



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0606.01: Revise school district reorganization laws

Primary Sponsor: Brad Barker

Status: As Introduced

☐ Included in the Executive Budget

☐ Needs to be included in HB 2

☐ Significant Local Gov Impact

☐ Significant Long-Term Impacts

☒ Technical Concerns

☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

| | <u>FY 2026 Difference</u> | <u>FY 2027 Difference</u> | <u>FY 2028 Difference</u> | <u>FY 2029 Difference</u> |
|-----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Expenditures | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| Revenues | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| Net Impact | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| General Fund Balance | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

Description of fiscal impact

HB 606 revises school district reorganization to create a pathway for various types of school districts to reorganize to form a unified K-12 school district. The bill requires county superintendents of schools to modify school district boundaries when necessary to accommodate reorganizations. There is no state fiscal impact.

FISCAL ANALYSIS

Assumptions

Office of Public Instruction

- HB 606 amends sections 20-3-205, 20-3-302, & 20-3-312, 20-3-342, 20-6-202, 20-6-314, 20-6-410, 20-6-411, 20-6-413, 20-6-414, 20-6-423, 20-6-424, 20-6-704, 20-9-311, 20-9-502, MCA, to remove the term consolidate and replaces this with reorganize as well as additional limited verbiage adjustments.
- Section 20-6-423, MCA, is amended requiring county superintendents to modify school district boundaries when the requirements of consolidation are necessary.

Technical Concerns

Office of Public Instruction

- Section 20-6-423(2)(b)(ii) is adds: *When two or more districts reorganize under subsection (1)(d), any bonded indebtedness of a district remains an obligation of the original territory of the district.* References under current statutes i.e.: 20-6-411, & 20-6-326, MCA, bonded indebtedness is the obligation of a taxing jurisdiction and refers to territory. It is suggested that the "of the district" be removed as it may conflict with other bond jurisdictions that currently span multiple district boundaries.



Sponsor's Initials Date 20250301



Budget Director's Initials Date 2/28/2025