of the average number belonging (ANB) in  
6 accordance with the provisions of 20-9-313 and 20-9-314;

7           ~~(14)~~(13) distribute BASE aid and special education allowable cost payments in support of the BASE  
8 funding program, in accordance with the provisions of 20-9-331, 20-9-333, 20-9-342, 20-9-346, 20-9-347,  
9 and 20-9-366 through 20-9-369;

10          ~~(15)~~(14) provide for the uniform and equal provision of transportation by performing the duties  
11 prescribed by the provisions of 20-10-112;

12          ~~(16)~~(15) approve or disapprove an adult education program for which a district proposes to levy  
13 a tax in accordance with the provisions of 20-7-705;

14          ~~(17)~~(16) request, accept, deposit, and expend federal money in accordance with the provisions of  
15 20-9-603;

16          ~~(18)~~(17) authorize the use of federal money for the support of an interlocal cooperative agreement  
17 in accordance with the provisions of 20-9-703 and 20-9-704;

18          ~~(19)~~(18) prescribe the form and contents of and approve or disapprove interstate contracts in  
19 accordance with the provisions of 20-9-705;

20          ~~(20)~~(19) approve or disapprove the conduct of school on a Saturday or on pupil-instruction-related  
21 days in accordance with the provisions of 20-1-303 and 20-1-304;

22          ~~(21)~~(20) recommend standards of accreditation for all schools to the board of public education and  
23 evaluate compliance with the standards and recommend accreditation status of every school to the board  
24 of public education in accordance with the provisions of 20-7-101 and 20-7-102;

25          ~~(22)~~(21) collect and maintain a file of curriculum guides and assist schools with instructional  
26 programs in accordance with the provisions of 20-7-113 and 20-7-114;

27          ~~(23)~~(22) establish and maintain a library of visual, aural, and other educational media in accordance  
28 with the provisions of 20-7-201;

29          ~~(24)~~(23) license textbook dealers and initiate prosecution of textbook dealers violating the law in  
30 accordance with the provisions of the textbooks part of this title;

1 ~~(25)~~(24) as the governing agent and executive officer of the state of Montana for K-12 vocational  
2 education, adopt the policies prescribed by and in accordance with the provisions of 20-7-301;

3 ~~(26)~~(25) supervise and coordinate the conduct of special education in the state in accordance with  
4 the provisions of 20-7-403;

5 ~~(27)~~(26) administer the traffic education program in accordance with the provisions of 20-7-502;

6 ~~(28)~~(27) administer the school food services program in accordance with the provisions of  
7 20-10-201, 20-10-202, and 20-10-203;

8 ~~(29)~~(28) review school building plans and specifications in accordance with the provisions of  
9 20-6-622;

10 ~~(30)~~(29) prescribe the method of identification and signals to be used by school safety patrols in  
11 accordance with the provisions of 20-1-408;

12 ~~(31)~~(30) provide schools with information and technical assistance for compliance with the student  
13 assessment rules provided for in 20-2-121 and collect and summarize the results of the student assessment  
14 for the board of public education and the legislature;

15 ~~(32)~~(31) administer the distribution of guaranteed tax base aid in accordance with 20-9-366 through  
16 20-9-369; and

17 ~~(33)~~(32) perform any other duty prescribed from time to time by this title, any other act of the  
18 legislature, or the policies of the board of public education."

19

20 **Section 5.** Section 20-3-206, MCA, is amended to read:

21 "**20-3-206. Additional positions.** In his the capacity as county superintendent, ~~he~~ the county  
22 superintendent ~~also~~ shall also serve as:

23 (1) the chairman of the county transportation committee, as prescribed by 20-10-131;

24 (2) ~~a member of the high school boundary commission of the county, as prescribed by 20-6-304;~~

25 ~~(3)~~ an attendance officer for a district under the conditions prescribed by 20-5-104; and

26 ~~(4)~~(3) the clerk of a joint board of trustees under the conditions prescribed by 20-3-361."

27

28 **Section 6.** Section 20-3-302, MCA, is amended to read:

29 "**20-3-302. Legislative intent to elect less than majority of trustees.** (1) It is the intention of the  
30 legislature that the terms of a majority of the trustee positions of any district with elected trustees may not

1 regularly expire and be subject to election on the same regular school election day. In elementary districts,  
 2 there may not be more than three trustee positions in first-class districts, two trustee positions in  
 3 second-class districts or third-class districts having five trustee positions, or one trustee position in  
 4 third-class districts having three trustee positions regularly subject to election at the same time. In high  
 5 school districts there may not be more than two additional trustee positions in first- or second-class districts  
 6 or more than one in third-class districts regularly subject to election at the same time. In ~~high school~~  
 7 ~~districts operating a county high school~~ districts, there may not be more than two trustee positions to be  
 8 filled by members residing in the elementary district where the county high school building is located or  
 9 more than one trustee position to be filled by members residing outside of the elementary district where  
 10 the county high school building is located subject to election at the same time.

11 (2) In the following circumstances relating to newly created trustee positions, the initial terms may  
 12 be shortened to comply with the intent of subsection (1):

13 ~~(a) the creation of a new elementary district under the provisions of 20-6-217;~~

14 ~~(b)~~ the consolidation of two or more elementary districts to form an elementary district under the  
 15 provisions of 20-6-203 or the consolidation of two or more high school districts to form a high school  
 16 district under the provisions of 20-6-315;

17 ~~(b)~~ the establishment of additional trustee positions of a high school district under the provisions  
 18 of 20-3-353 or 20-3-354 or new trustee positions under the provisions of 20-3-352(3);

19 ~~(c)~~ the change of a district's classification under the provisions of 20-6-201 or 20-6-301;

20 ~~(d)~~ the establishment of additional elementary trustee positions under the provisions of  
 21 20-3-341(3); or

22 ~~(e)~~ the establishment of additional high school trustee positions under the provisions of  
 23 20-6-313.

24 (3) If the change of a district's classification under 20-6-201 or 20-6-301 decreases the number  
 25 of trustee positions, the positions must be eliminated in a manner that complies with the intent of  
 26 subsection (1).

27 (4) Although the legislature intends that the terms of a majority of trustees of any district may not  
 28 regularly expire and be subject to election at the same time, it is recognized that filling a vacancy under  
 29 20-3-308 may lead to a subsequent school election in which a majority of trustee positions are subject to  
 30 election at the same time."

1           **Section 7.** Section 20-3-312, MCA, is amended to read:

2           "**20-3-312. Trustees of district affected by boundary change.** The trustees of any district to which  
3 the territory of another district is attached as a result of annexation, abandonment, joint district dissolution,  
4 territory transfer, or any other method of changing district boundaries, except by the consolidation of  
5 elementary districts ~~or by the creation of a new elementary district~~, shall continue to be the trustees of ~~such~~  
6 the district with the same powers, duties, and responsibilities and subject to the same limitations provided  
7 by law, as if there had been no boundary change. In the case of elementary district consolidation ~~or the~~  
8 ~~creation of a new elementary district~~, the appointed trustees of the resulting elementary district shall  
9 assume their trustee positions under the authority of 20-6-203 or 20-6-216, whichever is applicable."

10

11           **Section 8.** Section 20-3-342, MCA, is amended to read:

12           "**20-3-342. Determination of terms after ~~creation or consolidation of elementary districts.~~**  
13 Whenever the trustees are elected at one regular school election under the circumstances described in  
14 ~~subsections (2)(a) and (2)(b) of 20-3-302~~ (2)(a), the members who are elected shall draw by lot to determine  
15 their terms of office. ~~Such~~ The terms of office by trustee position ~~shall~~ must be:

- 16           (1) three for 3 years, two for 2 years, and two for 1 year in a first-class elementary district;  
17           (2) two for 3 years, two for 2 years, and one for 1 year in second-class elementary districts and  
18 third-class elementary districts having five trustee positions; or  
19           (3) one for 3 years, one for 2 years, and one for 1 year in a third-class elementary district having  
20 three trustee positions."

21

22           **Section 9.** Section 20-3-343, MCA, is amended to read:

23           "**20-3-343. Determination of terms after change of district classification.** Whenever the change  
24 of an elementary district classification requires the addition of trustee positions to the trustees of ~~such~~ the  
25 district under the circumstance described in 20-3-302~~(2)(d)~~ (2)(c), the members who are elected shall draw  
26 by lot to determine their terms of office, which ~~shall~~ must be one for 3 years and one for 2 years."

27

28           **Section 10.** Section 20-3-351, MCA, is amended to read:

29           "**20-3-351. Number of trustee positions in high school districts.** (1) Except as provided in  
30 20-3-352(3) and subsection (2) of this section, the trustees of a high school district, ~~except a high school~~



1 ~~district operating a county high school~~, must be composed of:

2 (a) the trustees of the elementary district in which the high school building is located or, if there  
3 is more than one elementary district in which high school buildings are located, the trustees of the  
4 elementary district designated by the high school boundary commission; and

5 (b) the additional trustee positions determined in accordance with 20-3-352(2).

6 (2) ~~The trustees of a high school district operating a~~ There must be seven trustee positions for each  
7 county high school ~~must be composed of seven trustee positions.~~"

8

9 **Section 11.** Section 20-3-352, MCA, is amended to read:

10 **"20-3-352. Request and determination of number of high school district additional trustee**  
11 **positions -- nonvoting trustee.** (1) As provided in 20-3-351(1)(b), a high school district, except a county  
12 high school district ~~operating a county high school~~, may have additional trustee positions when the trustees  
13 of a majority of the elementary districts with territory located in the high school district, but without  
14 equitable representation on the high school district trustees under the provision of 20-3-351(1)(a), request  
15 the establishment of additional trustee positions under the provisions of subsection (2) or when the electors  
16 approve an alternative method of electing members of the board of trustees under the provisions of  
17 subsection (3).

18 (2) A request for additional trustee positions must be made to the county superintendent by a  
19 resolution of the trustees of each elementary district. When a resolution has been received from a majority  
20 of the elementary districts without representation on the high school district trustees, the county  
21 superintendent shall determine the number of additional trustee positions for the affected high school  
22 district in accordance with the following procedure:

23 (a) The taxable valuation of the elementary district that has its trustees placed on the high school  
24 trustees must be divided by the number of positions on the trustees of the elementary district to determine  
25 the taxable valuation per trustee position.

26 (b) The taxable valuation used for the calculation in subsection (2)(a) must be subtracted from the  
27 taxable valuation of the high school district to determine the taxable valuation of the territory of the high  
28 school district without representation on the high school district trustees.

29 (c) The taxable valuation determined in subsection (2)(b) must be divided by the taxable valuation  
30 per trustee position calculated in subsection (2)(a). The resulting quotient must be rounded off to the

1 nearest whole number, except that when the quotient is less than 0.5, at least one nonvoting trustee  
2 position must be established for the territory without representation on the high school district board of  
3 trustees under the provision of 20-3-351(1)(a).

4 (d) Except for a nonvoting trustee position, the number determined in subsection (2)(c) must be  
5 the number of additional trustee positions, except that the number of additional trustee positions may not  
6 exceed four in a first- or second-class high school district or two in a third-class high school district except  
7 when two-thirds or more of the high school enrollment of the high school district and two-thirds or more  
8 of the taxable valuation of the high school district are located outside of the elementary district that has  
9 its trustees placed on the high school district trustees. When this situation exists, three additional trustees  
10 must be elected from the elementary school districts in which the high school is not located and one  
11 additional trustee must be elected at large in the high school district.

12 (3) (a) If more than half of the electors of the high school district reside outside the territory of the  
13 elementary school district in which the high school district buildings are located, at least 10% of the  
14 electors of the high school district who are qualified to vote under the provisions of 20-20-301 may petition  
15 the county superintendent, requesting an election to consider a proposition on the question of establishing  
16 the following alternative method of electing the members of the high school district board of trustees:

17 (i) one trustee to be elected from each elementary school district with territory included in the high  
18 school district; and

19 (ii) two or three trustees to be elected at large in the high school district, whichever number results  
20 in an odd number of members on the board of trustees.

21 (b) (i) When the county superintendent receives a valid petition, the county superintendent shall  
22 order the trustees of the high school district to conduct an election on the next regular school election day  
23 on the proposition allowed under the provisions of subsection (3)(a).

24 (ii) If the electors of the district approve a proposition to establish the alternative method of electing  
25 the high school board of trustees, the county superintendent shall order that the members of the board of  
26 trustees be elected according to subsection (3)(a) at the next regular school election.

27 (c) Whenever the trustees are elected at one regular election under subsection (3)(b), the members  
28 who are elected shall draw by lot to determine their terms of office. The terms of office by trustee position  
29 must be divided as equally as practicable among 1-, 2-, and 3-year terms.

30 (d) A petition to call an election for the purposes of subsection (3) may not be submitted to the

1 county superintendent more than one time in each 5-year period."

2  
3 **Section 12.** Section 20-3-355, MCA, is amended to read:

4 **"20-3-355. Determination of terms after establishment or reestablishment of additional trustee**  
5 **positions.** (1) Whenever all of the additional trustee positions are subject to election at one regular school  
6 election under the circumstance described in 20-3-302~~(2)(a)~~(2)(b), the members who are elected shall draw  
7 by lot to determine their terms of office. ~~Such~~ The terms of office by number of members elected shall must  
8 be:

9 (a) two for 3 years, if four are elected;

10 (b) one for 3 years, if one, two, or three are elected;

11 (c) one for 2 years, if two, three, or four are elected; and

12 (d) one for 1 year, if three or four are elected.

13 (2) Whenever the reestablishment of the additional trustee positions for a high school district under  
14 the provisions of 20-3-354 results in an increased number of additional trustee positions, the members who  
15 are elected at the next regular school election shall draw by lot to determine their terms of office and ~~such~~  
16 the terms shall must be determined in accordance with the additional trustee terms prescribed in this  
17 section."  
18

19 **Section 13.** Section 20-3-356, MCA, is amended to read:

20 **"20-3-356. Membership of elected trustees of high school district operating county high school**  
21 **district and nomination of candidates.** (1) The trustees of a ~~high school district operating~~ a county high  
22 school ~~district shall be composed of~~ must include the following:

23 (a) four trustee positions filled by members residing in the elementary district where the county  
24 high school building is located; and

25 (b) three trustee positions filled by members one of whom resides in each of the three trustee  
26 nominating districts in the territory of the high school district outside of the elementary district where the  
27 county high school building is located. The county superintendent shall establish the nominating districts,  
28 and, unless it is impossible, ~~such~~ the districts shall must have coterminous boundaries with elementary  
29 district boundaries.

30 (2) The provisions of 20-3-305 ~~shall~~ govern the nomination of candidates for the trustee election

1 prescribed in this section."

2

3 **Section 14.** Section 20-6-101, MCA, is amended to read:

4 **"20-6-101. Definition of elementary and high school districts.** (1) As used in this title, except as  
5 defined in 20-9-402 for bonding purposes or unless the context clearly indicates otherwise, the term  
6 "district" means the territory, regardless of county boundaries, organized under the provisions of this title  
7 to provide public educational services under the jurisdiction of the trustees prescribed by this title. High  
8 school districts may encompass all or parts of the territory of one or more elementary districts.

9 (2) (a) An elementary district is a district organized for the purpose of providing public education  
10 for all grades up to and including grade 8 and for preschool programs and kindergartens. An elementary  
11 district may be inactive if the district attaches to a high school district under the provisions of 20-6-701  
12 to form a K-12 school district.

13 (b) A high school district is a district organized for the purpose of providing those public  
14 educational services authorized by this title for all grades beyond grade 8, including postsecondary  
15 programs, except those programs administered by community college districts or the Montana university  
16 system. A high school district with an attached elementary district may provide the educational services  
17 for an elementary district through the procedures established in 20-6-701 through 20-6-703.

18 (3) An elementary district is known as "District No. ...., ..... County" and a high school district,  
19 except a high school district where a county high school is operated, is known as "High School District No.  
20 ...., ..... County". A district is a body corporate and, as a body corporate, may sue and be sued, contract  
21 and be contracted with, and acquire, hold, use, and dispose of real or personal property for school  
22 purposes, within the limitations prescribed by law. Unless the context clearly indicates otherwise, the  
23 trustees of elementary districts and high school districts have the same types of powers, duties, and  
24 responsibilities authorized and imposed by the laws of Montana.

25 ~~(4) Unless the context clearly indicates otherwise, an elementary district operating a high school~~  
26 ~~in a county that has not been divided into high school districts is considered a high school district under~~  
27 ~~this title and the trustees of the elementary district are the trustees of the high school district. An~~  
28 ~~elementary district operating a high school may not have the bonding authority of a high school district.~~  
29 ~~However, the elementary district may exercise its bonding authority, in the manner provided by law, for~~  
30 ~~high school purposes.~~

1           ~~(5)(4)~~ As used in this title, unless the context clearly indicates otherwise, a county high school is  
 2 ~~considered a high school district that has not unified with an elementary district under 20-6-312, subject~~  
 3 ~~to the limitations prescribed by law for a county high school as a result of its being a part of the county~~  
 4 ~~government. The boundaries of the high school district for a county high school are:~~

5           ~~(a) the high school district boundaries established by the county high school boundary commission;~~  
 6 ~~or~~

7           ~~(b) if no boundaries have been established, the county boundaries, except for any territory located~~  
 8 ~~in a joint high school district.~~

9           ~~(6) A county high school recognized as a high school district under the provisions of subsection~~  
 10 ~~(5)(b) may not have a bonding authority. Instead, the county shall exercise its bonding authority in the~~  
 11 ~~manner provided in 20-9-451."~~

12  
 13           **Section 15.** Section 20-6-104, MCA, is amended to read:

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

17           (2) This section does not apply to a district that results from the procedure for the dissolution of  
 18 a K-12 school district pursuant to 20-6-704."

19  
 20           **Section 16.** Section 20-6-312, MCA, is amended to read:

21           "**20-6-312. County high school unification.** (1) Any county high school may be unified with the  
 22 elementary district where the county high school building is located to establish a unified school system  
 23 under a unified board of trustees. ~~If the county has not been divided into high school districts, a high school~~  
 24 ~~district with boundaries coterminous with the county boundaries shall be created, except that such high~~  
 25 ~~school district shall not include the territory of any existing joint high school district located in the county.~~  
 26 The territory of an existing joint high school district shall must remain a part of ~~such the~~ joint high school  
 27 district. ~~The creation of high school districts under this provision shall be in lieu of the high school district~~  
 28 ~~division provisions of 20-6-303.~~

29           (2) A proposition to unify a county high school with the elementary district where the county high  
 30 school building is located shall must be introduced whenever:

1 (a) the trustees of the county high school and the trustees of the elementary district individually  
 2 pass resolutions requesting the county superintendent to order an election to consider a unification  
 3 proposition; or

4 (b) not less than 20% of ~~the electors of the county or, if the county has been divided into high~~  
 5 ~~school districts,~~ the electors of the high school district where the county high school is located, ~~and~~ who  
 6 are qualified to vote under the provisions of 20-20-301, petition the county superintendent to order an  
 7 election to consider a unification proposition.

8 (3) When the county superintendent has received the trustees' resolutions or a valid petition, ~~he~~  
 9 the county superintendent shall, within 10 days after the receipt of the last resolution or petition and under  
 10 the provisions of 20-20-201, order the county high school to call an election to consider a unification  
 11 proposition. The trustees of the county high school shall call and conduct an election in the manner  
 12 prescribed in this title for school elections. An elector who may vote on the unification proposition ~~shall~~  
 13 must be qualified to vote under the provisions of 20-20-301. The ballot for a county high school unification  
 14 proposition ~~shall~~ must be substantially in the following form:

15 "OFFICIAL BALLOT COUNTY HIGH SCHOOL UNIFICATION ELECTION

16 Shall .... County High School be unified with District No. ...., .... County to establish a unified  
 17 school system under a unified board of trustees?

18 [ ] FOR the unification of the county high school.

19 [ ] AGAINST the unification of the county high school."

20 (4) When the county superintendent receives the election certificate from the trustees of the county  
 21 high school, ~~he~~ the county superintendent shall issue an order declaring the unification of the county high  
 22 school with the elementary district identified on the ballot as of the next ~~successing~~ July 1, if a majority  
 23 of those electors voting at ~~such~~ the election have voted for the unification proposition.

24 (5) If a majority of those electors voting at the election have voted against the unification  
 25 proposition, ~~he~~ the county superintendent shall order the disapproval of the unification proposition."  
 26

27 **Section 17.** Section 20-6-313, MCA, is amended to read:

28 "**20-6-313. Transactions after approved county high school unification.** (1) Whenever a county  
 29 high school is unified with the elementary district where the county high school building is located, the  
 30 following transactions ~~shall~~ must be completed on or before the July 1 when the unification becomes

1 effective:

2 ~~(a) The high school boundary commission, without the approval of the superintendent of public~~  
 3 ~~instruction, shall order the creation of a high school district if the county has not already been divided into~~  
 4 ~~high school districts.~~

5 ~~(b)~~ The county high school trustees, who ~~shall~~ do not have the capacity to govern the high school  
 6 district upon unification, shall surrender all minutes, documents, and other records of the county high  
 7 school to the trustees of the high school district.

8 ~~(c)~~(b) The county superintendent shall order the establishment of additional high school trustee  
 9 nominating areas in the manner prescribed in 20-3-352 and 20-3-353, if requested to do so by a majority  
 10 of the outlying elementary districts located in the high school district. When the county superintendent  
 11 establishes ~~such~~ the areas, ~~he~~ the county superintendent shall appoint additional high school district  
 12 trustees from each area, who shall hold office until a successor is elected at the next regular school election  
 13 and qualified.

14 ~~(d)~~(c) The county treasurer, after allowing for any outstanding or registered warrants, shall transfer  
 15 all end-of-the-year fund cash balances of the county high school to similar funds established for the high  
 16 school district. All previous years' taxes levied and collected for the county high school shall be credited  
 17 to the appropriate fund of the high school district.

18 ~~(e) The board of county commissioners shall execute, in the name of the county, all necessary and~~  
 19 ~~appropriate deeds, bills of sale, and other instruments for the conveyance of title to all real and personal~~  
 20 ~~property of the county high school, including all appurtenances and hereditaments, to the high school~~  
 21 ~~district.~~

22 (2) All county high school bonds outstanding at the time of unification shall remain the obligation  
 23 of the county or that portion of the county against which the bonds were originally issued. The high school  
 24 district ~~shall be~~ is responsible for the maintenance of the debt service fund for ~~such~~ the bonds. It ~~shall be~~  
 25 is the duty of the board of county commissioners and the trustees of the high school district to perform the  
 26 duties prescribed in the school budgeting and bond redemption provisions of this title for the redemption  
 27 and interest payments of the county high school bonds in the same manner and by the same means as  
 28 though the county high school had not been unified."

29

30 **Section 18.** Section 20-9-402, MCA, is amended to read:

1           **"20-9-402. Definition of school district for bonding purposes.** For the purposes of inebting an  
 2 elementary district, a high school district, or a community college district by the issuance of bonds under  
 3 the provisions of this title, the term "school district" ~~shall mean~~ means any elementary district, high school  
 4 district, county high school district, or community college district, ~~except the following types of high~~  
 5 ~~schools recognized as high school districts without a bonding authority in 20-6-101:~~

6           ~~(1) high schools operated by an elementary district in a county that has not been divided into high~~  
 7 ~~school districts; or~~

8           ~~(2) county high schools located in a county that has not been divided into high school districts by~~  
 9 ~~the county high school boundary commission."~~

10

11           **Section 19.** Section 20-9-435, MCA, is amended to read:

12           **"20-9-435. Delivery of school district bonds and disposition of sale moneys money.** (1) After the  
 13 school district bonds have been registered, the county treasurer shall:

14           (a) when the board of investments has purchased the bonds, forward the bonds to the board that,  
 15 in turn, shall send the bonds to the state treasurer and shall pay the bonds in the manner provided by law;  
 16 or

17           (b) if the purchaser is anybody other than the board of investments, deliver the bonds to the  
 18 purchaser when full payment of the bonds has been made by the purchaser.

19           (2) If any of the trustees fails or refuses to pay into the proper county treasury the money arising  
 20 from the sale of a bond, the trustee is guilty of a felony and shall be punished by imprisonment in the state  
 21 prison for not less than 1 year or more than 10 years or by a fine of not more than \$50,000, or both.

22           (3) All money realized from the sale of school district bonds must be paid to the county treasurer.  
 23 The county treasurer shall credit the money to the building fund of the school district issuing the bonds,  
 24 except money realized for accrued interest or the purposes defined in 20-9-403(1)(c) and (1)(d) must be  
 25 deposited in the debt service fund and money realized for the purposes authorized in 20-9-403(1)(e) must  
 26 be deposited in a fund, as provided for in 2-9-316, to pay a final judgment against the school district. The  
 27 money realized from the sale of school district bonds must be immediately available to the school district,  
 28 and the trustees may expend the money without budgeted authorization only for the purposes for which  
 29 the bonds were authorized by the school district bond election. ~~Under the provisions of 7-6-2802, the~~  
 30 ~~trustees may invest the money for which there is no immediate demand and the interest earned by~~



1 investment must be used in the manner provided in 7-6-2802. After the full accomplishment of the purpose  
 2 or purposes of a bond issue, the excess money realized from the bond issue must be transferred to the debt  
 3 service fund of the school district to be used for the redemption or purchase of bonds of the issue."

4  
 5 **Section 20.** Section 20-15-404, MCA, is amended to read:

6 **"20-15-404. Trustees to adhere to certain other laws.** Unless the context clearly indicates  
 7 otherwise, the trustees of a community college district shall adhere to:

8 (1) the teachers' retirement provisions of Title 19, chapter 20;

9 (2) the provisions of 20-1-201, 20-1-205, 20-1-211, and 20-1-212;

10 (3) the school property provisions of 20-6-604, 20-6-605, 20-6-621, 20-6-622, 20-6-624,  
 11 20-6-631, and 20-6-633 through 20-6-636;

12 (4) the adult education provisions of 20-7-701 through 20-7-713;

13 (5) the administration of finances provisions of 20-9-115, 20-9-134, 20-9-207, 20-9-208,  
 14 20-9-210, 20-9-215, 20-9-221, 20-9-223, and 20-9-512;

15 (6) the school bond provisions of 20-9-401 through 20-9-408, 20-9-410 through 20-9-412,  
 16 20-9-421 through 20-9-446, ~~20-9-451 through 20-9-456~~, and 20-9-461 through 20-9-465;

17 (7) the special purpose funds provisions of 20-9-502, 20-9-503, 20-9-507, 20-9-508, and  
 18 20-9-511;

19 (8) the educational cooperative agreements provisions of 20-9-701 through 20-9-704;

20 (9) the school elections provisions of Title 20, chapter 20;

21 (10) the students' rights provisions of 20-25-511 through 20-25-516; and

22 (11) the health provisions of 50-1-206."

23  
 24 **NEW SECTION. Section 21. Repealer.** Sections 7-6-2802, 20-6-216, 20-6-217, 20-6-303,  
 25 20-6-304, 20-6-311, 20-6-325, 20-6-415, 20-9-451, 20-9-452, 20-9-453, 20-9-454, 20-9-455, and  
 26 20-9-456, MCA, are repealed.

27  
 28 **NEW SECTION. Section 22. Effective date.** [This act] is effective July 1, 1997, and applies to  
 29 bonds issued on or after [the effective date of this act].

30 -END-

STATE OF MONTANA - FISCAL NOTE

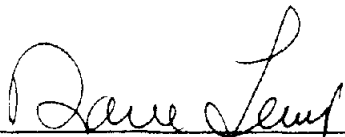
Fiscal Note for HB0560, as introduced

DESCRIPTION OF PROPOSED LEGISLATION: An act implementing the moratorium on the creation of new school districts by eliminating the procedures for creation of a new elementary or high school district; eliminating duties of boundary commissions relating to creation of districts; eliminating outdated references and procedures relating to county high school districts;

ASSUMPTIONS:

1. HB 560 transfers the authority to sell bonds for county high schools from the county commission to the trustees of the county high school district. This statutory change will have no practical effect because under current practice, county high schools sell bonds as high school district obligations, not as county obligations.
2. There are four county high schools that are not unified with an elementary district. These high school districts are Beaverhead, Carter, Dawson, and Powell.
3. Under 20-6-104, MCA, there is a moratorium on the creation of new elementary and high school districts. HB 560 eliminates statutory language which provides for the creation of new elementary and high school districts. HB 560 does not effect the ability of taxpayers to petition for the transfer of territory or for the annexation or consolidation of districts.

FISCAL IMPACT: None.

 2-18-97  
DAVE LEWIS, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

 2/19/97  
RAY PECK, PRIMARY SPONSOR      DATE

Fiscal Note for HB0560, as introduced  
HB 560

1 HOUSE BILL NO. 560

2 INTRODUCED BY PECK

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT IMPLEMENTING THE MORATORIUM ON THE CREATION OF  
5 NEW SCHOOL DISTRICTS BY ELIMINATING THE PROCEDURES FOR CREATION OF A NEW ELEMENTARY  
6 OR HIGH SCHOOL DISTRICT; ELIMINATING DUTIES OF BOUNDARY COMMISSIONS RELATING TO  
7 CREATION OF DISTRICTS; ELIMINATING OUTDATED REFERENCES AND PROCEDURES RELATING TO  
8 COUNTY HIGH SCHOOL DISTRICTS; AMENDING SECTIONS 7-6-2701, 7-7-2203, 7-14-2524, 20-3-106,  
9 20-3-206, 20-3-302, 20-3-312, 20-3-342, 20-3-343, 20-3-351, 20-3-352, 20-3-355, 20-3-356, 20-6-101,  
10 20-6-104, 20-6-312, 20-6-313, 20-6-501, 20-9-402, 20-9-435, AND 20-15-404, MCA; REPEALING  
11 SECTIONS 7-6-2802, 20-6-216, 20-6-217, 20-6-303, 20-6-304, 20-6-311, 20-6-325, 20-6-415, 20-9-451,  
12 20-9-452, 20-9-453, 20-9-454, 20-9-455, AND 20-9-456, MCA; AND PROVIDING AN EFFECTIVE DATE  
13 AND AN APPLICABILITY DATE."

14

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

16

17 **Section 1.** Section 7-6-2701, MCA, is amended to read:

18 **"7-6-2701. Investment of certain money in county, municipal, hospital, and school warrants.** (1)  
19 ~~Except as provided in 7-6-2802, if~~ If a county has under its control any money for which there is no  
20 immediate demand, in any special fund subject to deposit, which in the judgment of the board of county  
21 commissioners it would be advantageous to invest in county, municipal, hospital district, or school district  
22 registered warrants, the county commissioners are authorized in their discretion to direct the county  
23 treasurer to purchase ~~such~~ the warrants of entities located in the same county.

24 (2) For ~~such~~ the purchases, the county commissioners shall:

- 25 (a) designate the fund or funds to be ~~so~~ invested;
- 26 (b) fix the amount that may be purchased;
- 27 (c) establish the rate of interest the county ~~shall~~ must receive for the investment; and
- 28 (d) designate the warrants ~~which~~ that are to be purchased by ~~such~~ the funds.

29 (3) The officer drawing a warrant to be purchased for investment by a county shall ~~cause to be~~  
30 ~~attached~~ attach to or ~~stamped~~ stamp, ~~written, or printed~~ write, or print upon the warrant a notice to the

1 effect that the county will exercise its preference right to purchase the warrant.

2 (4) (a) A school district, hospital district, or county warrant presented to the county treasurer for  
3 purchase by the county must be registered as any other school district, hospital district, or county warrant.

4 (b) A municipal warrant presented to the municipal clerk or treasurer for purchase by the county  
5 must be registered, and the holder of the warrant must be informed that the warrant may be presented to  
6 the county treasurer for purchase by the county.

7 (5) The county treasurer shall, when a warrant designated for purchase under the provisions of  
8 subsection (2) is presented to ~~him~~ the treasurer, purchase the ~~same~~ warrant out of the proper fund as  
9 designated by the board. When the designated amounts have been invested, the county treasurer shall  
10 notify the county clerk and recorder or the applicable officer authorized to draw ~~such~~ the warrants.

11 (6) Interest earned from ~~such~~ the investments, including interest on the sale of bonds accrued in  
12 the period between the date of issue and the time of purchase, ~~shall~~ must be credited to the sinking fund  
13 of the county, notwithstanding the provisions of 7-6-204(1).

14 (7) ~~No~~ A provision of this section may not be construed to prevent the investment of county or  
15 county high school money under the state unified investment program established in Title 17, chapter 6,  
16 part 2."

17

18 **Section 2.** Section 7-7-2203, MCA, is amended to read:

19 **"7-7-2203. Limitation on amount of bonded indebtedness.** (1) Except as provided in subsections  
20 (2) through (4), a county may not issue general obligation bonds for any purpose that, with all outstanding  
21 bonds and warrants except ~~county high school bonds and~~ emergency bonds, will exceed 11.25% of the  
22 total of the taxable value of the property in the county, plus the value provided by the department of  
23 revenue under 15-36-324(10), to be ascertained by the last assessment for state and county taxes prior  
24 to the proposed issuance of bonds, plus, for general obligation bonds to be issued during fiscal year 1997,  
25 an additional 11% of the taxable value of class eight property within the county for tax year 1995, for  
26 general obligation bonds to be issued during fiscal year 1998, an additional 22% of the taxable value of  
27 class eight property within the county for tax year 1995, and for general obligation bonds to be issued  
28 during fiscal years 1999 through 2008, an additional 33% of the taxable value of class eight property  
29 within the county for tax year 1995, in each case of class eight property, multiplied by 11.25%.

30 (2) In addition to the bonds allowed by subsection (1), a county may issue bonds that, with all

1 outstanding bonds and warrants, will not exceed 27.75% of the total of the taxable value of the property  
 2 in the county subject to taxation, plus the value provided by the department of revenue under  
 3 15-36-324(10), when necessary to do so, to be ascertained by the last assessment for state and county  
 4 taxes, plus, for bonds to be issued during fiscal year 1997, an additional 11% of the taxable value of class  
 5 eight property within the county for tax year 1995, and for bonds to be issued during fiscal year 1998, an  
 6 additional 22% of the taxable value of class eight property within the county for tax year 1995, ~~and for~~  
 7 ~~bonds to be issued during fiscal years 1999 through 2008, an additional 33% of the taxable value of class~~  
 8 ~~eight property within the county for tax year 1995, in each case of class eight property, multiplied by~~  
 9 ~~27.75%, for the purpose of acquiring land for a site for county high school buildings and for erecting or~~  
 10 ~~acquiring buildings on the site and furnishing and equipping the buildings for county high school purposes.~~

11 (3) In addition to the bonds allowed by subsections (1) and (2), a county may issue bonds for the  
 12 construction or improvement of a jail that will not exceed 12.5% of the taxable value of the property in the  
 13 county subject to taxation, plus the adjustments permitted by 7-7-2101.

14 (4) The limitation in subsection (1) does not apply to refunding bonds issued for the purpose of  
 15 paying or retiring county bonds lawfully issued prior to January 1, 1932, or to bonds issued for the  
 16 repayment of tax protests lost by the county."

17

18 **Section 3.** Section 7-14-2524, MCA, is amended to read:

19 **"7-14-2524. Limitation on amount of bonds issued -- excess void.** (1) Except as otherwise  
 20 provided in 7-7-2203, 7-7-2204, and this section, a county may not issue bonds that, with all outstanding  
 21 bonds and warrants ~~except county high school bonds and~~ emergency bonds, will exceed 11.25% of the  
 22 total of the taxable value of the property in the county, plus the value provided by the department of  
 23 revenue under 15-36-324(10). The taxable property and the amount of taxes levied on new production,  
 24 production from horizontally completed wells, and incremental production must be ascertained by the last  
 25 assessment for state and county taxes prior to the issuance of the bonds.

26 (2) A county may issue bonds that, with all outstanding bonds and warrants ~~except county high~~  
 27 ~~school bonds~~, will exceed 11.25% but will not exceed 22.5% of the total of the taxable value of the  
 28 property, plus the value provided by the department of revenue under 15-36-324(10) when necessary for  
 29 the purpose of replacing, rebuilding, or repairing county buildings, bridges, or highways that have been  
 30 destroyed or damaged by an act of God or by a disaster, catastrophe, or accident.

1           (3) The value of the bonds issued and all other outstanding indebtedness of the county, ~~except~~  
 2 ~~county high school bonds,~~ may not exceed 22.5% of the total of the taxable value of the property within  
 3 the county, plus the value provided by the department of revenue under 15 36-324(10), as ascertained by  
 4 the last preceding general assessment."

5  
 6           **Section 4.** Section 20-3-106, MCA, is amended to read:

7           **"20-3-106. Supervision of schools -- powers and duties.** The superintendent of public instruction  
 8 has the general supervision of the public schools and districts of the state and shall perform the following  
 9 duties or acts in implementing and enforcing the provisions of this title:

10           (1) resolve any controversy resulting from the proration of costs by a joint board of trustees under  
 11 the provisions of 20-3-362;

12           (2) issue, renew, or deny teacher certification and emergency authorizations of employment;

13           (3) negotiate reciprocal tuition agreements with other states in accordance with the provisions of  
 14 20-5-314;

15           (4) serve on the teachers' retirement board in accordance with the provisions of 2-15-1010;

16           (5) ~~approve or disapprove the orders of a high school boundary commission in accordance with~~  
 17 ~~the provisions of 20-6-311;~~

18           (6) approve or disapprove the opening or reopening of a school in accordance with the provisions  
 19 of 20-6-502, 20-6-503, 20-6-504, or 20-6-505;

20           (7)(6) approve or disapprove school isolation within the limitations prescribed by 20-9-302;

21           (8)(7) generally supervise the school budgeting procedures prescribed by law in accordance with  
 22 the provisions of 20-9-102 and prescribe the school budget format in accordance with the provisions of  
 23 20-9-103 and 20-9-506;

24           (9)(8) establish a system of communication for calculating joint district ~~revenues~~ revenue in  
 25 accordance with the provisions of 20-9-151;

26           (10)(9) approve or disapprove the adoption of a district's budget amendment resolution under the  
 27 conditions prescribed in 20-9-163 and adopt rules for an application for additional direct state aid for a  
 28 budget amendment in accordance with the approval and disbursement provisions of 20-9-166;

29           (11)(10) generally supervise the school financial administration provisions as prescribed by  
 30 20-9-201(2);

1           ~~(12)~~(11) prescribe and furnish the annual report forms to enable the districts to report to the county  
2 superintendent in accordance with the provisions of 20-9-213(5) and the annual report forms to enable the  
3 county superintendents to report to the superintendent of public instruction in accordance with the  
4 provisions of 20-3-209;

5           ~~(13)~~(12) approve, disapprove, or adjust an increase of the average number belonging (ANB) in  
6 accordance with the provisions of 20-9-313 and 20-9-314;

7           ~~(14)~~(13) distribute BASE aid and special education allowable cost payments in support of the BASE  
8 funding program, in accordance with the provisions of 20-9-331, 20-9-333, 20-9-342, 20-9-346, 20-9-347,  
9 and 20-9-366 through 20-9-369;

10           ~~(15)~~(14) provide for the uniform and equal provision of transportation by performing the duties  
11 prescribed by the provisions of 20-10-112;

12           ~~(16)~~(15) approve or disapprove an adult education program for which a district proposes to levy  
13 a tax in accordance with the provisions of 20-7-705;

14           ~~(17)~~(16) request, accept, deposit, and expend federal money in accordance with the provisions of  
15 20-9-603;

16           ~~(18)~~(17) authorize the use of federal money for the support of an interlocal cooperative agreement  
17 in accordance with the provisions of 20-9-703 and 20-9-704;

18           ~~(19)~~(18) prescribe the form and contents of and approve or disapprove interstate contracts in  
19 accordance with the provisions of 20-9-705;

20           ~~(20)~~(19) approve or disapprove the conduct of school on a Saturday or on pupil-instruction-related  
21 days in accordance with the provisions of 20-1-303 and 20-1-304;

22           ~~(21)~~(20) recommend standards of accreditation for all schools to the board of public education and  
23 evaluate compliance with the standards and recommend accreditation status of every school to the board  
24 of public education in accordance with the provisions of 20-7-101 and 20-7-102;

25           ~~(22)~~(21) collect and maintain a file of curriculum guides and assist schools with instructional  
26 programs in accordance with the provisions of 20-7-113 and 20-7-114;

27           ~~(23)~~(22) establish and maintain a library of visual, aural, and other educational media in accordance  
28 with the provisions of 20-7-201;

29           ~~(24)~~(23) license textbook dealers and initiate prosecution of textbook dealers violating the law in  
30 accordance with the provisions of the textbooks part of this title;

1           ~~(25)~~(24) as the governing agent and executive officer of the state of Montana for K-12 vocational  
2 education, adopt the policies prescribed by and in accordance with the provisions of 20-7-301;

3           ~~(26)~~(25) supervise and coordinate the conduct of special education in the state in accordance with  
4 the provisions of 20-7-403;

5           ~~(27)~~(26) administer the traffic education program in accordance with the provisions of 20-7-502;

6           ~~(28)~~(27) administer the school food services program in accordance with the provisions of  
7 20-10-201, 20-10-202, and 20-10-203;

8           ~~(29)~~(28) review school building plans and specifications in accordance with the provisions of  
9 20-6-622;

10          ~~(30)~~(29) prescribe the method of identification and signals to be used by school safety patrols in  
11 accordance with the provisions of 20-1-408;

12          ~~(31)~~(30) provide schools with information and technical assistance for compliance with the student  
13 assessment rules provided for in 20-2-121 and collect and summarize the results of the student assessment  
14 for the board of public education and the legislature;

15          ~~(32)~~(31) administer the distribution of guaranteed tax base aid in accordance with 20-9-366 through  
16 20-9-369; and

17          ~~(33)~~(32) perform any other duty prescribed from time to time by this title, any other act of the  
18 legislature, or the policies of the board of public education."

19  
20          **Section 5.** Section 20-3-206, MCA, is amended to read:

21          "**20-3-206. Additional positions.** In ~~his~~ the capacity as county superintendent, ~~he~~ the county  
22 superintendent ~~also~~ shall also serve as:

23           (1) the chairman of the county transportation committee, as prescribed by 20-10-131;

24           (2) ~~a member of the high school boundary commission of the county, as prescribed by 20-6-304;~~

25           ~~(3)~~ an attendance officer for a district under the conditions prescribed by 20-5-104; and

26           ~~(4)~~(3) the clerk of a joint board of trustees under the conditions prescribed by 20-3-361."

27  
28          **Section 6.** Section 20-3-302, MCA, is amended to read:

29          "**20-3-302. Legislative intent to elect less than majority of trustees.** (1) It is the intention of the  
30 legislature that the terms of a majority of the trustee positions of any district with elected trustees may not



1 regularly expire and be subject to election on the same regular school election day. In elementary districts,  
 2 there may not be more than three trustee positions in first-class districts, two trustee positions in  
 3 second-class districts or third-class districts having five trustee positions, or one trustee position in  
 4 third-class districts having three trustee positions regularly subject to election at the same time. In high  
 5 school districts there may not be more than two additional trustee positions in first- or second-class districts  
 6 or more than one in third-class districts regularly subject to election at the same time. In ~~high school~~  
 7 ~~districts operating a county high school~~ districts, there may not be more than two trustee positions to be  
 8 filled by members residing in the elementary district where the county high school building is located or  
 9 more than one trustee position to be filled by members residing outside of the elementary district where  
 10 the county high school building is located subject to election at the same time.

11 (2) In the following circumstances relating to newly created trustee positions, the initial terms may  
 12 be shortened to comply with the intent of subsection (1):

13 ~~(a) the creation of a new elementary district under the provisions of 20-6-217;~~

14 ~~(b)~~ the consolidation of two or more elementary districts to form an elementary district under the  
 15 provisions of 20-6-203 or the consolidation of two or more high school districts to form a high school  
 16 district under the provisions of 20-6-315;

17 ~~(c)~~(b) the establishment of additional trustee positions of a high school district under the provisions  
 18 of 20-3-353 or 20-3-354 or new trustee positions under the provisions of 20-3-352(3);

19 ~~(d)~~(c) the change of a district's classification under the provisions of 20-6-201 or 20-6-301;

20 ~~(e)~~(d) the establishment of additional elementary trustee positions under the provisions of  
 21 20-3-341(3); or

22 ~~(f)~~(e) the establishment of additional high school trustee positions under the provisions of  
 23 20-6-313.

24 (3) If the change of a district's classification under 20-6-201 or 20-6-301 decreases the number  
 25 of trustee positions, the positions must be eliminated in a manner that complies with the intent of  
 26 subsection (1).

27 (4) Although the legislature intends that the terms of a majority of trustees of any district may not  
 28 regularly expire and be subject to election at the same time, it is recognized that filling a vacancy under  
 29 20-3-308 may lead to a subsequent school election in which a majority of trustee positions are subject to  
 30 election at the same time."

1           **Section 7.** Section 20-3-312, MCA, is amended to read:

2           "20-3-312. **Trustees of district affected by boundary change.** The trustees of any district to which  
3 the territory of another district is attached as a result of annexation, abandonment, joint district dissolution,  
4 territory transfer, or any other method of changing district boundaries, except by the consolidation of  
5 elementary districts ~~or by the creation of a new elementary district~~, shall continue to be the trustees of ~~such~~  
6 the district with the same powers, duties, and responsibilities and subject to the same limitations provided  
7 by law, as if there had been no boundary change. In the case of elementary district consolidation ~~or the~~  
8 ~~creation of a new elementary district~~, the appointed trustees of the resulting elementary district shall  
9 assume their trustee positions under the authority of 20-6-203 or 20-6-216, whichever is applicable."

10  
11           **Section 8.** Section 20-3-342, MCA, is amended to read:

12           "20-3-342. **Determination of terms after ~~creation or~~ consolidation of elementary districts.**  
13 Whenever the trustees are elected at one regular school election under the circumstances described in  
14 ~~subsections (2)(a) and (2)(b) of 20-3-302(2)(a)~~, the members who are elected shall draw by lot to determine  
15 their terms of office. ~~Such~~ The terms of office by trustee position ~~shall~~ must be:  
16           (1) three for 3 years, two for 2 years, and two for 1 year in a first-class elementary district;  
17           (2) two for 3 years, two for 2 years, and one for 1 year in second-class elementary districts and  
18 third-class elementary districts having five trustee positions; or  
19           (3) one for 3 years, one for 2 years, and one for 1 year in a third-class elementary district having  
20 three trustee positions."

21  
22           **Section 9.** Section 20-3-343, MCA, is amended to read:

23           "20-3-343. **Determination of terms after change of district classification.** Whenever the change  
24 of an elementary district classification requires the addition of trustee positions to the trustees of ~~such~~ the  
25 district under the circumstance described in 20-3-302(2)(a) ~~(2)(c)~~, the members who are elected shall draw  
26 by lot to determine their terms of office, which ~~shall~~ must be one for 3 years and one for 2 years."

27  
28           **Section 10.** Section 20-3-351, MCA, is amended to read:

29           "20-3-351. **Number of trustee positions in high school districts.** (1) Except as provided in  
30 20-3-352(3) and subsection (2) of this section, the trustees of a high school district, ~~except a high school~~

1 ~~district operating a county high school~~, must be composed of:

2 (a) the trustees of the elementary district in which the high school building is located or, if there  
3 is more than one elementary district in which high school buildings are located, the trustees of the  
4 elementary district designated by the high school boundary commission; and

5 (b) the additional trustee positions determined in accordance with 20-3-352(2).

6 (2) ~~The trustees of a high school district operating a~~ There must be seven trustee positions for each  
7 county high school ~~must be composed of seven trustee positions.~~"

8

9 **Section 11.** Section 20-3-352, MCA, is amended to read:

10 **"20-3-352. Request and determination of number of high school district additional trustee**  
11 **positions -- nonvoting trustee.** (1) As provided in 20-3-351(1)(b), a high school district, except a county  
12 high school district ~~operating a county high school~~, may have additional trustee positions when the trustees  
13 of a majority of the elementary districts with territory located in the high school district, but without  
14 equitable representation on the high school district trustees under the provision of 20-3-351(1)(a), request  
15 the establishment of additional trustee positions under the provisions of subsection (2) or when the electors  
16 approve an alternative method of electing members of the board of trustees under the provisions of  
17 subsection (3).

18 (2) A request for additional trustee positions must be made to the county superintendent by a  
19 resolution of the trustees of each elementary district. When a resolution has been received from a majority  
20 of the elementary districts without representation on the high school district trustees, the county  
21 superintendent shall determine the number of additional trustee positions for the affected high school  
22 district in accordance with the following procedure:

23 (a) The taxable valuation of the elementary district that has its trustees placed on the high school  
24 trustees must be divided by the number of positions on the trustees of the elementary district to determine  
25 the taxable valuation per trustee position.

26 (b) The taxable valuation used for the calculation in subsection (2)(a) must be subtracted from the  
27 taxable valuation of the high school district to determine the taxable valuation of the territory of the high  
28 school district without representation on the high school district trustees.

29 (c) The taxable valuation determined in subsection (2)(b) must be divided by the taxable valuation  
30 per trustee position calculated in subsection (2)(a). The resulting quotient must be rounded off to the

1 nearest whole number, except that when the quotient is less than 0.5, at least one nonvoting trustee  
2 position must be established for the territory without representation on the high school district board of  
3 trustees under the provision of 20-3-351(1)(a).

4 (d) Except for a nonvoting trustee position, the number determined in subsection (2)(c) must be  
5 the number of additional trustee positions, except that the number of additional trustee positions may not  
6 exceed four in a first- or second-class high school district or two in a third-class high school district except  
7 when two-thirds or more of the high school enrollment of the high school district and two-thirds or more  
8 of the taxable valuation of the high school district are located outside of the elementary district that has  
9 its trustees placed on the high school district trustees. When this situation exists, three additional trustees  
10 must be elected from the elementary school districts in which the high school is not located and one  
11 additional trustee must be elected at large in the high school district.

12 (3) (a) If more than half of the electors of the high school district reside outside the territory of the  
13 elementary school district in which the high school district buildings are located, at least 10% of the  
14 electors of the high school district who are qualified to vote under the provisions of 20-20-301 may petition  
15 the county superintendent, requesting an election to consider a proposition on the question of establishing  
16 the following alternative method of electing the members of the high school district board of trustees:

17 (i) one trustee to be elected from each elementary school district with territory included in the high  
18 school district; and

19 (ii) two or three trustees to be elected at large in the high school district, whichever number results  
20 in an odd number of members on the board of trustees.

21 (b) (i) When the county superintendent receives a valid petition, the county superintendent shall  
22 order the trustees of the high school district to conduct an election on the next regular school election day  
23 on the proposition allowed under the provisions of subsection (3)(a).

24 (ii) If the electors of the district approve a proposition to establish the alternative method of electing  
25 the high school board of trustees, the county superintendent shall order that the members of the board of  
26 trustees be elected according to subsection (3)(a) at the next regular school election.

27 (c) Whenever the trustees are elected at one regular election under subsection (3)(b), the members  
28 who are elected shall draw by lot to determine their terms of office. The terms of office by trustee position  
29 must be divided as equally as practicable among 1-, 2-, and 3-year terms.

30 (d) A petition to call an election for the purposes of subsection (3) may not be submitted to the

1 county superintendent more than one time in each 5-year period."

2

3 **Section 12.** Section 20-3-355, MCA, is amended to read:

4 "20-3-355. **Determination of terms after establishment or reestablishment of additional trustee**  
5 **positions.** (1) Whenever all of the additional trustee positions are subject to election at one regular school  
6 election under the circumstance described in 20-3-302~~(2)(e)~~(2)(b), the members who are elected shall draw  
7 by lot to determine their terms of office. ~~Such~~ The terms of office by number of members elected ~~shall~~ must  
8 be:

9 (a) two for 3 years, if four are elected;

10 (b) one for 3 years, if one, two, or three are elected;

11 (c) one for 2 years, if two, three, or four are elected; and

12 (d) one for 1 year, if three or four are elected.

13 (2) Whenever the reestablishment of the additional trustee positions for a high school district under  
14 the provisions of 20-3-354 results in an increased number of additional trustee positions, the members who  
15 are elected at the next regular school election shall draw by lot to determine their terms of office and ~~such~~  
16 the terms shall must be determined in accordance with the additional trustee terms prescribed in this  
17 section."

18

19 **Section 13.** Section 20-3-356, MCA, is amended to read:

20 "20-3-356. **Membership of elected trustees of ~~high school district operating~~ county high school**  
21 **district and nomination of candidates.** (1) The trustees of a ~~high school district operating~~ a county high  
22 school ~~district shall be composed of~~ must include the following:

23 (a) four trustee positions filled by members residing in the elementary district where the county  
24 high school building is located; and

25 (b) three trustee positions filled by members one of whom resides in each of the three trustee  
26 nominating districts in the territory of the high school district outside of the elementary district where the  
27 county high school building is located. The county superintendent shall establish the nominating districts,  
28 and, unless it is impossible, ~~such~~ the districts shall must have coterminous boundaries with elementary  
29 district boundaries.

30 (2) The provisions of 20-3-305 ~~shall~~ govern the nomination of candidates for the trustee election

1 prescribed in this section."

2  
3 **Section 14.** Section 20-6-101, MCA, is amended to read:

4 **"20-6-101. Definition of elementary and high school districts.** (1) As used in this title, except as  
5 defined in 20-9-402 for bonding purposes or unless the context clearly indicates otherwise, the term  
6 "district" means the territory, regardless of county boundaries, organized under the provisions of this title  
7 to provide public educational services under the jurisdiction of the trustees prescribed by this title. High  
8 school districts may encompass all or parts of the territory of one or more elementary districts.

9 (2) (a) An elementary district is a district organized for the purpose of providing public education  
10 for all grades up to and including grade 8 and for preschool programs and kindergartens. An elementary  
11 district may be inactive if the district attaches to a high school district under the provisions of 20-6-701  
12 to form a K-12 school district.

13 (b) A high school district is a district organized for the purpose of providing those public  
14 educational services authorized by this title for all grades beyond grade 8, including postsecondary  
15 programs, except those programs administered by community college districts or the Montana university  
16 system. A high school district with an attached elementary district may provide the educational services  
17 for an elementary district through the procedures established in 20-6-701 through 20-6-703.

18 (3) An elementary district is known as "District No. ...., ..... County" and a high school district,  
19 except a high school district where a county high school is operated, is known as "High School District No.  
20 ...., ..... County". A district is a body corporate and, as a body corporate, may sue and be sued, contract  
21 and be contracted with, and acquire, hold, use, and dispose of real or personal property for school  
22 purposes, within the limitations prescribed by law. Unless the context clearly indicates otherwise, the  
23 trustees of elementary districts and high school districts have the same types of powers, duties, and  
24 responsibilities authorized and imposed by the laws of Montana.

25 ~~(4) Unless the context clearly indicates otherwise, an elementary district operating a high school~~  
26 ~~in a county that has not been divided into high school districts is considered a high school district under~~  
27 ~~this title and the trustees of the elementary district are the trustees of the high school district. An~~  
28 ~~elementary district operating a high school may not have the bonding authority of a high school district.~~  
29 ~~However, the elementary district may exercise its bonding authority, in the manner provided by law, for~~  
30 ~~high school purposes.~~

1           ~~(5)(4)~~ As used in this title, unless the context clearly indicates otherwise, a county high school is  
 2 ~~considered~~ a high school district that has not unified UNIFIED with an elementary district under 20-6-312.  
 3 ~~subject to the limitations prescribed by law for a county high school as a result of its being a part of the~~  
 4 ~~county government. The boundaries of the high school district for a county high school are:~~

5           ~~(a) the high school district boundaries established by the county high school boundary commission;~~  
 6 ~~or~~  
 7           ~~(b) if no boundaries have been established, the county boundaries, except for any territory located~~  
 8 ~~in a joint high school district.~~

9           ~~(6) A county high school recognized as a high school district under the provisions of subsection~~  
 10 ~~(5)(b) may not have a bonding authority. Instead, the county shall exercise its bonding authority in the~~  
 11 ~~manner provided in 20-9-451."~~

12  
 13           **Section 15.** Section 20-6-104, MCA, is amended to read:

14           "**20-6-104. Moratorium on creation of new district -- exception.** (1) A school district may not  
 15 initiate the creation of a new elementary district ~~under the provisions of 20-6-216 and 20-6-217~~ or initiate  
 16 ~~the creation of a new high school district under the provisions of 20-6-303 and 20-6-325~~ OR A NEW HIGH  
 17 SCHOOL DISTRICT.

18           (2) This section does not apply to a district that results from the procedure for the dissolution of  
 19 a K-12 school district pursuant to 20-6-704."

20  
 21           **Section 16.** Section 20-6-312, MCA, is amended to read:

22           "**20-6-312. County high school unification.** (1) Any county high school may be unified with the  
 23 elementary district where the county high school building is located to establish a unified school system  
 24 under a unified board of trustees. ~~if the county has not been divided into high school districts, a high school~~  
 25 ~~district with boundaries coterminous with the county boundaries shall be created, except that such high~~  
 26 ~~school district shall not include the territory of any existing joint high school district located in the county.~~  
 27 The territory of an existing joint high school district ~~shall~~ must remain a part of ~~such~~ the joint high school  
 28 district. ~~The creation of high school districts under this provision shall be in lieu of the high school district~~  
 29 ~~division provisions of 20-6-303.~~

30           (2) A proposition to unify a county high school with the elementary district where the county high

1 school building is located ~~shall~~ must be introduced whenever:

2 (a) the trustees of the county high school and the trustees of the elementary district individually  
3 pass resolutions requesting the county superintendent to order an election to consider a unification  
4 proposition; or

5 (b) not less than 20% of ~~the electors of the county or, if the county has been divided into high~~  
6 ~~school districts,~~ the electors of the high school district where the county high school is located, ~~and~~ who  
7 are qualified to vote under the provisions of 20-20-301, petition the county superintendent to order an  
8 election to consider a unification proposition.

9 (3) When the county superintendent has received the trustees' resolutions or a valid petition, ~~he~~  
10 the county superintendent shall, within 10 days after the receipt of the last resolution or petition and under  
11 the provisions of 20-20-201, order the county high school to call an election to consider a unification  
12 proposition. The trustees of the county high school shall call and conduct an election in the manner  
13 prescribed in this title for school elections. An elector who may vote on the unification proposition ~~shall~~  
14 must be qualified to vote under the provisions of 20-20-301. The ballot for a county high school unification  
15 proposition ~~shall~~ must be substantially in the following form:

16 "OFFICIAL BALLOT COUNTY HIGH SCHOOL UNIFICATION ELECTION

17 Shall .... County High School be unified with District No. ...., .... County to establish a unified  
18 school system under a unified board of trustees?

19 [ ] FOR the unification of the county high school.

20 [ ] AGAINST the unification of the county high school."

21 (4) When the county superintendent receives the election certificate from the trustees of the county  
22 high school, ~~he~~ the county superintendent shall issue an order declaring the unification of the county high  
23 school with the elementary district identified on the ballot as of the next ~~succeeding~~ July 1, if a majority  
24 of those electors voting at ~~such~~ the election have voted for the unification proposition.

25 (5) If a majority of those electors voting at the election have voted against the unification  
26 proposition, ~~he~~ the county superintendent shall order the disapproval of the unification proposition."  
27

28 **Section 17.** Section 20-6-313, MCA, is amended to read:

29 **"20-6-313. Transactions after approved county high school unification.** (1) Whenever a county  
30 high school is unified with the elementary district where the county high school building is located, the



1 following transactions ~~shall~~ must be completed on or before the July 1 when the unification becomes  
2 effective:

3 ~~(a) The high school boundary commission, without the approval of the superintendent of public~~  
4 ~~instruction, shall order the creation of a high school district if the county has not already been divided into~~  
5 ~~high school districts.~~

6 ~~(b) The county high school trustees, who shall do~~ not have the capacity to govern the high school  
7 district upon unification, shall surrender all minutes, documents, and other records of the county high  
8 school to the trustees of the high school district.

9 ~~(c)~~ (b) The county superintendent shall order the establishment of additional high school trustee  
10 nominating areas in the manner prescribed in 20-3-352 and 20-3-353, if requested to do so by a majority  
11 of the outlying elementary districts located in the high school district. When the county superintendent  
12 establishes such the areas, ~~he the county superintendent~~ shall appoint additional high school district  
13 trustees from each area, who shall hold office until a successor is elected at the next regular school election  
14 and qualified.

15 ~~(d)~~ (c) The county treasurer, after allowing for any outstanding or registered warrants, shall transfer  
16 all end-of-the-year fund cash balances of the county high school to similar funds established for the high  
17 school district. All previous years' taxes levied and collected for the county high school shall be credited  
18 to the appropriate fund of the high school district.

19 ~~(e) The board of county commissioners shall execute, in the name of the county, all necessary and~~  
20 ~~appropriate deeds, bills of sale, and other instruments for the conveyance of title to all real and personal~~  
21 ~~property of the county high school, including all appurtenances and hereditaments, to the high school~~  
22 ~~district.~~

23 (2) All county high school bonds outstanding at the time of unification shall remain the obligation  
24 of the county or that portion of the county against which the bonds were originally issued. The high school  
25 district ~~shall be~~ is responsible for the maintenance of the debt service fund for ~~such the~~ bonds. It ~~shall be~~  
26 is the duty of the board of county commissioners and the trustees of the high school district to perform the  
27 duties prescribed in the school budgeting and bond redemption provisions of this title for the redemption  
28 and interest payments of the county high school bonds in the same manner and by the same means as  
29 though the county high school had not been unified."  
30

1           **SECTION 18. SECTION 20-6-501, MCA, IS AMENDED TO READ:**

2           **"20-6-501. Definition of various schools.** As used in this title, unless the context clearly indicates  
3 otherwise, the term "school" means an institution for the teaching of children that is established and  
4 maintained under the laws of the state of Montana at public expense. The trustees of any district shall  
5 designate the grade assignments for the schools of the district, but for the purposes of this title each school  
6 ~~shall be~~ is known as:

7           (1) an elementary school when it comprises the work of any combination of kindergarten, other  
8 preschool programs, or the first eight grades or their equivalents. A middle school is a school comprising  
9 the work of grades 4 through 8 or any combination ~~thereof of grades 4 through 8~~ that has been accredited  
10 as a middle school under the provisions of 20-7-102. When an accredited junior high school or an  
11 accredited 6-year high school is operated by the district, grades 7 and 8 or their equivalents ~~shall~~ may not  
12 be considered as elementary grades.

13           (2) a high school when it comprises the work of one or more grades of schoolwork or their  
14 equivalents intermediate between the elementary schools and the institutions of higher education of the  
15 state of Montana. Types of high schools ~~shall be~~ are designated as follows:

16           (a) a junior high school is a school comprising the work of grades 7 through 9 or their equivalents  
17 that has been accredited as a junior high school under the provisions of 20-7-102;

18           (b) a senior high school is a school ~~which~~ that comprises the work of grades 10 through 12 or their  
19 equivalents and ~~which~~ that is operated in conjunction with a junior high school;

20           (c) a 6-year high school is a school comprising the work of grades 7 through 12 or their equivalents  
21 that has been accredited as a 6-year high school under the provisions of 20-7-102;

22           (d) a 4-year high school is a school comprising the work of grades 9 through 12 or their  
23 equivalents;

24           ~~(e) a county high school is a 4-year high school operated as an agency of county government and  
25 established under the provisions of the acts of March 3, 1899, March 14, 1901, and any subsequent  
26 amendments thereto."~~

27  
28           **Section 19. Section 20-9-402, MCA, is amended to read:**

29           **"20-9-402. Definition of school district for bonding purposes.** For the purposes of inebtng an  
30 elementary district, a high school district, or a community college district by the issuance of bonds under

1 the provisions of this title, the term "school district" ~~shall mean~~ means any elementary district, high school  
 2 district, county high school district, or community college district, ~~except the following types of high~~  
 3 ~~schools recognized as high school districts without a bonding authority in 20-6-101:~~

4 ~~(1) high schools operated by an elementary district in a county that has not been divided into high~~  
 5 ~~school districts; or~~

6 ~~(2) county high schools located in a county that has not been divided into high school districts by~~  
 7 ~~the county high school boundary commission."~~

8

9 **Section 20.** Section 20-9-435, MCA, is amended to read:

10 **"20-9-435. Delivery of school district bonds and disposition of sale ~~monye~~ money.** (1) After the  
 11 school district bonds have been registered, the county treasurer shall:

12 (a) when the board of investments has purchased the bonds, forward the bonds to the board that,  
 13 in turn, shall send the bonds to the state treasurer and shall pay the bonds in the manner provided by law;  
 14 or

15 (b) if the purchaser is anybody other than the board of investments, deliver the bonds to the  
 16 purchaser when full payment of the bonds has been made by the purchaser.

17 (2) If any of the trustees fails or refuses to pay into the proper county treasury the money arising  
 18 from the sale of a bond, the trustee is guilty of a felony and shall be punished by imprisonment in the state  
 19 prison for not less than 1 year or more than 10 years or by a fine of not more than \$50,000, or both.

20 (3) All money realized from the sale of school district bonds must be paid to the county treasurer.  
 21 The county treasurer shall credit the money to the building fund of the school district issuing the bonds,  
 22 except money realized for accrued interest or the purposes defined in 20-9-403(1)(c) and (1)(d) must be  
 23 deposited in the debt service fund and money realized for the purposes authorized in 20-9-403(1)(e) must  
 24 be deposited in a fund, as provided for in 2-9-316, to pay a final judgment against the school district. The  
 25 money realized from the sale of school district bonds must be immediately available to the school district,  
 26 and the trustees may expend the money without budgeted authorization only for the purposes for which  
 27 the bonds were authorized by the school district bond election. ~~Under the provisions of 7-6-2802, the~~  
 28 ~~trustees may invest the money for which there is no immediate demand and the interest earned by~~  
 29 ~~investment must be used in the manner provided in 7-6-2802. After the full accomplishment of the purpose~~  
 30 ~~or purposes of a bond issue, the excess money realized from the bond issue must be transferred to the debt~~

1 ~~service fund of the school district to be used for the redemption or purchase of bonds of the issue."~~

2  
3 **Section 21.** Section 20-15-404, MCA, is amended to read:

4 **"20-15-404. Trustees to adhere to certain other laws.** Unless the context clearly indicates  
5 otherwise, the trustees of a community college district shall adhere to:

6 (1) the teachers' retirement provisions of Title 19, chapter 20;

7 (2) the provisions of 20-1-201, 20-1-205, 20-1-211, and 20-1-212;

8 (3) the school property provisions of 20-6-604, 20-6-605, 20-6-621, 20-6-622, 20-6-624,  
9 20-6-631, and 20-6-633 through 20-6-636;

10 (4) the adult education provisions of 20-7-701 through 20-7-713;

11 (5) the administration of finances provisions of 20-9-115, 20-9-134, 20-9-207, 20-9-208,  
12 20-9-210, 20-9-215, 20-9-221, 20-9-223, and 20-9-512;

13 (6) the school bond provisions of 20-9-401 through 20-9-408, 20-9-410 through 20-9-412,  
14 20-9-421 through 20-9-446, ~~20-9-451 through 20-9-456~~, and 20-9-461 through 20-9-465;

15 (7) the special purpose funds provisions of 20-9-502, 20-9-503, 20-9-507, 20-9-508, and  
16 20-9-511;

17 (8) the educational cooperative agreements provisions of 20-9-701 through 20-9-704;

18 (9) the school elections provisions of Title 20, chapter 20;

19 (10) the students' rights provisions of 20-25-511 through 20-25-516; and

20 (11) the health provisions of 50-1-206."

21  
22 **NEW SECTION. Section 22. Repealer.** Sections 7-6-2802, 20-6-216, 20-6-217, 20-6-303,  
23 20-6-304, 20-6-311, 20-6-325, 20-6-415, 20-9-451, 20-9-452, 20-9-453, 20-9-454, 20-9-455, and  
24 20-9-456, MCA, are repealed.

25  
26 **NEW SECTION. Section 23. Effective date.** [This act] is effective July 1, 1997, and applies to  
27 bonds issued on or after [the effective date of this act].

28 -END-

1 HOUSE BILL NO. 560

2 INTRODUCED BY PECK

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT IMPLEMENTING THE MORATORIUM ON THE CREATION OF  
5 NEW SCHOOL DISTRICTS BY ELIMINATING THE PROCEDURES FOR CREATION OF A NEW ELEMENTARY  
6 OR HIGH SCHOOL DISTRICT; ELIMINATING DUTIES OF BOUNDARY COMMISSIONS RELATING TO  
7 CREATION OF DISTRICTS; ELIMINATING OUTDATED REFERENCES AND PROCEDURES RELATING TO  
8 COUNTY HIGH SCHOOL DISTRICTS; AMENDING SECTIONS 7-6-2701, 7-7-2203, 7-14-2524, 20-3-106,  
9 20-3-206, 20-3-302, 20-3-312, 20-3-342, 20-3-343, 20-3-351, 20-3-352, 20-3-355, 20-3-356, 20-6-101,  
10 20-6-104, 20-6-312, 20-6-313, 20-6-501, 20-9-402, 20-9-435, AND 20-15-404, MCA; REPEALING  
11 SECTIONS 7-6-2802, 20-6-216, 20-6-217, 20-6-303, 20-6-304, 20-6-311, 20-6-325, 20-6-415, 20-9-451,  
12 20-9-452, 20-9-453, 20-9-454, 20-9-455, AND 20-9-456, MCA; AND PROVIDING AN EFFECTIVE DATE  
13 AND AN APPLICABILITY DATE."

14

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

**THERE ARE NO CHANGES IN THIS BILL AND IT WILL NOT BE  
REPRINTED. PLEASE REFER TO SECOND READING COPY  
(YELLOW) FOR COMPLETE TEXT.**

APPROVED BY COM ON EDUCATION  
AND CULTURAL RESOURCES

1 HOUSE BILL NO. 560

2 INTRODUCED BY PECK

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT IMPLEMENTING THE MORATORIUM ON THE CREATION OF  
5 NEW SCHOOL DISTRICTS BY ELIMINATING THE PROCEDURES FOR CREATION OF A NEW ELEMENTARY  
6 OR HIGH SCHOOL DISTRICT; ELIMINATING DUTIES OF BOUNDARY COMMISSIONS RELATING TO  
7 CREATION OF DISTRICTS; ELIMINATING OUTDATED REFERENCES AND PROCEDURES RELATING TO  
8 COUNTY HIGH SCHOOL DISTRICTS; AMENDING SECTIONS 7-6-2701, 7-7-2203, 7-14-2524, 20-3-106,  
9 20-3-206, 20-3-302, 20-3-312, 20-3-342, 20-3-343, 20-3-351, 20-3-352, 20-3-355, 20-3-356, 20-6-101,  
10 20-6-104, 20-6-312, 20-6-313, 20-6-501, 20-9-402, 20-9-435, AND 20-15-404, MCA; REPEALING  
11 SECTIONS 7-6-2802, 20-6-216, 20-6-217, 20-6-303, 20-6-304, 20-6-311, 20-6-325, 20-6-415, 20-9-451,  
12 20-9-452, 20-9-453, 20-9-454, 20-9-455, AND 20-9-456, MCA; AND PROVIDING AN EFFECTIVE DATE  
13 AND AN APPLICABILITY DATE."

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## 1 HOUSE BILL NO. 560

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3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT IMPLEMENTING THE MORATORIUM ON THE CREATION OF  
 5 NEW SCHOOL DISTRICTS BY ELIMINATING THE PROCEDURES FOR CREATION OF A NEW ELEMENTARY  
 6 OR HIGH SCHOOL DISTRICT; ELIMINATING DUTIES OF BOUNDARY COMMISSIONS RELATING TO  
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 8 COUNTY HIGH SCHOOL DISTRICTS; AMENDING SECTIONS 7-6-2701, 7-7-2203, 7-14-2524, 20-3-106,  
 9 20-3-206, 20-3-302, 20-3-312, 20-3-342, 20-3-343, 20-3-351, 20-3-352, 20-3-355, 20-3-356, 20-6-101,  
 10 20-6-104, 20-6-312, 20-6-313, 20-6-501, 20-9-402, 20-9-435, AND 20-15-404, MCA; REPEALING  
 11 SECTIONS 7-6-2802, 20-6-216, 20-6-217, 20-6-303, 20-6-304, 20-6-311, 20-6-325, 20-6-415, 20-9-451,  
 12 20-9-452, 20-9-453, 20-9-454, 20-9-455, AND 20-9-456, MCA; AND PROVIDING AN EFFECTIVE DATE  
 13 AND AN APPLICABILITY DATE."

14  
 15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16  
 17 Section 1. Section 7-6-2701, MCA, is amended to read:

18 "7-6-2701. Investment of certain money in county, municipal, hospital, and school warrants. (1)  
 19 ~~Except as provided in 7-6-2802, if~~ If a county has under its control any money for which there is no  
 20 immediate demand, in any special fund subject to deposit, which in the judgment of the board of county  
 21 commissioners it would be advantageous to invest in county, municipal, hospital district, or school district  
 22 registered warrants, the county commissioners are authorized in their discretion to direct the county  
 23 treasurer to purchase ~~such the~~ the warrants of entities located in the same county.

24 (2) For ~~such the~~ the purchases, the county commissioners shall:

- 25 (a) designate the fund or funds to be ~~so~~ invested;
- 26 (b) fix the amount that may be purchased;
- 27 (c) establish the rate of interest the county ~~shall~~ must receive for the investment; and
- 28 (d) designate the warrants ~~which that~~ that are to be purchased by ~~such the~~ the funds.

29 (3) The officer drawing a warrant to be purchased for investment by a county shall ~~cause to be~~  
 30 ~~attached~~ attach to or ~~stamped stamp, written, or printed~~ write, or print upon the warrant a notice to the

1 effect that the county will exercise its preference right to purchase the warrant.

2 (4) (a) A school district, hospital district, or county warrant presented to the county treasurer for  
3 purchase by the county must be registered as any other school district, hospital district, or county warrant.

4 (b) A municipal warrant presented to the municipal clerk or treasurer for purchase by the county  
5 must be registered, and the holder of the warrant must be informed that the warrant may be presented to  
6 the county treasurer for purchase by the county.

7 (5) The county treasurer shall, when a warrant designated for purchase under the provisions of  
8 subsection (2) is presented to ~~him~~ the treasurer, purchase the ~~same~~ warrant out of the proper fund as  
9 designated by the board. When the designated amounts have been invested, the county treasurer shall  
10 notify the county clerk and recorder or the applicable officer authorized to draw ~~such~~ the warrants.

11 (6) Interest earned from ~~such~~ the investments, including interest on the sale of bonds accrued in  
12 the period between the date of issue and the time of purchase, ~~shall~~ must be credited to the sinking fund  
13 of the county, notwithstanding the provisions of 7-6-204(1).

14 (7) ~~No~~ A provision of this section may not be construed to prevent the investment of county or  
15 county high school money under the state unified investment program established in Title 17, chapter 6,  
16 part 2."

17  
18 **Section 2.** Section 7-7-2203, MCA, is amended to read:

19 **"7-7-2203. Limitation on amount of bonded indebtedness.** (1) Except as provided in subsections  
20 (2) through (4), a county may not issue general obligation bonds for any purpose that, with all outstanding  
21 bonds and warrants except ~~county high school bonds and~~ emergency bonds, will exceed 11.25% of the  
22 total of the taxable value of the property in the county, plus the value provided by the department of  
23 revenue under 15-36-324(10), to be ascertained by the last assessment for state and county taxes prior  
24 to the proposed issuance of bonds, plus, for general obligation bonds to be issued during fiscal year 1997,  
25 an additional 11% of the taxable value of class eight property within the county for tax year 1995, for  
26 general obligation bonds to be issued during fiscal year 1998, an additional 22% of the taxable value of  
27 class eight property within the county for tax year 1995, and for general obligation bonds to be issued  
28 during fiscal years 1999 through 2008, an additional 33% of the taxable value of class eight property  
29 within the county for tax year 1995, in each case of class eight property, multiplied by 11.25%.

30 (2) In addition to the bonds allowed by subsection (1), a county may issue bonds that, with all



1 outstanding bonds and warrants, will not exceed 27.75% of the total of the taxable value of the property  
 2 in the county subject to taxation, plus the value provided by the department of revenue under  
 3 15-36-324(10), when necessary to do so, to be ascertained by the last assessment for state and county  
 4 taxes, plus, for bonds to be issued during fiscal year 1997, an additional 11% of the taxable value of class  
 5 eight property within the county for tax year 1995, and for bonds to be issued during fiscal year 1998, an  
 6 additional 22% of the taxable value of class eight property within the county for tax year 1995, ~~and for~~  
 7 ~~bonds to be issued during fiscal years 1999 through 2008, an additional 33% of the taxable value of class~~  
 8 ~~eight property within the county for tax year 1995, in each case of class eight property, multiplied by~~  
 9 ~~27.75%, for the purpose of acquiring land for a site for county high school buildings and for erecting or~~  
 10 ~~acquiring buildings on the site and furnishing and equipping the buildings for county high school purposes.~~

11 (3) In addition to the bonds allowed by subsections (1) and (2), a county may issue bonds for the  
 12 construction or improvement of a jail that will not exceed 12.5% of the taxable value of the property in the  
 13 county subject to taxation, plus the adjustments permitted by 7-7-2101.

14 (4) The limitation in subsection (1) does not apply to refunding bonds issued for the purpose of  
 15 paying or retiring county bonds lawfully issued prior to January 1, 1932, or to bonds issued for the  
 16 repayment of tax protests lost by the county."

17

18 **Section 3.** Section 7-14-2524, MCA, is amended to read:

19 **"7-14-2524. Limitation on amount of bonds issued -- excess void.** (1) Except as otherwise  
 20 provided in 7-7-2203, 7-7-2204, and this section, a county may not issue bonds that, with all outstanding  
 21 bonds and warrants except ~~county high school bonds~~ and emergency bonds, will exceed 11.25% of the  
 22 total of the taxable value of the property in the county, plus the value provided by the department of  
 23 revenue under 15-36-324(10). The taxable property and the amount of taxes levied on new production,  
 24 production from horizontally completed wells, and incremental production must be ascertained by the last  
 25 assessment for state and county taxes prior to the issuance of the bonds.

26 (2) A county may issue bonds that, with all outstanding bonds and warrants ~~except county high~~  
 27 ~~school bonds~~, will exceed 11.25% but will not exceed 22.5% of the total of the taxable value of the  
 28 property, plus the value provided by the department of revenue under 15-36-324(10) when necessary for  
 29 the purpose of replacing, rebuilding, or repairing county buildings, bridges, or highways that have been  
 30 destroyed or damaged by an act of God or by a disaster, catastrophe, or accident.

1           (3) The value of the bonds issued and all other outstanding indebtedness of the county, ~~except~~  
 2 ~~county high school bonds~~, may not exceed 22.5% of the total of the taxable value of the property within  
 3 the county, plus the value provided by the department of revenue under 15-36-324(10), as ascertained by  
 4 the last preceding general assessment."

5

6           **Section 4.** Section 20-3-106, MCA, is amended to read:

7           "**20-3-106. Supervision of schools -- powers and duties.** The superintendent of public instruction  
 8 has the general supervision of the public schools and districts of the state and shall perform the following  
 9 duties or acts in implementing and enforcing the provisions of this title:

10           (1) resolve any controversy resulting from the proration of costs by a joint board of trustees under  
 11 the provisions of 20-3-362;

12           (2) issue, renew, or deny teacher certification and emergency authorizations of employment;

13           (3) negotiate reciprocal tuition agreements with other states in accordance with the provisions of  
 14 20-5-314;

15           (4) serve on the teachers' retirement board in accordance with the provisions of 2-15-1010;

16           (5) ~~approve or disapprove the orders of a high school boundary commission in accordance with~~  
 17 ~~the provisions of 20-6-311;~~

18           ~~(6)~~ approve or disapprove the opening or reopening of a school in accordance with the provisions  
 19 of 20-6-502, 20-6-503, 20-6-504, or 20-6-505;

20           ~~(7)~~(6) approve or disapprove school isolation within the limitations prescribed by 20-9-302;

21           ~~(8)~~(7) generally supervise the school budgeting procedures prescribed by law in accordance with  
 22 the provisions of 20-9-102 and prescribe the school budget format in accordance with the provisions of  
 23 20-9-103 and 20-9-506;

24           ~~(9)~~(8) establish a system of communication for calculating joint district ~~revenues~~ revenue in  
 25 accordance with the provisions of 20-9-151;

26           ~~(10)~~(9) approve or disapprove the adoption of a district's budget amendment resolution under the  
 27 conditions prescribed in 20-9-163 and adopt rules for an application for additional direct state aid for a  
 28 budget amendment in accordance with the approval and disbursement provisions of 20-9-166;

29           ~~(11)~~(10) generally supervise the school financial administration provisions as prescribed by  
 30 20-9-201(2);

1           ~~(12)~~(11) prescribe and furnish the annual report forms to enable the districts to report to the county  
2 superintendent in accordance with the provisions of 20-9-213(5) and the annual report forms to enable the  
3 county superintendents to report to the superintendent of public instruction in accordance with the  
4 provisions of 20-3-209;

5           ~~(13)~~(12) approve, disapprove, or adjust an increase of the average number belonging (ANB) in  
6 accordance with the provisions of 20-9-313 and 20-9-314;

7           ~~(14)~~(13) distribute BASE aid and special education allowable cost payments in support of the BASE  
8 funding program, in accordance with the provisions of 20-9-331, 20-9-333, 20-9-342, 20-9-346, 20-9-347,  
9 and 20-9-366 through 20-9-369;

10           ~~(15)~~(14) provide for the uniform and equal provision of transportation by performing the duties  
11 prescribed by the provisions of 20-10-112;

12           ~~(16)~~(15) approve or disapprove an adult education program for which a district proposes to levy  
13 a tax in accordance with the provisions of 20-7-705;

14           ~~(17)~~(16) request, accept, deposit, and expend federal money in accordance with the provisions of  
15 20-9-603;

16           ~~(18)~~(17) authorize the use of federal money for the support of an interlocal cooperative agreement  
17 in accordance with the provisions of 20-9-703 and 20-9-704;

18           ~~(19)~~(18) prescribe the form and contents of and approve or disapprove interstate contracts in  
19 accordance with the provisions of 20-9-705;

20           ~~(20)~~(19) approve or disapprove the conduct of school on a Saturday or on pupil-instruction-related  
21 days in accordance with the provisions of 20-1-303 and 20-1-304;

22           ~~(21)~~(20) recommend standards of accreditation for all schools to the board of public education and  
23 evaluate compliance with the standards and recommend accreditation status of every school to the board  
24 of public education in accordance with the provisions of 20-7-101 and 20-7-102;

25           ~~(22)~~(21) collect and maintain a file of curriculum guides and assist schools with instructional  
26 programs in accordance with the provisions of 20-7-113 and 20-7-114;

27           ~~(23)~~(22) establish and maintain a library of visual, aural, and other educational media in accordance  
28 with the provisions of 20-7-201;

29           ~~(24)~~(23) license textbook dealers and initiate prosecution of textbook dealers violating the law in  
30 accordance with the provisions of the textbooks part of this title;

1           ~~(25)~~(24) as the governing agent and executive officer of the state of Montana for K-12 vocational  
2 education, adopt the policies prescribed by and in accordance with the provisions of 20-7-301;

3           ~~(26)~~(25) supervise and coordinate the conduct of special education in the state in accordance with  
4 the provisions of 20-7-403;

5           ~~(27)~~(26) administer the traffic education program in accordance with the provisions of 20-7-502;

6           ~~(29)~~(27) administer the school food services program in accordance with the provisions of  
7 20-10-201, 20-10-202, and 20-10-203;

8           ~~(29)~~(28) review school building plans and specifications in accordance with the provisions of  
9 20-6-622;

10          ~~(30)~~(29) prescribe the method of identification and signals to be used by school safety patrols in  
11 accordance with the provisions of 20-1-408;

12          ~~(31)~~(30) provide schools with information and technical assistance for compliance with the student  
13 assessment rules provided for in 20-2-121 and collect and summarize the results of the student assessment  
14 for the board of public education and the legislature;

15          ~~(32)~~(31) administer the distribution of guaranteed tax base aid in accordance with 20-9-366 through  
16 20-9-369; and

17          ~~(33)~~(32) perform any other duty prescribed from time to time by this title, any other act of the  
18 legislature, or the policies of the board of public education."

19  
20          **Section 5.** Section 20-3-206, MCA, is amended to read:

21          "**20-3-206. Additional positions.** In ~~his~~ the capacity as county superintendent, ~~he~~ the county  
22 superintendent ~~also~~ shall also serve as:

23           (1) the chairman of the county transportation committee, as prescribed by 20-10-131;

24           (2) ~~a member of the high school boundary commission of the county, as prescribed by 20-6-304;~~

25           ~~(3)~~ an attendance officer for a district under the conditions prescribed by 20-5-104; and

26           ~~(4)~~(3) the clerk of a joint board of trustees under the conditions prescribed by 20-3-361."

27  
28          **Section 6.** Section 20-3-302, MCA, is amended to read:

29          "**20-3-302. Legislative intent to elect less than majority of trustees.** (1) It is the intention of the  
30 legislature that the terms of a majority of the trustee positions of any district with elected trustees may not

1 regularly expire and be subject to election on the same regular school election day. In elementary districts,  
 2 there may not be more than three trustee positions in first-class districts, two trustee positions in  
 3 second-class districts or third-class districts having five trustee positions, or one trustee position in  
 4 third-class districts having three trustee positions regularly subject to election at the same time. In high  
 5 school districts there may not be more than two additional trustee positions in first- or second-class districts  
 6 or more than one in third-class districts regularly subject to election at the same time. In ~~high school~~  
 7 ~~districts operating a county high school~~ districts, there may not be more than two trustee positions to be  
 8 filled by members residing in the elementary district where the county high school building is located or  
 9 more than one trustee position to be filled by members residing outside of the elementary district where  
 10 the county high school building is located subject to election at the same time.

11 (2) In the following circumstances relating to newly created trustee positions, the initial terms may  
 12 be shortened to comply with the intent of subsection (1):

13 ~~(a) the creation of a new elementary district under the provisions of 20-6-217;~~

14 ~~(b)~~ the consolidation of two or more elementary districts to form an elementary district under the  
 15 provisions of 20-6-203 or the consolidation of two or more high school districts to form a high school  
 16 district under the provisions of 20-6-315;

17 ~~(c)~~ (b) the establishment of additional trustee positions of a high school district under the provisions  
 18 of 20-3-353 or 20-3-354 or new trustee positions under the provisions of 20-3-352(3);

19 ~~(d)~~ (c) the change of a district's classification under the provisions of 20-6-201 or 20-6-301;

20 ~~(e)~~ (d) the establishment of additional elementary trustee positions under the provisions of  
 21 20-3-341(3); or

22 ~~(f)~~ (e) the establishment of additional high school trustee positions under the provisions of  
 23 20-6-313.

24 (3) If the change of a district's classification under 20-6-201 or 20-6-301 decreases the number  
 25 of trustee positions, the positions must be eliminated in a manner that complies with the intent of  
 26 subsection (1).

27 (4) Although the legislature intends that the terms of a majority of trustees of any district may not  
 28 regularly expire and be subject to election at the same time, it is recognized that filling a vacancy under  
 29 20-3-308 may lead to a subsequent school election in which a majority of trustee positions are subject to  
 30 election at the same time."

1           **Section 7.** Section 20-3-312, MCA, is amended to read:

2           "**20-3-312. Trustees of district affected by boundary change.** The trustees of any district to which  
3 the territory of another district is attached as a result of annexation, abandonment, joint district dissolution,  
4 territory transfer, or any other method of changing district boundaries, except by the consolidation of  
5 elementary districts ~~or by the creation of a new elementary district~~, shall continue to be the trustees of ~~such~~  
6 the district with the same powers, duties, and responsibilities and subject to the same limitations provided  
7 by law, as if there had been no boundary change. In the case of elementary district consolidation ~~or the~~  
8 ~~creation of a new elementary district~~, the appointed trustees of the resulting elementary district shall  
9 assume their trustee positions under the authority of 20-6-203 or 20-6-216, whichever is applicable."

10

11           **Section 8.** Section 20-3-342, MCA, is amended to read:

12           "**20-3-342. Determination of terms after ~~creation or~~ consolidation of elementary districts.**  
13 Whenever the trustees are elected at one regular school election under the circumstances described in  
14 ~~subsections (2)(a) and (2)(b) of 20-3-302(2)(a)~~, the members who are elected shall draw by lot to determine  
15 their terms of office. ~~Such~~ The terms of office by trustee position ~~shall~~ must be:

- 16           (1) three for 3 years, two for 2 years, and two for 1 year in a first-class elementary district;  
17           (2) two for 3 years, two for 2 years, and one for 1 year in second-class elementary districts and  
18 third-class elementary districts having five trustee positions; or  
19           (3) one for 3 years, one for 2 years, and one for 1 year in a third-class elementary district having  
20 three trustee positions."

21

22           **Section 9.** Section 20-3-343, MCA, is amended to read:

23           "**20-3-343. Determination of terms after change of district classification.** Whenever the change  
24 of an elementary district classification requires the addition of trustee positions to the trustees of ~~such~~ the  
25 district under the circumstance described in ~~20-3-302(2)(d)~~ 20-3-302(2)(c), the members who are elected shall draw  
26 by lot to determine their terms of office, which ~~shall~~ must be one for 3 years and one for 2 years."

27

28           **Section 10.** Section 20-3-351, MCA, is amended to read:

29           "**20-3-351. Number of trustee positions in high school districts.** (1) Except as provided in  
30 20-3-352(3) and subsection (2) of this section, the trustees of a high school district, ~~except a high school~~

1 ~~district operating a county high school~~, must be composed of:

2 (a) the trustees of the elementary district in which the high school building is located or, if there  
3 is more than one elementary district in which high school buildings are located, the trustees of the  
4 elementary district designated by the high school boundary commission; and

5 (b) the additional trustee positions determined in accordance with 20-3-352(2).

6 (2) ~~The trustees of a high school district operating a~~ There must be seven trustee positions for each  
7 county high school ~~must be composed of seven trustee positions.~~"

8

9 **Section 11.** Section 20-3-352, MCA, is amended to read:

10 **"20-3-352. Request and determination of number of high school district additional trustee**  
11 **positions -- nonvoting trustee.** (1) As provided in 20-3-351(1)(b), a high school district, except a county  
12 high school district ~~operating a county high school~~, may have additional trustee positions when the trustees  
13 of a majority of the elementary districts with territory located in the high school district, but without  
14 equitable representation on the high school district trustees under the provision of 20-3-351(1)(a), request  
15 the establishment of additional trustee positions under the provisions of subsection (2) or when the electors  
16 approve an alternative method of electing members of the board of trustees under the provisions of  
17 subsection (3).

18 (2) A request for additional trustee positions must be made to the county superintendent by a  
19 resolution of the trustees of each elementary district. When a resolution has been received from a majority  
20 of the elementary districts without representation on the high school district trustees, the county  
21 superintendent shall determine the number of additional trustee positions for the affected high school  
22 district in accordance with the following procedure:

23 (a) The taxable valuation of the elementary district that has its trustees placed on the high school  
24 trustees must be divided by the number of positions on the trustees of the elementary district to determine  
25 the taxable valuation per trustee position.

26 (b) The taxable valuation used for the calculation in subsection (2)(a) must be subtracted from the  
27 taxable valuation of the high school district to determine the taxable valuation of the territory of the high  
28 school district without representation on the high school district trustees.

29 (c) The taxable valuation determined in subsection (2)(b) must be divided by the taxable valuation  
30 per trustee position calculated in subsection (2)(a). The resulting quotient must be rounded off to the

1 nearest whole number, except that when the quotient is less than 0.5, at least one nonvoting trustee  
2 position must be established for the territory without representation on the high school district board of  
3 trustees under the provision of 20-3-351(1)(a).

4 (d) Except for a nonvoting trustee position, the number determined in subsection (2)(c) must be  
5 the number of additional trustee positions, except that the number of additional trustee positions may not  
6 exceed four in a first- or second-class high school district or two in a third-class high school district except  
7 when two-thirds or more of the high school enrollment of the high school district and two-thirds or more  
8 of the taxable valuation of the high school district are located outside of the elementary district that has  
9 its trustees placed on the high school district trustees. When this situation exists, three additional trustees  
10 must be elected from the elementary school districts in which the high school is not located and one  
11 additional trustee must be elected at large in the high school district.

12 (3) (a) If more than half of the electors of the high school district reside outside the territory of the  
13 elementary school district in which the high school district buildings are located, at least 10% of the  
14 electors of the high school district who are qualified to vote under the provisions of 20-20-301 may petition  
15 the county superintendent, requesting an election to consider a proposition on the question of establishing  
16 the following alternative method of electing the members of the high school district board of trustees:

17 (i) one trustee to be elected from each elementary school district with territory included in the high  
18 school district; and

19 (ii) two or three trustees to be elected at large in the high school district, whichever number results  
20 in an odd number of members on the board of trustees.

21 (b) (i) When the county superintendent receives a valid petition, the county superintendent shall  
22 order the trustees of the high school district to conduct an election on the next regular school election day  
23 on the proposition allowed under the provisions of subsection (3)(a).

24 (ii) If the electors of the district approve a proposition to establish the alternative method of electing  
25 the high school board of trustees, the county superintendent shall order that the members of the board of  
26 trustees be elected according to subsection (3)(a) at the next regular school election.

27 (c) Whenever the trustees are elected at one regular election under subsection (3)(b), the members  
28 who are elected shall draw by lot to determine their terms of office. The terms of office by trustee position  
29 must be divided as equally as practicable among 1-, 2-, and 3-year terms.

30 (d) A petition to call an election for the purposes of subsection (3) may not be submitted to the



1 county superintendent more than one time in each 5-year period."

2

3 **Section 12.** Section 20-3-355, MCA, is amended to read:

4 **"20-3-355. Determination of terms after establishment or reestablishment of additional trustee**  
 5 **positions.** (1) Whenever all of the additional trustee positions are subject to election at one regular school  
 6 election under the circumstance described in 20-3-302(2)(a)(2)(b), the members who are elected shall draw  
 7 by lot to determine their terms of office. ~~Such~~ The terms of office by number of members elected ~~shall~~ must  
 8 be:

9 (a) two for 3 years, if four are elected;

10 (b) one for 3 years, if one, two, or three are elected;

11 (c) one for 2 years, if two, three, or four are elected; and

12 (d) one for 1 year, if three or four are elected.

13 (2) Whenever the reestablishment of the additional trustee positions for a high school district under  
 14 the provisions of 20-3-354 results in an increased number of additional trustee positions, the members who  
 15 are elected at the next regular school election shall draw by lot to determine their terms of office and ~~such~~  
 16 the terms shall must be determined in accordance with the additional trustee terms prescribed in this  
 17 section."

18

19 **Section 13.** Section 20-3-356, MCA, is amended to read:

20 **"20-3-356. Membership of elected trustees of ~~high school district operating~~ county high school**  
 21 **district and nomination of candidates.** (1) The trustees of a ~~high school district operating~~ a county high  
 22 school ~~district shall be composed of~~ must include the following:

23 (a) four trustee positions filled by members residing in the elementary district where the county  
 24 high school building is located; and

25 (b) three trustee positions filled by members one of whom resides in each of the three trustee  
 26 nominating districts in the territory of the high school district outside of the elementary district where the  
 27 county high school building is located. The county superintendent shall establish the nominating districts,  
 28 and, unless it is impossible, ~~such the~~ districts shall must have coterminous boundaries with elementary  
 29 district boundaries.

30 (2) The provisions of 20-3-305 ~~shall~~ govern the nomination of candidates for the trustee election

1 prescribed in this section."

2

3 **Section 14.** Section 20-6-101, MCA, is amended to read:

4 **"20-6-101. Definition of elementary and high school districts.** (1) As used in this title, except as  
5 defined in 20-9-402 for bonding purposes or unless the context clearly indicates otherwise, the term  
6 "district" means the territory, regardless of county boundaries, organized under the provisions of this title  
7 to provide public educational services under the jurisdiction of the trustees prescribed by this title. High  
8 school districts may encompass all or parts of the territory of one or more elementary districts.

9 (2) (a) An elementary district is a district organized for the purpose of providing public education  
10 for all grades up to and including grade 8 and for preschool programs and kindergartens. An elementary  
11 district may be inactive if the district attaches to a high school district under the provisions of 20-6-701  
12 to form a K-12 school district.

13 (b) A high school district is a district organized for the purpose of providing those public  
14 educational services authorized by this title for all grades beyond grade 8, including postsecondary  
15 programs, except those programs administered by community college districts or the Montana university  
16 system. A high school district with an attached elementary district may provide the educational services  
17 for an elementary district through the procedures established in 20-6-701 through 20-6-703.

18 (3) An elementary district is known as "District No. ...., ..... County" and a high school district,  
19 except a high school district where a county high school is operated, is known as "High School District No.  
20 ...., ..... County". A district is a body corporate and, as a body corporate, may sue and be sued, contract  
21 and be contracted with, and acquire, hold, use, and dispose of real or personal property for school  
22 purposes, within the limitations prescribed by law. Unless the context clearly indicates otherwise, the  
23 trustees of elementary districts and high school districts have the same types of powers, duties, and  
24 responsibilities authorized and imposed by the laws of Montana.

25 ~~(4) Unless the context clearly indicates otherwise, an elementary district operating a high school~~  
26 ~~in a county that has not been divided into high school districts is considered a high school district under~~  
27 ~~this title and the trustees of the elementary district are the trustees of the high school district. An~~  
28 ~~elementary district operating a high school may not have the bonding authority of a high school district.~~  
29 ~~However, the elementary district may exercise its bonding authority, in the manner provided by law, for~~  
30 ~~high school purposes.~~

1           ~~(5)(4)~~ (4) As used in this title, unless the context clearly indicates otherwise, a county high school is  
 2 considered a high school district that has not unified UNIFIED with an elementary district under 20-6-312,  
 3 ~~subject to the limitations prescribed by law for a county high school as a result of its being a part of the~~  
 4 ~~county government. The boundaries of the high school district for a county high school are:~~

5           ~~(a) the high school district boundaries established by the county high school boundary commission;~~  
 6 ~~or~~

7           ~~(b) if no boundaries have been established, the county boundaries, except for any territory located~~  
 8 ~~in a joint high school district.~~

9           ~~(6) A county high school recognized as a high school district under the provisions of subsection~~  
 10 ~~(5)(b) may not have a bonding authority. Instead, the county shall exercise its bonding authority in the~~  
 11 ~~manner provided in 20-9-451."~~

12  
 13           **Section 15.** Section 20-6-104, MCA, is amended to read:

14           "**20-6-104. Moratorium on creation of new district -- exception.** (1) A school district may not  
 15 initiate the creation of a new elementary district ~~under the provisions of 20-6-216 and 20-6-217 or initiate~~  
 16 ~~the creation of a new high school district under the provisions of 20-6-303 and 20-6-325~~ OR A NEW HIGH  
 17 SCHOOL DISTRICT.

18           (2) This section does not apply to a district that results from the procedure for the dissolution of  
 19 a K-12 school district pursuant to 20-6-704."

20  
 21           **Section 16.** Section 20-6-312, MCA, is amended to read:

22           "**20-6-312. County high school unification.** (1) Any county high school may be unified with the  
 23 elementary district where the county high school building is located to establish a unified school system  
 24 under a unified board of trustees. ~~If the county has not been divided into high school districts, a high school~~  
 25 ~~district with boundaries coterminous with the county boundaries shall be created, except that such high~~  
 26 ~~school district shall not include the territory of any existing joint high school district located in the county.~~  
 27 The territory of an existing joint high school district shall must remain a part of ~~such~~ the joint high school  
 28 district. ~~The creation of high school districts under this provision shall be in lieu of the high school district~~  
 29 ~~division provisions of 20-6-303.~~

30           (2) A proposition to unify a county high school with the elementary district where the county high

1 school building is located ~~shall~~ must be introduced whenever:

2 (a) the trustees of the county high school and the trustees of the elementary district individually  
3 pass resolutions requesting the county superintendent to order an election to consider a unification  
4 proposition; or

5 (b) not less than 20% of ~~the electors of the county or, if the county has been divided into high~~  
6 ~~school districts,~~ the electors of the high school district where the county high school is located, ~~and~~ who  
7 are qualified to vote under the provisions of 20-20-301, petition the county superintendent to order an  
8 election to consider a unification proposition.

9 (3) When the county superintendent has received the trustees' resolutions or a valid petition, ~~he~~  
10 the county superintendent shall, within 10 days after the receipt of the last resolution or petition and under  
11 the provisions of 20-20-201, order the county high school to call an election to consider a unification  
12 proposition. The trustees of the county high school shall call and conduct an election in the manner  
13 prescribed in this title for school elections. An elector who may vote on the unification proposition ~~shall~~  
14 must be qualified to vote under the provisions of 20-20-301. The ballot for a county high school unification  
15 proposition ~~shall~~ must be substantially in the following form:

16 "OFFICIAL BALLOT COUNTY HIGH SCHOOL UNIFICATION ELECTION

17 Shall .... County High School be unified with District No. ...., .... County to establish a unified  
18 school system under a unified board of trustees?

19  FOR the unification of the county high school.

20  AGAINST the unification of the county high school."

21 (4) When the county superintendent receives the election certificate from the trustees of the county  
22 high school, ~~he~~ the county superintendent shall issue an order declaring the unification of the county high  
23 school with the elementary district identified on the ballot as of the next ~~succeeding~~ July 1, if a majority  
24 of those electors voting at ~~such~~ the election have voted for the unification proposition.

25 (5) If a majority of those electors voting at the election have voted against the unification  
26 proposition, ~~he~~ the county superintendent shall order the disapproval of the unification proposition."  
27

28 **Section 17.** Section 20-6-313, MCA, is amended to read:

29 **"20-6-313. Transactions after approved county high school unification.** (1) Whenever a county  
30 high school is unified with the elementary district where the county high school building is located, the

1 following transactions ~~shall~~ must be completed on or before the July 1 when the unification becomes  
2 effective:

3 (a) ~~The high school boundary commission, without the approval of the superintendent of public~~  
4 ~~instruction, shall order the creation of a high school district if the county has not already been divided into~~  
5 ~~high school districts.~~

6 (b) ~~The county high school trustees, who shall do~~ not have the capacity to govern the high school  
7 district upon unification, shall surrender all minutes, documents, and other records of the county high  
8 school to the trustees of the high school district.

9 (c) ~~The county superintendent shall order the establishment of additional high school trustee~~  
10 ~~nominating areas in the manner prescribed in 20-3-352 and 20-3-353, if requested to do so by a majority~~  
11 ~~of the outlying elementary districts located in the high school district. When the county superintendent~~  
12 ~~establishes such the areas, he the county superintendent shall appoint additional high school district~~  
13 ~~trustees from each area, who shall hold office until a successor is elected at the next regular school election~~  
14 ~~and qualified.~~

15 (d) ~~The county treasurer, after allowing for any outstanding or registered warrants, shall transfer~~  
16 ~~all end-of-the-year fund cash balances of the county high school to similar funds established for the high~~  
17 ~~school district. All previous years' taxes levied and collected for the county high school shall be credited~~  
18 ~~to the appropriate fund of the high school district.~~

19 (e) ~~The board of county commissioners shall execute, in the name of the county, all necessary and~~  
20 ~~appropriate deeds, bills of sale, and other instruments for the conveyance of title to all real and personal~~  
21 ~~property of the county high school, including all appurtenances and hereditaments, to the high school~~  
22 ~~district.~~

23 (2) All county high school bonds outstanding at the time of unification shall remain the obligation  
24 of the county or that portion of the county against which the bonds were originally issued. The high school  
25 district ~~shall be~~ is responsible for the maintenance of the debt service fund for ~~such the~~ bonds. It ~~shall be~~  
26 is the duty of the board of county commissioners and the trustees of the high school district to perform the  
27 duties prescribed in the school budgeting and bond redemption provisions of this title for the redemption  
28 and interest payments of the county high school bonds in the same manner and by the same means as  
29 though the county high school had not been unified."

30

1           **SECTION 18. SECTION 20-6-501, MCA, IS AMENDED TO READ:**

2           **"20-6-501. Definition of various schools.** As used in this title, unless the context clearly indicates  
3 otherwise, the term "school" means an institution for the teaching of children that is established and  
4 maintained under the laws of the state of Montana at public expense. The trustees of any district shall  
5 designate the grade assignments for the schools of the district, but for the purposes of this title each school  
6 ~~shall be~~ is known as:

7           (1) an elementary school when it comprises the work of any combination of kindergarten, other  
8 preschool programs, or the first eight grades or their equivalents. A middle school is a school comprising  
9 the work of grades 4 through 8 or any combination ~~thereof~~ of grades 4 through 8 that has been accredited  
10 as a middle school under the provisions of 20-7-102. When an accredited junior high school or an  
11 accredited 6-year high school is operated by the district, grades 7 and 8 or their equivalents ~~shall~~ may not  
12 be considered as elementary grades.

13           (2) a high school when it comprises the work of one or more grades of schoolwork or their  
14 equivalents intermediate between the elementary schools and the institutions of higher education of the  
15 state of Montana. Types of high schools ~~shall be~~ are designated as follows:

16           (a) a junior high school is a school comprising the work of grades 7 through 9 or their equivalents  
17 that has been accredited as a junior high school under the provisions of 20-7-102;

18           (b) a senior high school is a school ~~which~~ that comprises the work of grades 10 through 12 or their  
19 equivalents and ~~which~~ that is operated in conjunction with a junior high school;

20           (c) a 6-year high school is a school comprising the work of grades 7 through 12 or their equivalents  
21 that has been accredited as a 6-year high school under the provisions of 20-7-102;

22           (d) a 4-year high school is a school comprising the work of grades 9 through 12 or their  
23 equivalents;

24           ~~(e) a county high school is a 4 year high school operated as an agency of county government and  
25 established under the provisions of the acts of March 3, 1999, March 14, 1901, and any subsequent  
26 amendments thereto."~~

27  
28           **Section 19. Section 20-9-402, MCA, is amended to read:**

29           **"20-9-402. Definition of school district for bonding purposes.** For the purposes of inebting an  
30 elementary district, a high school district, or a community college district by the issuance of bonds under

1 the provisions of this title, the term "school district" ~~shall mean~~ means any elementary district, high school  
 2 district, county high school district, or community college district, ~~except the following types of high~~  
 3 ~~schools recognized as high school districts without a bonding authority in 20-6-101:~~

4 ~~(1) high schools operated by an elementary district in a county that has not been divided into high~~  
 5 ~~school districts; or~~

6 ~~(2) county high schools located in a county that has not been divided into high school districts by~~  
 7 ~~the county high school boundary commission."~~

8  
 9 **Section 20.** Section 20-9-435, MCA, is amended to read:

10 **"20-9-435. Delivery of school district bonds and disposition of sale moneys money.** (1) After the  
 11 school district bonds have been registered, the county treasurer shall:

12 (a) when the board of investments has purchased the bonds, forward the bonds to the board that,  
 13 in turn, shall send the bonds to the state treasurer and shall pay the bonds in the manner provided by law;  
 14 or

15 (b) if the purchaser is anybody other than the board of investments, deliver the bonds to the  
 16 purchaser when full payment of the bonds has been made by the purchaser.

17 (2) If any of the trustees fails or refuses to pay into the proper county treasury the money arising  
 18 from the sale of a bond, the trustee is guilty of a felony and shall be punished by imprisonment in the state  
 19 prison for not less than 1 year or more than 10 years or by a fine of not more than \$50,000, or both.

20 (3) All money realized from the sale of school district bonds must be paid to the county treasurer.  
 21 The county treasurer shall credit the money to the building fund of the school district issuing the bonds,  
 22 except money realized for accrued interest or the purposes defined in 20-9-403(1)(c) and (1)(d) must be  
 23 deposited in the debt service fund and money realized for the purposes authorized in 20-9-403(1)(e) must  
 24 be deposited in a fund, as provided for in 2-9-316, to pay a final judgment against the school district. The  
 25 money realized from the sale of school district bonds must be immediately available to the school district,  
 26 and the trustees may expend the money without budgeted authorization only for the purposes for which  
 27 the bonds were authorized by the school district bond election. ~~Under the provisions of 7-6-2802, the~~  
 28 ~~trustees may invest the money for which there is no immediate demand and the interest earned by~~  
 29 ~~investment must be used in the manner provided in 7-6-2802. After the full accomplishment of the purpose~~  
 30 ~~or purposes of a bond issue, the excess money realized from the bond issue must be transferred to the debt~~

1 ~~service fund of the school district to be used for the redemption or purchase of bonds of the issue."~~

2

3 **Section 21.** Section 20-15-404, MCA, is amended to read:

4 **"20-15-404. Trustees to adhere to certain other laws.** Unless the context clearly indicates  
5 otherwise, the trustees of a community college district shall adhere to:

6 (1) the teachers' retirement provisions of Title 19, chapter 20;

7 (2) the provisions of 20-1-201, 20-1-205, 20-1-211, and 20-1-212;

8 (3) the school property provisions of 20-6-604, 20-6-605, 20-6-621, 20-6-622, 20-6-624,  
9 20-6-631, and 20-6-633 through 20-6-636;

10 (4) the adult education provisions of 20-7-701 through 20-7-713;

11 (5) the administration of finances provisions of 20-9-115, 20-9-134, 20-9-207, 20-9-208,  
12 20-9-210, 20-9-215, 20-9-221, 20-9-223, and 20-9-512;

13 (6) the school bond provisions of 20-9-401 through 20-9-408, 20-9-410 through 20-9-412,  
14 20-9-421 through 20-9-446, ~~20-9-451 through 20-9-456~~, and 20-9-461 through 20-9-465;

15 (7) the special purpose funds provisions of 20-9-502, 20-9-503, 20-9-507, 20-9-508, and  
16 20-9-511;

17 (8) the educational cooperative agreements provisions of 20-9-701 through 20-9-704;

18 (9) the school elections provisions of Title 20, chapter 20;

19 (10) the students' rights provisions of 20-25-511 through 20-25-516; and

20 (11) the health provisions of 50-1-206."

21

22 **NEW SECTION. Section 22. Repealer.** Sections 7-6-2802, 20-6-216, 20-6-217, 20-6-303,  
23 20-6-304, 20-6-311, 20-6-325, 20-6-415, 20-9-451, 20-9-452, 20-9-453, 20-9-454, 20-9-455, and  
24 20-9-456, MCA, are repealed.

25

26 **NEW SECTION. Section 23. Effective date.** [This act] is effective July 1, 1997, and applies to  
27 bonds issued on or after [the effective date of this act].

28

-END-