

HOUSE BILL NO. 596

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A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE ESTABLISHMENT OF PUBLIC CHARTER  
SCHOOLS AS A MEANS OF PROVIDING ADDITIONAL EDUCATIONAL OPPORTUNITIES; DEFINING  
"PUBLIC CHARTER SCHOOL"; PROVIDING FOR AUTONOMY OF PUBLIC CHARTER SCHOOLS THROUGH  
EXEMPTION FROM TITLE 20, MCA; ESTABLISHING A PUBLIC CHARTER SCHOOL COMMISSION;  
ESTABLISHING CHARTER AUTHORIZERS FOR OVERSEEING PUBLIC CHARTER SCHOOLS; PROVIDING  
AN OVERSIGHT FEE FOR CHARTER AUTHORIZERS; PROVIDING FOR CREATION, RENEWAL,  
REVOCAION, AND CLOSURE OF PUBLIC CHARTER SCHOOLS; PROVIDING FOR PERFORMANCE  
MEASURES FOR PUBLIC CHARTER SCHOOLS; EXEMPTING PUBLIC CHARTER SCHOOL TEACHERS  
FROM STATE CERTIFICATION REQUIREMENTS; PROVIDING FOR FUNDING OF PUBLIC CHARTER  
SCHOOLS; ESTABLISHING THE PUBLIC CHARTER SCHOOL ACCOUNT; AMENDING SECTIONS 15-6-201,  
20-1-101, 20-4-101, 20-5-323, 61-3-321, AND 61-10-214, MCA; PROVIDING AN APPROPRIATION; AND  
PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. **Section 1. Short title.** [Sections 1 through 17] may be cited as the "Public Charter  
Schools Act".

NEW SECTION. **Section 2. Public charter schools -- legislative findings and intent -- exemption.**

(1) The legislature finds, pursuant to the authority and duties provided in Article X, section 1(3), of the Montana  
constitution, that:

- (a) parents desire education options for their children;
- (b) expanding educational opportunities for K-12 education within the state is a valid public purpose; and
- (c) creating options that assist parents and encourage students to develop their full educational potential

is vital to the economic competitiveness of the state.



1 (2) It is the legislature's intent, pursuant to the authority and duties provided in Article X, section 1(3),  
2 of the Montana constitution, to create other public educational programs and institutions through charter schools.

3 The purposes are to:

4 (a) enable parents to make decisions on how best to educate their children;

5 (b) provide other public educational opportunities for all students, especially those at risk of academic  
6 failure;

7 (c) encourage the use of different models of teaching, governing, scheduling, and other aspects of  
8 instruction that meet a variety of student needs; and

9 (d) advance Montana's commitment to the preservation of American Indian cultural identity, pursuant  
10 to Article X, section 1(2), of the Montana constitution and to eliminating the American Indian achievement gap  
11 by encouraging participation in the charter school program by students, parents, and school districts in Indian  
12 country.

13

14 **NEW SECTION. Section 3. Definitions.** As used in [sections 1 through 17], the following definitions  
15 apply:

16 (1) "Applicant" means a person or group that submits a proposal for a public charter school to an  
17 authorizer.

18 (2) "Authorizer" means an entity authorized under [sections 1 through 17] to review proposals, determine  
19 whether to approve proposals for entering into a charter contract, enter into charter contracts with applicants,  
20 oversee public charter schools, and determine whether to renew or revoke charter contracts.

21 (3) "Charter contract" means a fixed-term, renewable contract between a public charter school and an  
22 authorizer that outlines the roles, powers, responsibilities, and performance expectations for each party to the  
23 contract.

24 (4) "Commission" means the state public charter school commission provided for in [section 4].

25 (5) "Education service provider" means a for-profit education management organization, nonprofit charter  
26 management organization, school design provider, or other partner entity with which a public charter school  
27 intends to contract for educational design, implementation, or comprehensive management.

28 (6) "Governing board" means the independent board of trustees of a public charter school that is party  
29 to the charter contract with the authorizer.

30 (7) "Local school board" means a school board exercising management and control of a local school

1 district pursuant to the laws of the state of Montana.

2 (8) "Noncharter public school" means a public school that is under the direct management, governance,  
3 and control of a local school board or the state.

4 (9) "Parent" means a parent, guardian, or other person or entity having legal custody of a child.

5 (10) "Public charter school" means a public school that:

6 (a) has autonomy over decisions including but not limited to matters concerning finance, personnel,  
7 scheduling, curriculum, and instruction;

8 (b) is governed by a governing board;

9 (c) is established and operated under the terms of a charter contract between the school's governing  
10 board and its authorizer;

11 (d) is a school in which parents choose to enroll their children;

12 (e) is a school that admits students on the basis of a lottery if more students apply for admission than  
13 can be accommodated;

14 (f) provides a program of education that may include any or all grades from kindergarten through grade  
15 12 and vocational education programs;

16 (g) operates in pursuit of a specific set of educational objectives as defined in its charter contract;

17 (h) operates under the oversight of its authorizer in accordance with its charter contract; and

18 (i) establishes graduation requirements and has authority to award degrees and issue diplomas.

19 (11) "Resident school district" means the public school district in which a student resides.

20 (12) "Student" means a child who is eligible for attendance in a public school in the state.

21 (13) "Virtual public charter school" means a public charter school that offers educational services  
22 predominantly through an online program.

23

24 **NEW SECTION. Section 4. Public charter school commission -- creation -- appointments.** (1)

25 There is an independent state public charter school commission with statewide chartering jurisdiction and  
26 authority.

27 (2) The commission is responsible for approving authorizers for public charter schools throughout the  
28 state.

29 (3) The commission consists of nine members who are appointed as follows:

30 (a) three members appointed by the governor;

- 1 (b) three members appointed by the president of the senate; and  
2 (c) three members appointed by the speaker of the house.
- 3 (4) The commission members are subject to the following qualifications:  
4 (a) no more than five of the members may be affiliated with the same political party;  
5 (b) no more than two members may be public employees;  
6 (c) one of the public employee members may be from the board of public education; and  
7 (d) in making the appointments, the governor, president of the senate, and speaker of the house shall  
8 ensure statewide geographic diversity among commission members.
- 9 (5) Members appointed to the commission must collectively possess substantial experience and  
10 expertise in public and nonprofit governance, management and finance, public school leadership, assessment,  
11 curriculum, instruction, and public education law. All members of the commission must have a demonstrated  
12 understanding of and commitment to charter schools as a strategy for strengthening public education.
- 13 (6) (a) Each appointing authority shall appoint one member to a 4-year term, one member to a 3-year  
14 term, and one member to a 2-year term.  
15 (b) All terms after the initial term must be for 3 years. Appointment to the initial terms must be made no  
16 later than 60 days following [the effective date of this act]. If any of the appointing authorities fails to make the  
17 appointments, the remaining appointing authorities may make the remaining appointments.
- 18 (7) Each member of the commission is entitled to reimbursement for expenses as provided in 2-18-501  
19 through 2-18-503.
- 20 (8) A member of the commission may be removed by a majority vote of the commission for any cause  
21 that renders the member unable or unfit to discharge the duties of the office, including but not limited to failure  
22 to approve an authorizer without just cause and interference with the functions of the commission as set forth in  
23 [sections 1 through 17]. Whenever a vacancy on the commission exists, the original appointing authority shall  
24 appoint a member for the remaining portion of the term consistent with the requirements of subsections (3) and  
25 (4).
- 26 (9) The commission shall operate with dedicated resources and hire staff qualified to execute the  
27 day-to-day responsibilities of public charter school authorizing in accordance with [sections 1 through 17].
- 28 (10) The commission is authorized to receive and expend gifts and donations of any kind from any private  
29 entity. The gifts and donations may not require conditions that do not comport with the purposes of [sections 1  
30 through 17]. Gifts and donations under this subsection must be deposited in the public charter school account

1 pursuant to [section 17] and may be used by the commission for commission operations or distributed to public  
2 charter schools at the discretion of the commission.

3 (11) (a) The commission is allocated to the board of public education for administrative purposes only  
4 as prescribed by 2-15-121(1)(a).

5 (b) The commission shall hire staff for the commission, except for any support staff provided by the board  
6 of public education for centralized services such as payroll, human resources, accounting, information technology,  
7 or other services determined by the commission and the board to be more efficiently provided by the board.

8 (c) Commission budget requests prepared and presented to the legislature and the governor in  
9 accordance with 17-7-111 must be prepared and presented independently of the board of public education.  
10 However, nothing in this subsection (11)(c) prohibits the board from providing administrative support for the  
11 budgeting process and including the budget requests in appropriate sections of the boards's budget requests for  
12 administratively attached agencies.

13 (12) The commission shall elect a presiding officer from among the members. The presiding officer shall  
14 serve a 2-year term.

15 (13) The commission shall meet at least twice each year at the call of the presiding officer.

16 (14) All commission meetings are open to the public pursuant to Article II, section 9, of the Montana  
17 constitution and 2-3-203.

18  
19 **NEW SECTION. Section 5. Authorizers.** (1) The state public charter school commission created under  
20 [section 4] may authorize public charter schools in the state. The commission shall perform the functions of public  
21 charter school authorizers under [sections 1 through 17].

22 (2) (a) A local school board may apply to the commission for chartering authority within the boundaries  
23 of the school district overseen by the local school board.

24 (b) If the commission determines that the local school board fulfills the requirements of an authorizer,  
25 the commission shall, within 60 days of receipt of a local school board's application, approve the local school  
26 board as an authorizer.

27 (c) Upon approval, the commission shall register the local school board and shall provide the local school  
28 board with a letter confirming its approval as an authorizer.

29 (3) Governing bodies of accredited public or private postsecondary institutions, including community  
30 colleges, technical colleges, tribal colleges, and 4-year colleges and universities, may apply to the commission

1 for statewide, regional, or local chartering authority pursuant to this section.

2 (4) Nonpublic sectarian or religious organizations and any other charitable organizations that, in their  
3 federal Internal Revenue Service Form 1023, Part IV under section 501(c)(3) of the Internal Revenue Code, 26  
4 U.S.C. 501(c)(3), describe activities indicating a religious purpose are not eligible to become authorizers.

5 (5) (a) The commission shall establish the annual application and approval process, including cycles and  
6 deadlines during the fiscal year, for all entities eligible to apply for chartering authority as set forth in this section.

7 (b) By March 1 of each year, the commission shall make available information and guidelines for all  
8 eligible entities concerning the opportunity to apply for chartering authority under [sections 1 through 17].

9 (c) Each interested eligible entity shall submit an application that clearly explains or presents the  
10 following elements in a format to be established by the commission:

11 (i) written notification of intent to serve as a charter authorizer in accordance with [sections 1 through  
12 17];

13 (ii) an explanation of the entity's strategic vision for chartering;

14 (iii) a plan supporting the entity's strategic vision and an explanation of the entity's budget and personnel  
15 capacity and commitment to execute the duties of charter authorizing in accordance with [sections 1 through 17];

16 (iv) a draft or preliminary outline of a request for proposal that will solicit public charter school applicants  
17 in accordance with [section 9];

18 (v) a description or outline of the performance framework the entity will use to guide the establishment  
19 of a charter contract and for ongoing oversight and evaluation of public charter schools consistent with the  
20 requirements of [sections 1 through 17];

21 (vi) a draft of the entity's renewal, revocation, nonrenewal, and school closure processes consistent with  
22 [sections 12 and 13];

23 (vii) a statement of assurance that the entity commits to serving as a charter authorizer in fulfillment of  
24 the expectations, spirit, and intent of [sections 1 through 17] and will fully participate in any authorizer training  
25 provided or required by the commission; and

26 (viii) a statement of assurance that the entity will be accountable and transparent in all matters concerning  
27 charter-authorizing practices, decisions, and expenditures.

28 (6) (a) Within 60 days of receipt of the application, the commission shall determine whether to approve  
29 an application based on a review of the documentation provided in subsection (5) and the quality of the  
30 application. The commission shall provide a letter to the entity either confirming or denying acceptance as an

1 authorizer.

2 (b) Within 30 days of approval of an application for charter authorizing, the commission and the approved  
3 authorizer shall execute a renewable authorizing contract. The initial authorizing contract term is 6 years.

4 (7) An applicant entity may not engage in charter-authorizing functions without a fully executed  
5 authorizing contract.

6 (8) Once approved, the authorizer continues from year to year during the term of the contract as long  
7 as the authorizer fulfills all charter-authorizing duties and expectations set forth in [sections 1 through 17] and  
8 remains an authorizer in good standing with the commission.

9

10 **NEW SECTION. Section 6. Authorizer responsibilities.** (1) In accordance with [sections 1 through  
11 17], an authorizer is responsible for executing the following essential powers and duties:

12 (a) soliciting and evaluating charter proposals;

13 (b) approving charter proposals that meet identified educational needs and promote a diversity of  
14 educational choices, including but not limited to:

15 (i) creating more schools with high standards for pupil performance;

16 (ii) closing achievement gaps between high-performing and low-performing groups of public school  
17 students;

18 (iii) increasing educational opportunities within the public education system;

19 (iv) providing alternative learning environments for students who are not thriving in traditional school  
20 settings;

21 (v) addressing the dropout rate;

22 (vi) creating new professional opportunities for teachers and other school personnel;

23 (vii) encouraging the use of different models of teaching and other aspects of schooling; and

24 (viii) providing students, parents, community members, and local entities with expanded opportunities  
25 for involvement in the public education system;

26 (c) declining to approve inadequate charter proposals;

27 (d) negotiating and executing sound charter contracts with each approved public charter school;

28 (e) monitoring, in accordance with charter contract terms, the performance and legal compliance of  
29 public charter schools; and

30 (f) determining whether each charter contract merits renewal, nonrenewal, or revocation.

- 1 (2) An authorizer may delegate its duties to its officers, employees, and contractors.
- 2 (3) Regulation of public charter schools by authorizers is limited to the powers and duties described in  
3 [sections 1 through 17], consistent with the intent of [sections 1 through 17].
- 4 (4) An authorizer shall develop, carry out, and maintain chartering policies and practices consistent with  
5 nationally recognized principles and standards for charter authorizing in all major areas of authorizing  
6 responsibility, including:
- 7 (a) organizational capacity and infrastructure;
- 8 (b) soliciting and evaluating charter proposals;
- 9 (c) performance contracting;
- 10 (d) ongoing public charter school oversight and evaluation; and
- 11 (e) charter renewal decisionmaking.
- 12 (5) Evidence of material or persistent failure to carry out the duties enumerated in this section constitutes  
13 grounds for rescission of charter-authorizing powers by the commission.
- 14 (6) Each authorizer shall submit to the commission an annual report summarizing:
- 15 (a) the authorizer's strategic vision for chartering and progress toward achieving that vision;
- 16 (b) the academic and financial performance of all operating public charter schools overseen by the  
17 authorizer, according to the performance expectations for public charter schools set forth in [sections 1 through  
18 17];
- 19 (c) the status of the authorizer's public charter school portfolio, identifying all public charter schools  
20 approved but not yet open, operating, renewed, transferred, revoked, not renewed, voluntarily closed, or never  
21 opened;
- 22 (d) the authorizing functions provided by the authorizer to the public charter schools under its direction,  
23 including the authorizer's operating costs and expenses detailed in annual audited financial statements that  
24 conform with generally accepted accounting principles; and
- 25 (e) the services purchased from the authorizer by a public charter school under the authorizer's direction,  
26 including an itemized accounting of the actual costs of these services, as required in [section 7].
- 27 (7) An employee, trustee, agent, or representative of an authorizer may not simultaneously serve as an  
28 employee, trustee, agent, representative, vendor, or contractor of a public charter school authorized by that entity.
- 29 (8) A governmental unit or other entity, other than those expressly granted chartering authority as set  
30 forth in [sections 1 through 17], may not assume any charter-authorizing function or duty in any form unless

1 expressly allowed by law.

2

3 **NEW SECTION. Section 7. Duties of commission for oversight of authorizer.** (1) The commission  
4 shall establish a statewide formula for authorizer funding, to be applied uniformly to every authorizer in the state.  
5 Authorizer funding is financed through an oversight fee.

6 (2) The oversight fee must be calculated as a uniform percentage of the state funding allocated to each  
7 public charter school and is to be paid from the public charter school's budget share of the per-pupil funding, not  
8 to exceed 3% of each public charter school's state funding in a single school year.

9 (3) The commission may establish a sliding scale for authorizer funding, with the funding percentage  
10 decreasing after the authorizer has achieved a certain threshold after a certain number of years of authorizing,  
11 after a certain number of schools have been authorized, or for other reasons determined at the discretion of the  
12 commission.

13 (4) An authorizer's oversight fee may not include any costs incurred in delivering services that a public  
14 charter school may purchase at its discretion from the authorizer. The authorizer shall use the funding provided  
15 under this section exclusively for the purpose of fulfilling authorizing obligations in accordance with [sections 1  
16 through 17].

17 (5) The commission is responsible for overseeing the performance and effectiveness of all authorizers  
18 established under [sections 1 through 17].

19 (6) The commission shall annually review the effectiveness of the state formula for authorizer funding  
20 and shall adjust the formula if necessary to maximize public benefit and strengthen the implementation of  
21 [sections 1 through 17].

22 (7) By October 15 of each year, the commission shall communicate to every authorizer the requirements  
23 for the format, content, and submission of the annual report.

24 (8) Persistently unsatisfactory performance of an authorizer's portfolio of public charter schools, a pattern  
25 of well-founded complaints about the authorizer or its public charter schools, or other objective circumstances  
26 may trigger a special review by the commission.

27 (9) In reviewing or evaluating the performance of authorizers, the commission shall apply nationally  
28 recognized principles and standards for charter authorizing.

29 (10) If at any time the commission finds that an authorizer is not in compliance with an existing charter  
30 contract, its authorizing contract with the commission, or the requirements of authorizers under [sections 1

1 through 17], the commission shall notify the authorizer in writing of the identified problems and shall provide the  
2 authorizer reasonable opportunity to respond and remedy the problems.

3 (11) If an authorizer fails to respond and remedy the problems identified by the commission, the  
4 commission shall notify the authorizer, within a reasonable amount of time under the circumstances, that it  
5 intends to revoke the authorizer's chartering authority unless the authorizer demonstrates a timely and  
6 satisfactory remedy for the violation or deficiencies.

7 (12) In the event of revocation of an authorizer's chartering authority, the commission shall manage the  
8 timely and orderly transfer of each charter contract held by that authorizer to another authorizer in the state, with  
9 the mutual agreement of each affected public charter school and proposed new authorizer. The new authorizer  
10 shall assume the existing charter contract for the remainder of the charter term.

11 (13) On or before December 1 of each year, beginning in the first year that public charter schools have  
12 been in operation for a full school year, the commission shall issue to the board of public education, the education  
13 and local government interim committee, and the public an annual report on the state's public charter schools that  
14 includes data from the annual reports submitted by every authorizer, as well as any additional relevant data  
15 compiled by the commission, for the school year ending in the preceding calendar year. The annual report must  
16 include:

17 (a) a comparison of the performance of public charter school students with the performance of  
18 academically, ethnically, and economically comparable groups of students in noncharter public schools; and

19 (b) the commission's assessment of the successes, challenges, and areas for improvement in meeting  
20 the purposes of [sections 1 through 17], including the commission's assessment of the sufficiency of funding for  
21 public charter schools, the efficacy of the state formula for authorizer funding, and any suggested changes in  
22 state law or policy necessary to strengthen the state's public charter schools.

23  
24 **NEW SECTION. Section 8. Purchase of services by charter school.** (1) With the exception of  
25 oversight services as required by [section 7], a public charter school may not be required to purchase services  
26 from the public charter school's authorizer as an express or implied condition of charter approval or of executing  
27 a charter contract.

28 (2) A public charter school may choose to purchase services from its authorizer. In that event, the public  
29 charter school and authorizer shall execute an annual service contract, separate from the charter contract, stating  
30 the parties' mutual agreement concerning any services to be provided by the authorizer and any service fees to

1 be charged to the public charter school. An authorizer may not charge more than market rates for services  
2 provided to a public charter school.

3  
4 **NEW SECTION. Section 9. Charter school proposal process -- request for proposal -- charter**  
5 **term.** (1) To solicit, encourage, and guide the development of public charter schools, every authorizer operating  
6 under [sections 1 through 17] shall issue and broadly publicize a request for proposal by June 1 of each year.  
7 The content and dissemination of the request for proposal must be consistent with the purposes and requirements  
8 of [sections 1 through 17].

9 (2) Each authorizer's request for proposal must present the authorizer's strategic vision for chartering,  
10 including a clear statement of any preferences the authorizer wishes to grant to proposals that help at-risk  
11 students.

12 (3) A request for proposal must include or otherwise direct applicants to the performance framework that  
13 the authorizer has developed for public charter school oversight and evaluation in accordance with [section 7].

14 (4) A request for proposal must include the criteria that will guide the authorizer's decision to approve  
15 or deny a charter proposal.

16 (5) A request for proposal must include clear and detailed questions as well as guidelines concerning  
17 the format and content essential for applicants to demonstrate the capacities necessary to establish and operate  
18 a successful public charter school.

19 (6) A request for proposal must require applicants to describe thoroughly all of the following essential  
20 elements of the proposed school plan:

21 (a) an executive summary;

22 (b) the mission and vision of the proposed public charter school, including identification of the targeted  
23 student population and the community the school hopes to serve;

24 (c) the location or geographic area proposed for the public charter school;

25 (d) the grades to be served each year for the full term of the charter contract;

26 (e) minimum, planned, and maximum enrollment per year for the term of the charter contract;

27 (f) evidence of need and community support for the proposed public charter school;

28 (g) background information on the initial governing board members and, if identified, the proposed school  
29 leadership and management team;

30 (h) the proposed public charter school's proposed calendar and sample daily schedule;

- 1 (i) a description of the academic program, including plans to formally assess student achievement on  
2 an annual basis;
- 3 (j) a description of the proposed public charter school's instructional design, including the type of learning  
4 environment, class size and structure, curriculum overview, and teaching methods;
- 5 (k) the proposed public charter school's plans for identifying and successfully serving students with  
6 disabilities, students who are English language learners, students who are academically challenged, and gifted  
7 students, including but not limited to compliance with applicable laws and regulations;
- 8 (l) a description of cocurricular or extracurricular programs, if any, and how the programs will be funded  
9 and delivered;
- 10 (m) plans and timelines for student recruitment and enrollment, including lottery procedures;
- 11 (n) the proposed public charter school's student discipline policies, including those for special education  
12 students;
- 13 (o) an organizational chart that clearly presents the proposed public charter school's organizational  
14 structure, including lines of authority and reporting between the governing board, staff, related bodies such as  
15 advisory bodies or parent and teacher councils, and external organizations that will play a role in managing the  
16 school;
- 17 (p) a clear description of the roles and responsibilities for the governing board, the proposed public  
18 charter school's leadership and management team, and other entities shown in the organizational chart;
- 19 (q) a staffing chart for the proposed public charter school's first year and a staffing plan for the term of  
20 the charter;
- 21 (r) plans for recruiting and developing school leadership and staff;
- 22 (s) the proposed public charter school's leadership and teacher employment policies, including  
23 performance evaluation plans;
- 24 (t) proposed governing bylaws;
- 25 (u) explanations of any partnerships or contractual relationships central to the proposed public charter  
26 school's operations or mission;
- 27 (v) the proposed public charter school's plans for providing transportation, food service, and all other  
28 significant operational or ancillary services, if any;
- 29 (w) opportunities and expectations for parent involvement;
- 30 (x) a detailed school startup plan, identifying tasks, timelines, and responsible individuals;

- 1 (y) a description of the proposed public charter school's financial plan and policies, including financial  
2 controls and audit requirements;
- 3 (z) a description of the insurance coverage the proposed public charter school will obtain;
- 4 (aa) startup and 5-year budgets with clearly stated assumptions;
- 5 (bb) startup and first-year cash flow projections with clearly stated assumptions;
- 6 (cc) evidence of anticipated fundraising contributions if claimed in the proposal; and
- 7 (dd) a sound facilities plan, including backup or contingency plans if appropriate.
- 8 (7) In the case of a proposal to establish a public charter school by converting an existing noncharter  
9 public school to public charter school status, a request for proposal must also require the applicants to  
10 demonstrate support for the proposed public charter school conversion by a petition signed by a majority of  
11 teachers or a majority of the local school board and a petition signed by a majority of parents of students in the  
12 existing noncharter public school.
- 13 (8) In the case of a proposal to establish a virtual public charter school, a request for proposal must  
14 additionally require the applicants to describe the proposed school's system of course credits and how the school  
15 will:
- 16 (a) monitor and verify full-time student enrollment, student participation in a full course load, credit  
17 accrual, and course completion;
- 18 (b) monitor and verify student progress and performance in each course through regular, proctored  
19 assessments and submissions of coursework; and
- 20 (c) conduct parent-teacher conferences.
- 21 (9) In the case of a proposed public charter school that intends to contract with an education service  
22 provider for substantial educational services, management services, or both, a request for proposal must  
23 additionally require the applicants to:
- 24 (a) provide evidence of the education service provider's success in serving student populations similar  
25 to the targeted population, including demonstrated academic achievement as well as successful management  
26 of nonacademic school functions if applicable;
- 27 (b) provide documentation setting forth:
- 28 (i) the proposed duration of the service contract;
- 29 (ii) the roles and responsibilities of the governing board, the school staff, and the education service  
30 provider;

- 1 (iii) the scope of services and resources to be provided by the education service provider;
- 2 (iv) performance evaluation measures and timelines;
- 3 (v) a compensation structure, including clear identification of all fees to be paid to the education service  
4 provider;
- 5 (vi) methods of contract oversight and enforcement;
- 6 (vii) investment disclosure; and
- 7 (viii) conditions for renewal and termination of the contract; and
- 8 (c) disclose and explain any existing or potential conflicts of interest between the governing board and  
9 the proposed education service provider or any affiliated business entities.
- 10 (10) In the case of a public charter school proposal from an applicant that currently operates one or more  
11 schools in any state or nation, a request for proposal must additionally require the applicant to provide evidence  
12 of past performance and current capacity for growth.
- 13 (11) If a public charter school proposal does not contain the elements required in this section, the  
14 authorizer may consider the proposal incomplete and return the proposal to the applicant without the process  
15 described in subsection (12).
- 16 (12) In reviewing and evaluating charter proposals, authorizers shall employ procedures, practices, and  
17 criteria consistent with nationally recognized principles and standards for charter authorizing. The proposal review  
18 process must include thorough evaluation of each written charter proposal, an in-person interview with the  
19 applicant group, and an opportunity in a public forum for local residents to learn about and provide input on each  
20 proposal.
- 21 (13) In deciding whether to approve charter proposals, authorizers shall:
- 22 (a) grant charters only to applicants that have demonstrated competence in each element of the  
23 authorizer's published approval criteria and are likely to open and operate a successful public charter school;
- 24 (b) base decisions on documented evidence collected through the proposal review process; and
- 25 (c) follow charter-granting policies and practices that are transparent, are based on merit, and avoid  
26 conflicts of interest or any appearance of conflict.
- 27 (14) (a) The authorizer shall approve or deny the charter proposal within 60 days after the filing of a  
28 charter proposal, except the commission has up to 120 days if more than three proposals have been submitted  
29 to the commission within 30 days. The commission shall notify the applicant of the expected timeline for approval  
30 or denial.

1 (b) The authorizer shall adopt by resolution all charter approval or denial decisions in an open meeting  
2 of the authorizer's governing body.

3 (c) An approval decision may include, if appropriate, reasonable conditions that the applicant must meet  
4 before a charter contract may be executed pursuant to [section 10].

5 (d) For any charter denial, the authorizer shall clearly state for the public record the reasons for denial.  
6 A denied applicant may subsequently reapply to that authorizer or apply to any other authorizer in the state.

7 (e) Within 10 days of taking action to approve or deny a charter proposal, the authorizer shall report its  
8 decision to the commission. The authorizer shall provide a copy of the report to the applicant at the same time  
9 that the report is submitted to the commission. The report must include a copy of the resolution of the authorizer's  
10 governing body setting forth the action taken and reasons for the decision and providing assurances of  
11 compliance with all of the procedural requirements and proposal elements set forth in this section.

12 (15) An applicant may submit a proposal for a particular public charter school to only one authorizer at  
13 a time.

14  
15 **NEW SECTION. Section 10. Charter contract -- terms.** (1) An initial charter must be granted for a term  
16 of 5 operating years, commencing on the public charter school's first day of operation. An approved public charter  
17 school may delay its opening for 1 school year to plan and prepare for the school's opening. If the school requires  
18 an opening delay of more than 1 school year, the school shall request an extension from its authorizer. The  
19 authorizer may grant or deny the extension depending on the particular school's circumstances.

20 (2) Within 45 days of approval of a charter proposal, the authorizer and the governing board of the  
21 approved public charter school shall execute a charter contract that clearly sets forth the academic and  
22 operational performance expectations and measures by which the public charter school will be judged and the  
23 administrative relationship between the authorizer and the public charter school, including each party's rights and  
24 duties.

25 (3) The performance provisions may be refined or amended by mutual agreement after the public charter  
26 school is operating and has collected baseline achievement data for its enrolled students.

27 (4) The charter contract for a virtual public charter school must include a description and agreement  
28 regarding the methods by which the school will:

29 (a) monitor and verify full-time student enrollment, student participation in a full course load, credit  
30 accrual, and course completion;

1 (b) monitor and verify student progress and performance in each course through regular, proctored  
2 assessments and submissions of coursework;

3 (c) conduct parent-teacher conferences.

4 (5) The charter contract must be signed by the president of the authorizer's governing body and the  
5 president of the public charter school's governing board. Within 10 days of executing a charter contract, the  
6 authorizer shall submit to the commission written notification of the charter contract execution, including a copy  
7 of the executed charter contract and any attachments.

8 (6) A public charter school may not commence operations without a charter contract executed in  
9 accordance with this section and approved in an open meeting of the authorizer's governing body.

10 (7) Authorizers may establish reasonable preopening requirements or conditions to monitor the startup  
11 progress of a newly approved public charter school to ensure that the school is prepared to open smoothly on  
12 the date agreed and to ensure that each school meets all building, health, safety, insurance, and other legal  
13 requirements for school opening.

14  
15 **NEW SECTION. Section 11. Enrollment.** (1) (a) A public charter school must be open to any student  
16 residing in the state.

17 (b) A school district may not require a student enrolled in the school district to attend a public charter  
18 school.

19 (c) A public charter school may limit admission to students within a given age group or grade level.

20 (d) A public charter school may be organized for a special emphasis, theme, or concept as stated in the  
21 school's proposal.

22 (e) A public charter school shall enroll all students who wish to attend the school unless the number of  
23 students exceeds the capacity of a program, class, grade level, or building.

24 (f) If capacity is insufficient to enroll all students who wish to attend the school, the public charter school  
25 shall select students through a lottery.

26 (2) A noncharter public school converting to a public charter school shall adopt and maintain a policy  
27 giving enrollment preference to students who reside within the former attendance area of that public school.

28 (3) (a) A public charter school shall give enrollment preference to students who were enrolled in the  
29 public charter school the previous school year and to siblings of students already enrolled in the public charter  
30 school. An enrollment preference for returning students excludes those students from entering into a lottery.

1 (b) A public charter school may give enrollment preference to children of a public charter school's  
2 governing board and full-time employees, limited to no more than 10% of the school's total student population.

3 (4) This section does not preclude the formation of a public charter school for the purpose of serving  
4 students with disabilities, students of the same gender, students who pose a sufficiently severe disciplinary  
5 problem to warrant a specific educational program, or students who are at risk of academic failure. If capacity is  
6 insufficient to enroll all students who wish to attend such a school, the public charter school shall select students  
7 through a lottery.

8 (5) If a student who was previously enrolled in a public charter school enrolls in any other public school  
9 in this state, the student's new school shall accept credits earned by the student in courses or instructional  
10 programs at the public charter school.

11 (6) A school district shall provide or publicize to parents and the general public information about public  
12 charter schools as an enrollment option within the district to the same extent and through the same means that  
13 the district provides and publicizes information about noncharter public schools in the district.

14 (7) An authorizer may not restrict the number of students a public charter school may enroll. The capacity  
15 of the public charter school must be determined annually by its governing board in conjunction with the authorizer  
16 and in consideration of the public charter school's ability to facilitate the academic success of its students, to  
17 achieve the objectives specified in the charter contract, and to ensure that its student enrollment does not exceed  
18 the capacity of its facility or site.

19  
20 **NEW SECTION. Section 12. Charter school performance and renewal.** (1) The performance  
21 provisions within the charter contract must be based on a performance framework that clearly sets forth the  
22 academic and operational performance indicators, measures, and metrics that will guide the authorizer's  
23 evaluations of each public charter school. The performance framework must include indicators, measures, and  
24 metrics for, at a minimum:

- 25 (a) student academic proficiency;  
26 (b) student academic growth;  
27 (c) achievement gaps in both proficiency and growth between major student subgroups;  
28 (d) attendance;  
29 (e) recurrent enrollment from year to year;  
30 (f) postsecondary readiness;

1 (g) financial performance and sustainability; and

2 (h) governing board performance and stewardship, including compliance with all applicable laws,  
3 regulations, and terms of the charter contract.

4 (2) Each public charter school, in conjunction with its authorizer, shall set annual performance targets  
5 designed to help each school meet applicable federal, state, and authorizer expectations.

6 (3) (a) The contract performance framework must allow the inclusion, with the authorizer's approval, of  
7 additional rigorous, valid, and reliable indicators proposed by a public charter school to augment external  
8 evaluations of its performance that are consistent with the purposes of [sections 1 through 17].

9 (b) The authorizer shall collect and analyze data from each public charter school it oversees in  
10 accordance with the performance framework.

11 (c) Multiple schools operating under a single charter contract or overseen by a single governing board  
12 shall report their performance as separate, individual schools, and each school must be held independently  
13 accountable for its performance.

14 (4) (a) An authorizer shall monitor the performance and legal compliance of the public charter schools  
15 it oversees, including collecting and analyzing data to support ongoing evaluation according to the charter  
16 contract. Every authorizer has the authority to conduct or require oversight activities that do not unduly inhibit the  
17 autonomy granted to public charter schools but that enable the authorizer to fulfill its responsibilities under  
18 [sections 1 through 17], including conducting appropriate inquiries and investigations consistent with the intent  
19 of [sections 1 through 17], and to adhere to the terms of the charter contract.

20 (b) Each authorizer shall annually publish and provide as part of its annual report to the commission a  
21 performance report for each public charter school it oversees, within the performance framework set forth in the  
22 charter contract and [section 10]. The authorizer may require each public charter school it oversees to submit an  
23 annual report to assist the authorizer in gathering complete information about each school, consistent with the  
24 performance framework.

25 (c) In the event that a public charter school's performance or legal compliance appears unsatisfactory,  
26 the authorizer shall promptly notify the public charter school of the perceived problem and provide reasonable  
27 opportunity for the school to remedy the problem.

28 (d) An authorizer may take appropriate corrective action or exercise sanctions short of revocation in  
29 response to apparent deficiencies in public charter school performance or legal compliance. The action or  
30 sanctions may include, if warranted, requiring a public charter school to develop and execute a corrective action

1 plan within a specified timeframe.

2 (5) (a) A charter may be renewed for successive 5-year terms, although the authorizer may vary the term  
3 based on the performance, demonstrated capacities, and particular circumstances of each public charter school.

4 An authorizer may grant renewal with specific conditions for necessary improvement to a public charter school.

5 (b) No later than June 30 of each year, the authorizer shall issue a public charter school performance  
6 report and charter renewal application guide to any public charter school whose charter will expire the following  
7 year. The performance report must summarize the public charter school's performance record to date, based on  
8 the data required by [sections 1 through 17] and the charter contract, and must provide notice of any weaknesses  
9 or concerns perceived by the authorizer concerning the public charter school that may jeopardize renewal if not  
10 promptly rectified. The public charter school shall respond to the performance report and submit any corrections  
11 or clarifications within 90 days.

12 (6) The renewal application guide must, at a minimum, provide an opportunity for the public charter  
13 school to:

14 (a) present additional evidence, beyond the data contained in the performance report, supporting its case  
15 for charter renewal;

16 (b) describe improvements undertaken or planned for the public charter school; and

17 (c) detail the public charter school's plans for the next charter term.

18 (7) The renewal application guide must include or refer explicitly to the criteria that will guide the  
19 authorizer's renewal decisions, based on the performance framework set forth in the charter contract and  
20 consistent with [sections 1 through 17].

21 (8) (a) No later than February 1 of each year, the governing board of a public charter school seeking  
22 renewal shall submit a renewal application to the charter authorizer pursuant to the renewal application guide  
23 issued by the authorizer. The authorizer shall rule by resolution on the renewal application no later than 30 days  
24 after the filing of the renewal application.

25 (b) Every authorizer shall, when considering charter renewal:

26 (i) base its decision on evidence of the school's performance over the term of the charter contract in  
27 accordance with the performance framework set forth in the charter contract;

28 (ii) ensure that the data used in making renewal decisions is available to the school and the public; and

29 (iii) provide a public report summarizing the basis for each decision.

30

1            NEW SECTION. **Section 13. Charter contract revocation and school closure or charter contract**  
2 **nonrenewal.** (1) A charter contract may be subject to nonrenewal or revocation if the authorizer determines that  
3 the public charter school:  
4            (a) committed a material and substantial violation of any of the terms, conditions, standards, or  
5 procedures required under [sections 1 through 17] or the charter contract and from which the public charter  
6 school was not exempted;  
7            (b) failed to meet or make sufficient progress toward the performance expectations set forth in the charter  
8 contract;  
9            (c) failed to meet public safety standards; or  
10           (d) failed to meet generally accepted standards of fiscal management.  
11           (2) An authorizer shall develop revocation and nonrenewal processes that:  
12           (a) provide the charter holders with timely notification of the prospect of revocation or nonrenewal and  
13 of the reasons for the possible closure;  
14           (b) allow the charter holders a reasonable amount of time in which to prepare a response;  
15           (c) provide the charter holders an opportunity to submit documents and testimony at a hearing to  
16 challenge the rationale for the closure recommendation and in support of the continuation of the school;  
17           (d) allow the charter holders to be represented by counsel and call witnesses on their behalf;  
18           (e) permit the recording of the proceedings; and  
19           (f) provide for a final determination conveyed in writing to the charter holders.  
20           (3) If an authorizer revokes or denies renewal of a charter, the authorizer shall clearly state, by resolution  
21 of its governing body, the reasons for the revocation or nonrenewal.  
22           (4) Within 10 days of taking action to renew, not renew, or revoke a charter, the authorizer shall report  
23 to the commission the action taken and at the same time shall provide a copy of the report to the public charter  
24 school. The report must include a copy of the resolution of the authorizer's governing body setting forth the action  
25 taken and reasons for the decision and providing assurances of compliance with all of the requirements set forth  
26 in [sections 1 through 17]. The authorizer's decision is appealable to the commission in writing within 30 days of  
27 the commission's receipt of the authorizer's report.  
28           (5) (a) Prior to a public charter school closure, an authorizer shall develop a public charter school closure  
29 protocol to ensure timely notification to parents, orderly transition of students and student records to new schools,  
30 and proper disposition of school funds, property, and assets in accordance with the requirements of [sections 1

1 through 17]. The protocol must specify responsible parties, transition and closure timelines, and a delineation of  
2 the respective duties of the public charter school and the authorizer.

3 (b) The authorizer shall oversee the closure and work with the closing public charter school to ensure  
4 a smooth and orderly closure and transition for students and parents.

5 (c) In the event of a public charter school closure for any reason, the nonrestricted distributable assets  
6 of the public charter school must be distributed first to satisfy outstanding payroll obligations for employees of the  
7 public charter school, then to creditors of the public charter school, then to public school districts to which  
8 students previously attending the closed charter school are returning on a prorated per-pupil basis, and then to  
9 the state general fund. If the assets of the public charter school are insufficient to pay all obligations, the  
10 prioritization of the distribution of assets may be determined by a court of law.

11 (d) If a closing public charter school was converted from an existing noncharter public school, the closing  
12 public charter school is not responsible for any financial obligation or debt of the previously existing noncharter  
13 public school unless the public charter school assumed the debt or obligation at the time of conversion.

14 (6) Transfer of a charter contract, and of oversight of that public charter school from one authorizer to  
15 another before the expiration of the charter term, may occur only if the authorizer violates the provisions of  
16 [section 6] or by special petition to the commission by a public charter school or its authorizer. The commission  
17 shall consider a petition for transfer on a case-by-case basis and may grant transfer requests in response to  
18 special circumstances and to evidence that the transfer would serve the best interests of the public charter  
19 school's students.

20  
21 **NEW SECTION. Section 14. Public charter school operation and autonomy.** (1) (a) A public charter  
22 school must be a nonprofit education organization.

23 (b) A public charter school is subject to all federal laws and authorities as provided in [sections 1 through  
24 17] or arranged by charter contract with the public charter school's authorizer consistent with applicable laws,  
25 rules, and regulations.

26 (c) Except as provided in [sections 1 through 17], a public charter school is not subject to the provisions  
27 of Title 20 or any state or local rule, regulation, policy, or procedure relating to noncharter public schools within  
28 an applicable local school district.

29 (d) A single governing board may hold one or more charter contracts. A charter contract may consist of  
30 one or more schools, to the extent approved by the authorizer and consistent with applicable law. Each public

1 charter school that is part of a charter contract is separate and distinct from any other public charter school.

2 (e) The initial governing board of a public charter school shall ensure an elected governing board is in  
3 place within 12 months of the school commencing operations. The governing board must be elected by a process  
4 outlined in the charter school bylaws. The election process must include the following:

5 (i) parents and guardians of students enrolled in the school shall nominate candidates for the governing  
6 board;

7 (ii) if the number of nominees is equal to the number of vacancies, no election is required;

8 (iii) if the number of nominees is greater than the number of vacancies, the election must be decided by  
9 the qualified electors of the district as part of the next regular school election; and

10 (iv) the terms of board members must be staggered to ensure continuity on the governing board.

11 (2) A public charter school may not be created within the geographical boundaries of a third-class  
12 elementary district, as defined in 20-6-201, or a third-class high school district, as defined in 20-6-301, unless:

13 (a) the public charter school is being converted from an existing public school;

14 (b) the school district elects to establish a public charter school;

15 (c) the school district elects to convert a grade or grades to a public charter school from an existing  
16 school;

17 (d) the public charter school is a tribal charter school; or

18 (e) the public charter school is a virtual public charter school.

19 (3) A public charter school shall function as a local educational agency. A public charter school is  
20 responsible for meeting the requirements of a local educational agency under applicable federal, state, and local  
21 laws, including those relating to special education.

22 (4) A public charter school is primarily responsible for special education at the school, including  
23 identification and service provisions, and is responsible for meeting the needs of enrolled students with  
24 disabilities. If a student's individualized education program team determines that a student's needs are so  
25 profound that they cannot be met in the public charter school and that the public charter school cannot provide  
26 a free, appropriate public education to that student, the student's district of residence shall place the student in  
27 a more appropriate setting.

28 (5) A public charter school has all the powers necessary for carrying out the terms of its charter contract,  
29 including the following powers:

30 (a) to receive and disburse funds for school purposes;

- 1 (b) to secure appropriate insurance and to enter into contracts and leases, free from prevailing wage  
2 laws;
- 3 (c) to contract with an education service provider for the management and operation of the public charter  
4 school only if the school's governing board retains oversight authority over the school;
- 5 (d) to incur debt in reasonable anticipation of the receipt of public or private funds;
- 6 (e) to pledge, assign, or encumber its assets to be used as collateral for loans or extensions of credit;
- 7 (f) to solicit and accept gifts or grants for school purposes subject to applicable laws and the terms of  
8 its charter contract;
- 9 (g) to acquire real property, for use as its facility or facilities, from public or private sources; and
- 10 (h) to sue and be sued in its own name.
- 11 (6) (a) A public charter school may not engage in any sectarian practices in its educational program,  
12 admissions policies, employment policies or practices, or operations.
- 13 (b) The powers, obligations, and responsibilities set forth in the charter contract may not be delegated  
14 or assigned by either party except as otherwise specifically provided in [sections 1 through 17].
- 15 (7) (a) A public charter school is subject to the same civil rights, health, and safety requirements  
16 applicable to other public schools in the state except as otherwise specifically provided in [sections 1 through 17].
- 17 (b) The governing board shall establish graduation requirements and may award degrees and issue  
18 diplomas.
- 19 (c) A governing board is subject to and shall comply with state open meeting and public records laws  
20 pursuant to Title 2, chapters 3 and 6.
- 21 (d) A public charter school shall establish purchasing procedures that include a competitive bidding  
22 process for purchases or contracts exceeding \$80,000.
- 23 (8) (a) Public charter school teachers are exempt from state teacher certification requirements provided  
24 in 20-4-101.
- 25 (b) Employees in public charter schools have the same rights and privileges as other public school  
26 employees except as otherwise provided in [sections 1 through 17].
- 27 (c) Teachers and other school personnel, as well as governing board trustees, are subject to criminal  
28 history record checks and fingerprinting requirements.
- 29 (d) Public charter school employees may not be required to be members of any existing collective  
30 bargaining agreement between a school district and its employees. However, a public charter school may not

1 interfere with laws and other applicable rules protecting the rights of employees to organize and to be free from  
2 discrimination.

3

4 **NEW SECTION. Section 15. Funding of public charter schools.**

5 (1) It is the intent of the legislature that:

6 (a) a public charter school receive funding on a per-pupil basis that is equitable with the per-pupil  
7 spending of a student's resident school district;

8 (b) a public charter school be budgeted along with other schools in the located school district; and

9 (c) funds generated for a public charter school be accounted for separately as described in this section.

10 (2) For the purposes of this section, the following definitions apply:

11 (a) "Located school district" means the school district in which a charter school is located.

12 (b) "Nonresident student" means a student attending a charter school who is not a resident of the located  
13 school district.

14 (c) "Resident student" means a student attending a charter school who is a resident of the located school  
15 district.

16 (d) "Student amount" means the dollar amount equal to the adopted general fund budget of a student's  
17 resident school district minus any basic entitlement amounts then divided by the number of pupils on which that  
18 budget was based.

19 (3) If a district that consists of only one school desires to convert to a public charter school, this section  
20 does not apply and the district funding formula under Title 20 applies. The district shall transfer funds to the  
21 governing board of the public charter school that maintains the operational and programmatic autonomy  
22 described in [sections 1 through 17].

23 (4) A public charter school may not charge tuition pursuant to 20-5-323 and may charge only fees that  
24 may be imposed by noncharter public schools in the state.

25 (5) A student enrolled in a public charter school must be included in the resident school district's ANB  
26 count.

27 (6) The county treasurer of the county in which a public charter school is located shall establish an  
28 account for the public charter school separate from the accounts of the located school district.

29 (7) The county treasurer of a county in which a nonresident student resides shall by the first day of each  
30 month from September through June of the school fiscal year transfer from the general fund account of the

1 nonresident student's resident school district an amount equal to 10% of the student amount to the county  
2 treasurer of the county in which the charter school the student attends is located.

3 (8) For budgeting purposes, a public charter school must be considered a separate budget unit of the  
4 located school district and must have its ANB calculated separately from the other schools in the district and  
5 receive a basic entitlement calculated separately from the other schools in the district, except that a virtual public  
6 charter school receives no basic entitlement.

7 (9) A public charter school is funded as follows:

8 (a) The county treasurer shall transfer to the public charter school's account from the located school  
9 district's general fund account by the fifth day of each month from September through June of the school fiscal  
10 year an amount equal to the sum of 10% of:

11 (i) the charter school's basic entitlement amount unless it is a virtual public charter school; and

12 (ii) the student amount for the located school district multiplied by the number of full-time resident  
13 students enrolled in the public charter school.

14 (b) In addition to the amounts transferred in subsection (9)(a), the county treasurer shall by the fifth day  
15 of each month from September through June of the school fiscal year transfer to the public charter school's  
16 account any nonresident student amount transferred from the county treasurer of a county in which a nonresident  
17 student resides as provided in subsection (7).

18 (10) A public charter school may expend funds according to its charter contract and is not subject to  
19 budget restrictions under Title 20, chapter 9.

20 (11) A public charter school may obligate the public charter school to indebtedness and is solely  
21 responsible for those debts. A public charter school is not responsible for any debt service obligations that exist  
22 in the school district in which the public charter school is located.

23 (12) Nothing in [sections 1 through 17] may be construed to prohibit any person or organization from  
24 providing funding or other assistance for the establishment or operation of a public charter school. The governing  
25 board of a public charter school is authorized to accept gifts or donations of any kind made to the public charter  
26 school and to expend or use the gifts or donations in accordance with the conditions prescribed by the donor. A  
27 gift or donation may not be accepted if the gift or donation is subject to a condition that is contrary to any provision  
28 of law or term of the charter contract.

29 (13) Money received by a public charter school from any source and remaining in the public charter  
30 school's accounts at the end of a budget year must remain in the public charter school's accounts for use by the

1 public charter school in subsequent years.

2

3 **NEW SECTION. Section 16. Public charter school access to district facilities and land.** (1) A public  
4 charter school has a right of first refusal to purchase or lease at or below fair market value a closed public school  
5 facility or property or an unused portion of a public school facility or property located in a school district from which  
6 the public charter school draws its students.

7 (2) A public charter school may negotiate and contract at or below fair market value with a school district,  
8 the governing body of a college or university or community college, or any other public entity or for-profit or  
9 nonprofit private entity for the use of a facility for a school building.

10

11 **NEW SECTION. Section 17. Public charter school account.** (1) There is a special revenue account  
12 to be known as the public charter school account administered by the commission. The purpose of the account  
13 is the receipt and expenditure of gifts, grants, legacies, devises, and donations given specifically for the creation  
14 and operation of the Montana public charter school system.

15 (2) All donations must be from a private source and may not be expended for any purpose other than  
16 for the benefit of qualifying public charter schools as determined by the commission. A gift or donation made  
17 directly to a public charter school or schools is not prohibited by this section.

18

19 **Section 18.** Section 15-6-201, MCA, is amended to read:

20 **"15-6-201. Governmental, charitable, and educational categories -- exempt property.** (1) The  
21 following categories of property are exempt from taxation:

22 (a) except as provided in 15-24-1203, the property of:

23 (i) the United States, except:

24 (A) if congress passes legislation that allows the state to tax property owned by the federal government  
25 or an agency created by congress; or

26 (B) as provided in 15-24-1103;

27 (ii) the state, counties, cities, towns, and school districts;

28 (iii) irrigation districts organized under the laws of Montana and not operated for gain or profit;

29 (iv) municipal corporations;

30 (v) public libraries;

1 (vi) rural fire districts and other entities providing fire protection under Title 7, chapter 33;  
2 (vii) special districts created pursuant to Title 7, chapter 11, part 10; and  
3 (viii) subject to subsection (2), federally recognized Indian tribes in the state if the property is located  
4 entirely within the exterior boundaries of the reservation of the tribe that owns the property and the property is  
5 used exclusively by the tribe for essential government services. Essential government services are tribal  
6 government administration, fire, police, public health, education, recreation, sewer, water, pollution control, public  
7 transit, and public parks and recreational facilities.

8 (b) buildings and furnishings in the buildings that are owned by a church and used for actual religious  
9 worship or for residences of the clergy, not to exceed one residence for each member of the clergy, together with  
10 the land that the buildings occupy and adjacent land reasonably necessary for convenient use of the buildings,  
11 which must be identified in the application, and all land and improvements used for educational or youth  
12 recreational activities if the facilities are generally available for use by the general public but may not exceed 15  
13 acres for a church or 1 acre for a clergy residence after subtracting any area required by zoning, building codes,  
14 or subdivision requirements;

15 (c) land and improvements upon the land, not to exceed 15 acres, owned by a federally recognized  
16 Indian tribe when the land has been set aside by tribal resolution and designated as sacred land to be used  
17 exclusively for religious purposes;

18 (d) property owned and used exclusively for agricultural and horticultural societies not operated for gain  
19 or profit;

20 (e) property, not to exceed 80 acres, which must be legally described in the application for the  
21 exemption, used exclusively for educational purposes, including dormitories and food service buildings for the  
22 use of students in attendance and other structures necessary for the operation and maintenance of an  
23 educational institution that:

24 (i) is not operated for gain or profit;

25 (ii) has an attendance policy; and

26 (iii) has a definable curriculum with systematic instruction;

27 (f) property, of any acreage, owned by a tribal corporation created for the sole purpose of establishing  
28 schools, colleges, and universities if the property meets the requirements of subsection (1)(e);

29 (g) property used exclusively for nonprofit health care facilities, as defined in 50-5-101, licensed by the  
30 department of public health and human services and organized under Title 35, chapter 2 or 3. A health care

1 facility that is not licensed by the department of public health and human services and organized under Title 35,  
2 chapter 2 or 3, is not exempt.

3 (h) property that is:

4 (i) (A) owned and held by an association or corporation organized under Title 35, chapter 2, 3, 20, or 21;  
5 or

6 (B) owned by a federally recognized Indian tribe within the state and set aside by tribal resolution; and

7 (ii) devoted exclusively to use in connection with a cemetery or cemeteries for which a permanent care  
8 and improvement fund has been established as provided for in Title 35, chapter 20, part 3; and

9 (iii) not maintained and not operated for gain or profit;

10 (i) subject to subsection (2), property that is owned or property that is leased from a federal, state, or  
11 local governmental entity by institutions of purely public charity if the property is directly used for purely public  
12 charitable purposes;

13 (j) evidence of debt secured by mortgages of record upon real or personal property in the state of  
14 Montana;

15 (k) public museums, art galleries, zoos, and observatories that are not operated for gain or profit;

16 (l) motor vehicles, land, fixtures, buildings, and improvements owned by a cooperative association or  
17 nonprofit corporation organized to furnish potable water to its members or customers for uses other than the  
18 irrigation of agricultural land;

19 (m) the right of entry that is a property right reserved in land or received by mesne conveyance (exclusive  
20 of leasehold interests), devise, or succession to enter land with a surface title that is held by another to explore,  
21 prospect, or dig for oil, gas, coal, or minerals;

22 (n) (i) property that is owned and used by a corporation or association organized and operated  
23 exclusively for the care of persons with developmental disabilities, persons with mental illness, or persons with  
24 physical or mental impairments that constitute or result in substantial impediments to employment and that is not  
25 operated for gain or profit; and

26 (ii) property that is owned and used by an organization owning and operating facilities that are for the care  
27 of the retired, aged, or chronically ill and that are not operated for gain or profit; ~~and~~

28 (o) property owned by a nonprofit corporation that is organized to provide facilities primarily for training  
29 and practice for or competition in international sports and athletic events and that is not held or used for private  
30 or corporate gain or profit. For purposes of this subsection (1)(o), "nonprofit corporation" means an organization

1 that is exempt from taxation under section 501(c) of the Internal Revenue Code and incorporated and admitted  
2 under the Montana Nonprofit Corporation Act.

3 (p) property leased, owned, or used by a public charter school established pursuant to [sections 1  
4 through 17].

5 (2) (a) (i) For the purposes of tribal property under subsection (1)(a)(viii), the property subject to  
6 exemption may not be:

7 (A) operated for gain or profit;

8 (B) held under contract to operate, lease, or sell by a taxable individual;

9 (C) used or possessed exclusively by a taxable individual or entity; or

10 (D) held by a tribal corporation except for educational purposes as provided in subsection (1)(f).

11 (ii) For the purposes of parks and recreational facilities under subsection (1)(a)(viii), the property must  
12 be:

13 (A) set aside by tribal resolution and designated as park land, not to exceed 640 acres, or be designated  
14 as a recreational facility; and

15 (B) open to the general public.

16 (b) For the purposes of subsection (1)(b), the term "clergy" means, as recognized under the federal  
17 Internal Revenue Code:

18 (i) an ordained minister, priest, or rabbi;

19 (ii) a commissioned or licensed minister of a church or church denomination that ordains ministers if the  
20 person has the authority to perform substantially all the religious duties of the church or denomination;

21 (iii) a member of a religious order who has taken a vow of poverty; or

22 (iv) a Christian Science practitioner.

23 (c) For the purposes of subsection (1)(i):

24 (i) the term "institutions of purely public charity" includes any organization that meets the following  
25 requirements:

26 (A) The organization offers its charitable goods or services to persons without regard to race, religion,  
27 creed, or gender and qualifies as a tax-exempt organization under the provisions of section 501(c)(3), Internal  
28 Revenue Code, as amended.

29 (B) The organization accomplishes its activities through absolute gratuity or grants. However, the  
30 organization may solicit or raise funds by the sale of merchandise, memberships, or tickets to public

1 performances or entertainment or by other similar types of fundraising activities.

2 (ii) agricultural property owned by a purely public charity is not exempt if the agricultural property is used  
3 by the charity to produce unrelated business taxable income as that term is defined in section 512 of the Internal  
4 Revenue Code, 26 U.S.C. 512. A public charity claiming an exemption for agricultural property shall file annually  
5 with the department a copy of its federal tax return reporting any unrelated business taxable income received by  
6 the charity during the tax year, together with a statement indicating whether the exempt property was used to  
7 generate any unrelated business taxable income.

8 (iii) up to 15 acres of property owned by a purely public charity is exempt at the time of its purchase even  
9 if the property must be improved before it can directly be used for its intended charitable purpose. If the property  
10 is not directly used for the charitable purpose within 8 years of receiving an exemption under this section or if the  
11 property is sold or transferred before it entered direct charitable use, the exemption is revoked and the property  
12 is taxable. In addition to taxes due for the first year that the property becomes taxable, the owner of the property  
13 shall pay an amount equal to the amount of the tax due that year times the number of years that the property was  
14 tax-exempt under this section. The amount due is a lien upon the property and when collected must be distributed  
15 by the treasurer to funds and accounts in the same ratio as property tax collected on the property is distributed.  
16 At the time the exemption is granted, the department shall file a notice with the clerk and recorder in the county  
17 in which the property is located. The notice must indicate that an exemption pursuant to this section has been  
18 granted. The notice must describe the penalty for default under this section and must specify that a default under  
19 this section will create a lien on the property by operation of law. The notice must be on a form prescribed by the  
20 department.

21 (iv) not more than 160 acres may be exempted by a purely public charity under any exemption originally  
22 applied for after December 31, 2004. An application for exemption under this section must contain a legal  
23 description of the property for which the exemption is requested.

24 (d) For the purposes of subsection (1)(k), the term "public museums, art galleries, zoos, and  
25 observatories" means governmental entities or nonprofit organizations whose principal purpose is to hold property  
26 for public display or for use as a museum, art gallery, zoo, or observatory. The exempt property includes all real  
27 and personal property owned by the public museum, art gallery, zoo, or observatory that is reasonably necessary  
28 for use in connection with the public display or observatory use. Unless the property is leased for a profit to a  
29 governmental entity or nonprofit organization by an individual or for-profit organization, real and personal property  
30 owned by other persons is exempt if it is:

- 1 (i) actually used by the governmental entity or nonprofit organization as a part of its public display;  
2 (ii) held for future display; or  
3 (iii) used to house or store a public display."  
4

5 **Section 19.** Section 20-1-101, MCA, is amended to read:

6 **"20-1-101. Definitions.** As used in this title, unless the context clearly indicates otherwise, the following  
7 definitions apply:

8 (1) "Accreditation standards" means the body of administrative rules governing standards such as:

- 9 (a) school leadership;  
10 (b) educational opportunity;  
11 (c) academic requirements;  
12 (d) program area standards;  
13 (e) content and performance standards;  
14 (f) school facilities and records;  
15 (g) student assessment; and  
16 (h) general provisions.

17 (2) "Aggregate hours" means the hours of pupil instruction for which a school course or program is  
18 offered or for which a pupil is enrolled.

19 (3) "Agricultural experiment station" means the agricultural experiment station established at Montana  
20 state university-Bozeman.

21 (4) "At-risk student" means any student who is affected by environmental conditions that negatively  
22 impact the student's educational performance or threaten a student's likelihood of promotion or graduation.

23 (5) "Average number belonging" or "ANB" means the average number of regularly enrolled, full-time  
24 pupils physically attending or receiving educational services at an offsite instructional setting from the public  
25 schools of a district.

26 (6) "Board of public education" means the board created by Article X, section 9, subsection (3), of the  
27 Montana constitution and 2-15-1507.

28 (7) "Board of regents" means the board of regents of higher education created by Article X, section 9,  
29 subsection (2), of the Montana constitution and 2-15-1505.

30 (8) "Commissioner" means the commissioner of higher education created by Article X, section 9,

1 subsection (2), of the Montana constitution and 2-15-1506.

2 (9) "County superintendent" means the county government official who is the school officer of the county.

3 (10) "District superintendent" means a person who holds a valid class 3 Montana teacher certificate with  
4 a superintendent's endorsement that has been issued by the superintendent of public instruction under the  
5 provisions of this title and the policies adopted by the board of public education and who has been employed by  
6 a district as a district superintendent.

7 (11) (a) "Educational program" means a set of educational offerings designed to meet the program area  
8 standards contained in the accreditation standards.

9 (b) The term does not include an educational program or programs used in 20-4-121 and 20-25-803.

10 (12) "K-12 career and vocational/technical education" means organized educational activities that have  
11 been approved by the office of public instruction and that:

12 (a) offer a sequence of courses that provide a pupil with the academic and technical knowledge and skills  
13 that the pupil needs to prepare for further education and for careers in the current or emerging employment  
14 sectors; and

15 (b) include competency-based applied learning that contributes to the academic knowledge, higher-order  
16 reasoning and problem-solving skills, work attitudes, general employability skills, technical skills, and  
17 occupation-specific skills of the pupil.

18 (13) (a) "Minimum aggregate hours" means the minimum hours of pupil instruction that must be  
19 conducted during the school fiscal year in accordance with 20-1-301 and includes passing time between classes.

20 (b) The term does not include lunch time and periods of unstructured recess.

21 (14) "Offsite instructional setting" means an instructional setting at a location, separate from a main  
22 school site, where a school district provides for the delivery of instruction to a student who is enrolled in the  
23 district.

24 (15) "Principal" means a person who holds a valid class 3 Montana teacher certificate with an applicable  
25 principal's endorsement that has been issued by the superintendent of public instruction under the provisions of  
26 this title and the policies adopted by the board of public education and who has been employed by a district as  
27 a principal. For the purposes of this title, any reference to a teacher must be construed as including a principal.

28 (16) "Public charter school" has the meaning provided in [section 3].

29 ~~(16)~~(17) "Pupil" means a child who is 6 years of age or older on or before September 10 of the year in  
30 which the child is to enroll or has been enrolled by special permission of the board of trustees under 20-5-101(3)

1 but who has not yet reached 19 years of age and who is enrolled in a school established and maintained under  
2 the laws of the state at public expense. For purposes of calculating the average number belonging pursuant to  
3 20-9-311, the definition of pupil includes a person who has not yet reached 19 years of age by September 10 of  
4 the year and is enrolled under 20-5-101(3) in a school established and maintained under the laws of the state  
5 at public expense.

6 ~~(17)~~(18) "Pupil instruction" means the conduct of organized instruction of pupils enrolled in public schools  
7 while under the supervision of a teacher.

8 ~~(18)~~(19) "Qualified and effective teacher or administrator" means an educator who is licensed and  
9 endorsed in the areas in which the educator teaches, specializes, or serves in an administrative capacity as  
10 established by the board of public education.

11 ~~(19)~~(20) "Regents" means the board of regents of higher education.

12 ~~(20)~~(21) "School food services" means a service of providing food for the pupils of a district on a nonprofit  
13 basis and includes any food service financially assisted through funds or commodities provided by the United  
14 States government.

15 ~~(21)~~(22) "State board of education" means the board composed of the board of public education and the  
16 board of regents as specified in Article X, section 9, subsection (1), of the Montana constitution.

17 ~~(22)~~(23) "State university" means Montana state university-Bozeman.

18 ~~(23)~~(24) "Student with limited English proficiency" means any student:

19 (a) (i) who was not born in the United States or whose native language is a language other than English;

20 (ii) who is an American Indian and who comes from an environment in which a language other than  
21 English has had a significant impact on the individual's level of English proficiency; or

22 (iii) who is migratory, whose native language is a language other than English, and who comes from an  
23 environment in which a language other than English is dominant; and

24 (b) whose difficulties in speaking, reading, writing, or understanding the English language may be  
25 sufficient to deny the student:

26 (i) the ability to meet the state's proficiency assessments;

27 (ii) the ability to successfully achieve in classrooms where the language of instruction is English; or

28 (iii) the opportunity to participate fully in society.

29 ~~(24)~~(25) "Superintendent of public instruction" means that state government official designated as a  
30 member of the executive branch by the Montana constitution.

1           ~~(25)~~(26) "System" means the Montana university system.

2           ~~(26)~~(27) "Teacher" means a person, except a district superintendent, who holds a valid Montana teacher  
3 certificate that has been issued by the superintendent of public instruction under the provisions of this title and  
4 the policies adopted by the board of public education and who is employed by a district as a member of its  
5 instructional, supervisory, or administrative staff. This definition of a teacher includes a person for whom an  
6 emergency authorization of employment has been issued under the provisions of 20-4-111.

7           ~~(27)~~(28) "Textbook" means a book or manual used as a principal source of study material for a given  
8 class or group of students.

9           ~~(28)~~(29) "Textbook dealer" means a party, company, corporation, or other organization selling, offering  
10 to sell, or offering for adoption textbooks to districts in the state.

11           ~~(29)~~(30) "Trustees" means the governing board of a district.

12           ~~(30)~~(31) "University" means the university of Montana-Missoula.

13           ~~(31)~~(32) "Vocational-technical education" means vocational-technical education of vocational-technical  
14 students that is conducted by a unit of the Montana university system, a community college, or a tribally controlled  
15 community college, as designated by the board of regents."

16

17           **Section 20.** Section 20-4-101, MCA, is amended to read:

18           **"20-4-101. System and definitions of teacher and specialist certification -- student teacher**  
19 **exception.** (1) In order to establish a uniform system of quality education and to ensure the maintenance of  
20 professional standards, a system of teacher and specialist certification must be established and maintained under  
21 the provisions of this title and a person may not be permitted to teach in the public schools of the state until the  
22 person has obtained a teacher or specialist certificate or the district has obtained an emergency authorization  
23 of employment from the state. This requirement does not apply to teachers in public charter schools as provided  
24 in [section 14].

25           (2) As used in this part, "teacher or specialist certificate" means a certificate issued or applied for under  
26 20-4-106. The term "teacher or specialist" refers to a person certified under 20-4-106.

27           (3) The certification requirement does not apply to a student teacher who is a student enrolled in an  
28 institution of higher learning approved by the board of regents of higher education for teacher training and who  
29 is jointly assigned by the institution of higher learning and the governing board of a district or a public institution  
30 to perform practice teaching in a nonsalaried status under the direction of a regularly employed and certificated

1 teacher.

2 (4) A student teacher, while serving a nonsalaried internship under the supervision of a certificated  
3 teacher, must be accorded the same protection of the laws as that accorded a certificated teacher and shall, while  
4 acting as a student teacher, comply with all rules of the governing board of the district or public institution and  
5 the applicable provisions of 20-4-301 relating to the duties of teachers."

6

7 **Section 21.** Section 20-5-323, MCA, is amended to read:

8 **"20-5-323. Tuition and transportation rates.** (1) Except as provided in subsections (2) through (5),  
9 whenever a child has approval to attend a school outside of the child's district of residence under the provisions  
10 of 20-5-320 or 20-5-321, the rate of tuition charged for a Montana resident student may not exceed 20% of the  
11 per-ANB maximum rate established in 20-9-306 for the year of attendance.

12 (2) The tuition for a child with a disability must be determined under rules adopted by the superintendent  
13 of public instruction for the calculation of tuition for special education pupils.

14 (3) The tuition rate for out-of-district placement pursuant to 20-5-321(1)(d) and (1)(e) for a student  
15 without disabilities who requires a program with costs that exceed the average district costs must be determined  
16 as the actual individual costs of providing that program according to the following:

17 (a) the district of attendance and the district, person, or entity responsible for the tuition payments shall  
18 approve an agreement with the district of attendance for the tuition cost;

19 (b) for a Montana resident student, 80% of the maximum per-ANB rate established in 20-9-306, received  
20 in the year for which the tuition charges are calculated, must be subtracted from the per-student program costs  
21 for a Montana resident student; and

22 (c) the maximum tuition rate paid to a district under this section may not exceed \$2,500 per ANB.

23 (4) When a child attends a public school of another state or province, the amount of daily tuition may not  
24 be greater than the average annual cost for each student in the child's district of residence. This calculation for  
25 tuition purposes is determined by totaling all of the expenditures for all of the district budgeted funds for the  
26 preceding school fiscal year and dividing that amount by the October 1 enrollment in the preceding school fiscal  
27 year. For the purposes of this subsection, the following do not apply:

28 (a) placement of a child with a disability pursuant to Title 20, chapter 7, part 4;

29 (b) placement made in a state or province with a reciprocal tuition agreement pursuant to 20-5-314;

30 (c) an order issued under Title 40, chapter 4, part 2; or

1 (d) out-of-state placement by a state agency.

2 (5) When a child is placed by a state agency in an out-of-state residential facility, the state agency  
3 making the placement is responsible for the education costs resulting from the placement.

4 (6) The amount, if any, charged for transportation may not exceed the lesser of the average  
5 transportation cost for each student in the child's district of residence or 35 cents a mile. The average  
6 expenditures for the district transportation fund for the preceding school fiscal year must be calculated by dividing  
7 the transportation fund expenditures by the October 1 enrollment for the preceding fiscal year.

8 (7) The provisions of this section do not apply to a public charter school established under [sections 1  
9 through 17]."

10

11 **Section 22.** Section 61-3-321, MCA, is amended to read:

12 **"61-3-321. Registration fees of vehicles and vessels -- certain vehicles exempt from registration**  
13 **fees -- disposition of fees.** (1) Except as otherwise provided in this section, registration fees must be paid upon  
14 registration or, if applicable, renewal of registration of motor vehicles, snowmobiles, watercraft, trailers,  
15 semitrailers, and pole trailers as provided in subsections (2) through (20):

16 (2) Unless a light vehicle is permanently registered under 61-3-562, the annual registration fee for light  
17 vehicles, trucks and buses under 1 ton, and logging trucks less than 1 ton is as follows:

18 (a) if the vehicle is 4 or less years old, \$217;

19 (b) if the vehicle is 5 through 10 years old, \$87; and

20 (c) if the vehicle is 11 or more years old, \$28.

21 (3) Except as provided in subsection (15), the one-time registration fee based on the declared weight  
22 of a trailer, semitrailer, or pole trailer is as follows:

23 (a) if the declared weight is less than 6,000 pounds, \$61.25; or

24 (b) if the declared weight is 6,000 pounds or more, \$148.25.

25 (4) Except as provided in subsection (15), the one-time registration fee for motor vehicles owned and  
26 operated solely as collector's items pursuant to 61-3-411, based on the weight of the vehicle, is as follows:

27 (a) 2,850 pounds and over, \$10; and

28 (b) under 2,850 pounds, \$5.

29 (5) Except as provided in subsection (15), the one-time registration fee for off-highway vehicles other  
30 than a quadricycle or motorcycle is \$61.25.

- 1 (6) The annual registration fee for heavy trucks, buses, and logging trucks in excess of 1 ton is \$22.75.
- 2 (7) (a) The annual registration fee for a motor home, based on the age of the motor home, is as follows:
- 3 (i) less than 2 years old, \$282.50;
- 4 (ii) 2 years old and less than 5 years old, \$224.25;
- 5 (iii) 5 years old and less than 8 years old, \$132.50; and
- 6 (iv) 8 years old and older, \$97.50.
- 7 (b) The owner of a motor home that is 11 years old or older and that is subject to the registration fee
- 8 under this section may permanently register the motor home upon payment of:
- 9 (i) a one-time registration fee of \$237.50;
- 10 (ii) unless a new set of license plates is being issued, an insurance verification fee of \$5, which must be
- 11 deposited in the account established under 61-6-158;
- 12 (iii) if applicable, five times the renewal fees for personalized license plates under 61-3-406; and
- 13 (iv) if applicable, the donation fee for a generic specialty license plate under 61-3-480 or a collegiate
- 14 license plate under 61-3-465.
- 15 (8) (a) Except as provided in subsection (15), the one-time registration fee for motorcycles and
- 16 quadricycles registered for use on public highways is \$53.25, and the one-time registration fee for motorcycles
- 17 and quadricycles registered for both off-road use and for use on the public highways is \$114.50.
- 18 (b) An additional fee of \$16 must be collected for the registration of each motorcycle or quadricycle as
- 19 a safety fee, which must be deposited in the state motorcycle safety account provided for in 20-25-1002.
- 20 (9) Except as provided in subsection (15), the one-time registration fee for travel trailers, based on the
- 21 length of the travel trailer, is as follows:
- 22 (a) under 16 feet in length, \$72; and
- 23 (b) 16 feet in length or longer, \$152.
- 24 (10) Except as provided in subsection (15), the one-time registration fee for a motorboat, sailboat,
- 25 personal watercraft, or motorized pontoon required to be numbered under 23-2-512 is as follows:
- 26 (a) for a personal watercraft or a motorboat, sailboat, or motorized pontoon less than 16 feet in length,
- 27 \$65.50;
- 28 (b) for a motorboat, sailboat, or motorized pontoon at least 16 feet in length but less than 19 feet in
- 29 length, \$125.50; and
- 30 (c) for a motorboat, sailboat, or motorized pontoon 19 feet in length or longer, \$295.50.

1 (11) (a) Except as provided in subsections (11)(b) and (15), the one-time registration fee for a  
2 snowmobile is \$60.50.

3 (b) (i) A snowmobile that is licensed by a Montana business and is owned exclusively for the purpose  
4 of daily rental to customers is assessed:

5 (A) a fee of \$40.50 in the first year of registration; and

6 (B) if the business reregisters the snowmobile for a second year, a fee of \$20.

7 (ii) If the business reregisters the snowmobile for a third year, the snowmobile must be permanently  
8 registered and the business is assessed the registration fee imposed in subsection (11)(a).

9 (12) (a) The one-time registration fee for a low-speed electric vehicle is \$25.

10 (b) The one-time registration fee for a golf cart that is owned by a person who has or is applying for a  
11 low-speed restricted driver's license is \$25.

12 (c) The one-time registration fee for golf carts authorized to operate on certain public streets and  
13 highways pursuant to 61-8-391 is \$25. Upon receipt of the fee, the department shall issue the owner a decal,  
14 which must be displayed visibly on the golf cart.

15 (13) (a) Except as provided in subsection (13)(b), a fee of \$10 must be collected when a new set of  
16 standard license plates, a new single standard license plate, or a replacement set of special license plates  
17 required under 61-3-332 is issued. The \$10 fee imposed under this subsection does not apply when previously  
18 issued license plates are transferred under 61-3-335. All registration fees imposed under this section must be  
19 paid if the vehicle to which the plates are transferred is not currently registered.

20 (b) An additional fee of \$15 must be collected if a vehicle owner elects to keep the same license plate  
21 number from license plates issued before January 1, 2010, when replacement of those plates is required under  
22 61-3-332(3).

23 (c) The fees imposed in this subsection (13) must be deposited in the account established under  
24 61-6-158, except that \$2 of the fee imposed in subsection (13)(a) must be deposited in the state general fund.

25 (14) The provisions of this part with respect to the payment of registration fees do not apply to and are  
26 not binding upon motor vehicles, trailers, semitrailers, snowmobiles, watercraft, or tractors owned or controlled  
27 by the United States of America or any state, county, city, or special district, as defined in 18-8-202, or to a vehicle  
28 or vessel that meets the description of property exempt from taxation under 15-6-201(1)(a), (1)(d), (1)(e), (1)(g),  
29 (1)(h), (1)(i), (1)(k), (1)(l), (1)(n), ~~or (1)(o)~~, or (1)(p), 15-6-203, or 15-6-215, except as provided in 61-3-520.

30 (15) Whenever ownership of a trailer, semitrailer, pole trailer, off-highway vehicle, motorcycle,

1 quadricycle, travel trailer, motor home, motorboat, sailboat, personal watercraft, motorized pontoon, snowmobile,  
2 motor vehicle owned and operated solely as a collector's item pursuant to 61-3-411, or low-speed electric vehicle  
3 is transferred, the new owner shall title and register the vehicle or vessel as required by this chapter and pay the  
4 fees imposed under this section.

5 (16) A person eligible for a waiver under 61-3-460 is exempt from the fees required under this section.

6 (17) Except as otherwise provided in this section, revenue collected under this section must be deposited  
7 in the state general fund.

8 (18) The fees imposed by subsections (2) through (12) are not required to be paid by a dealer for the  
9 enumerated vehicles or vessels that constitute inventory of the dealership.

10 (19) (a) Unless a person exercises the option in either subsection (19)(b) or (19)(c), an additional fee of  
11 \$6 must be collected for each light vehicle registered under this part. This fee must be accounted for and  
12 transmitted separately from the registration fee. The fee must be deposited in an account in the state special  
13 revenue fund to be used for state parks, for fishing access sites, and for the operation of state-owned facilities.  
14 Of the \$6 fee, the department of fish, wildlife, and parks shall use \$5.37 for state parks, 25 cents for fishing  
15 access sites, and 38 cents for the operation of state-owned facilities at Virginia City and Nevada City.

16 (b) A person who registers a light vehicle may, at the time of annual registration, certify that the person  
17 does not intend to use the vehicle to visit state parks and fishing access sites and may make a written election  
18 not to pay the additional \$6 fee provided for in subsection (19)(a). If a written election is made, the fee may not  
19 be collected.

20 (c) (i) A person who registers one or more light vehicles may, at the time of annual registration, certify  
21 that the person does not intend to use any of the vehicles to visit state parks and fishing access sites and may  
22 make a written election not to pay the additional \$6 fee provided for in subsection (19)(a). If a written election is  
23 made, the fee may not be collected at any subsequent annual registration unless the person makes the written  
24 election to pay the additional fee on one or more of the light vehicles.

25 (ii) The written election not to pay the additional fee on a light vehicle expires if the vehicle is registered  
26 to a different person.

27 (20) For each light vehicle, trailer, semitrailer, pole trailer, heavy truck, motor home, motorcycle,  
28 quadricycle, and travel trailer subject to a registration fee under this section, an additional fee of \$5 must be  
29 collected and forwarded to the state for deposit in the account established in 44-1-504.

30 (21) This section does not apply to a motor vehicle, trailer, semitrailer, or pole trailer that is governed by

1 61-3-721."

2

3 **Section 23.** Section 61-10-214, MCA, is amended to read:

4 **"61-10-214. Exemptions.** (1) Motor vehicles operating exclusively for transportation of persons for hire  
5 within the limits of incorporated cities or towns and within 15 miles from the limits are exempt from this part.

6 (2) Motor vehicles brought or driven into Montana by a nonresident, migratory, bona fide agricultural  
7 worker temporarily employed in agricultural work in this state when those motor vehicles are used exclusively for  
8 transportation of agricultural workers are exempt from this part.

9 (3) Vehicles lawfully displaying a dealer's or wholesaler's plate as provided in 61-4-102 and 61-4-125  
10 are exempt from this part for a period not to exceed 7 days when moving to or from a dealer's or wholesaler's  
11 place of business when unloaded or loaded with dealer's or wholesaler's property only or while being  
12 demonstrated in the course of the dealer's or wholesaler's business. Vehicles being demonstrated may not be  
13 leased, rented, or operated for compensation by the licensed dealer or wholesaler.

14 (4) Vehicles exempt from property tax under 15-6-201(1)(a), (1)(d), (1)(e), (1)(g), (1)(h), (1)(i), (1)(k),  
15 (1)(l), (1)(n), ~~or (1)(o)~~, or (1)(p) or 15-6-228(4) are exempt from this part. The department of transportation may  
16 require documentation of tax-exempt status from the department of revenue before granting this exemption."

17

18 NEW SECTION. **Section 24. Public charter school exemption.** A public charter school established  
19 under [sections 1 through 17] is exempt from the provisions of Title 20 except as explicitly set forth in [sections  
20 1 through 17].

21

22 NEW SECTION. **Section 25. Appropriation.** There is appropriated from the general fund to the state  
23 public charter commission for the biennium beginning July 1, 2015, \$75,000 as a one-time appropriation to  
24 commence operations, hire staff qualified to execute day-to-day operations, and approve authorizers for the  
25 establishment of charter schools.

26

27 NEW SECTION. **Section 26. Nonseverability.** It is the intent of the legislature that each part of [this  
28 act] is essentially dependent upon every other part, and if one part is held unconstitutional or invalid, all other  
29 parts are invalid.

30

1            NEW SECTION. **Section 27. Notification to tribal governments.** The secretary of state shall send  
2 a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell  
3 Chippewa tribe.

4  
5            NEW SECTION. **Section 28. Codification instruction.** (1) [Sections 1 through 17] are intended to be  
6 codified as an integral part of Title 20.

7            (2) [Section 24] is intended to be codified as an integral part of Title 20, chapter 1, part 2.

8

9            NEW SECTION. **Section 29. Effective date.** [This act] is effective July 1, 2015.

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