

SENATE BILL NO. 291

INTRODUCED BY E. ARNTZEN

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE REQUIRED PROVISIONS OF A SCHOOL DISTRICT MULTIDISTRICT COOPERATIVE AGREEMENT; REQUIRING AN AGREEMENT TO INCLUDE TERMS OF DISSOLUTION OF THE COOPERATIVE; AND AMENDING SECTION 20-3-363, MCA."

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

Section 1. Section 20-3-363, MCA, is amended to read:

"20-3-363. Multidistrict agreements -- fund transfers. (1) The boards of trustees of any two or more school districts may enter into a multidistrict agreement to create a multidistrict cooperative to perform any services, activities, and undertakings of the participating districts and to provide for the joint funding and operation and maintenance of all participating districts upon the terms and conditions as may be mutually agreed to by the districts subject to the conditions of this section. An agreement must include provisions for dissolution of the cooperative, including the conditions under which dissolution may occur and the disposition of any remaining funds that had been transferred to an interlocal cooperative fund in support of the cooperative. An agreement must be approved by the boards of trustees of all participating districts by April 1 of the year in which the agreement is executed and by April 1 in any subsequent year to which the agreement applies.

(2) All expenditures in support of the multidistrict agreement may be made from the interlocal cooperative fund as specified in 20-9-703 and 20-9-704. Each participating district of the multidistrict cooperative may transfer funds into the interlocal cooperative fund from the general fund or any other budgeted fund of the district. Transfers to the interlocal cooperative fund from each participating school district's general fund are limited to an amount not to exceed the direct state aid in support of the respective school district's general fund. All transfers must be completed by April 1 of the year in which the agreement is executed and by April 1 in any subsequent year to which the agreement applies.

(3) Expenditures from the interlocal cooperative fund under this section are limited to those expenditures that are permitted by law and that are within the final budget for the budgeted fund from which the transfer was made.

(4) The intent of this section is to increase the flexibility and efficiency of school districts without an



1 increase in local taxes. In furtherance of this intent, if transfers of funds are made from any school district fund
2 supported by a nonvoted levy, the district may not increase its nonvoted levy for the purpose of restoring the
3 amount of funds transferred.

4 (5) As used in this title, "multidistrict cooperative" means a public entity created by two or more school
5 districts executing a multidistrict agreement under this section or any school district or other public entity
6 participating in an interlocal cooperative agreement under the provisions of Title 20, chapter 9, part 7, as either
7 a coordinating or a cooperating agency."

8 - END -