



AN ACT CLARIFYING THAT A PASSENGER VEHICLE USED BY A SCHOOL DISTRICT FOR TRANSPORTATION FOR SPECIAL ACTIVITIES IS NOT A SCHOOL BUS; CLARIFYING THAT A PASSENGER VEHICLE OWNED BY THE SCHOOL DISTRICT IS NOT ELIGIBLE FOR INCLUSION IN THE DISTRICT'S BUS DEPRECIATION RESERVE FUND; AMENDING SECTIONS 20-10-101, 20-10-129, 20-10-141, AND 20-10-148, MCA; AND PROVIDING AN EFFECTIVE DATE.

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

**Section 1.** Section 20-10-101, MCA, is amended to read:

**"20-10-101. Definitions.** As used in this title, unless the context clearly indicates otherwise, the following definitions apply:

- (1) "Bus route" means a route approved by the board of trustees of a school district and by the county transportation committee.
- (2) "Eligible transportee" means a public school pupil who:
  - (a) is 5 years of age or older and has not reached the age of 21 on or before September 10 of the current school year or who is a preschool child with a disability between the ages of 3 and 6;
  - (b) is a resident of the state of Montana;
  - (c) regardless of district and county boundaries:
    - (i) resides at least 3 miles, over the shortest practical route, from the nearest operating public elementary school or public high school, whichever the case may be; or
    - (ii) has transportation identified as a related service in an individualized education program as developed and implemented in accordance with the Individuals With Disabilities Education Act, 20 U.S.C. 1400, et seq.; and
  - (d) is considered to reside with a parent or guardian who maintains legal residence within the

boundaries of the district furnishing the transportation regardless of where the eligible transportee actually lives when attending school.

~~(3)~~ (a) "Individual transportation" means transportation by which a district is relieved of actually conveying a pupil.

~~(b)~~ The term may include paying the parent or guardian for conveying the pupil, reimbursing the parent or guardian for the pupil's board and room, or providing supervised correspondence study or supervised home study.

~~(3)~~(4) "Passenger seating position" means, as defined in 49 CFR 571.222, the space on a school bus allocated for one passenger.

~~(4)~~(5) (a) "School bus" means, except as provided in subsection ~~(4)~~ (5)(b), any motor vehicle that complies with the bus standards established by the board of public education as verified by the department of justice's semiannual inspection of school buses and the superintendent of public instruction and:

(i) is owned by a district or other public agency and operated for the transportation of pupils to or from school or owned by a carrier under contract with a district or public agency to provide transportation of pupils to or from school; or

(ii) is district-owned, is designed to carry 10 or fewer passengers, has an overall safety rating of five stars from the national highway traffic safety administration at the time of purchase, and is insured in accordance with minimum coverage requirements set forth in 20-10-109.

(b) A school bus does not include a vehicle that is:

(i) privately owned and not operated for compensation under this title;

(ii) privately owned and operated for reimbursement under 20-10-142;

(iii) either district-owned or privately owned, designed to carry not more than nine passengers, and used to transport pupils to or from activity events or to transport pupils to their homes in case of illness or other emergency situations and that was purchased prior to July 1, 2017; ~~or~~

(iv) an over-the-road passenger coach used only to transport pupils to activity events; or

~~(v)~~ a passenger vehicle as defined in 20-10-129.

~~(5)~~(6) "Transportation" means:

(a) a district's conveyance of a pupil by a school bus between the pupil's legal residence or an

officially designated bus stop and the school designated by the trustees for the pupil's attendance; or

(b) ~~"individual transportation" by which a district is relieved of actually conveying a pupil. Individual transportation may include paying the parent or guardian for conveying the pupil, reimbursing the parent or guardian for the pupil's board and room, or providing supervised correspondence study or supervised home study.~~

~~(6)(7)~~ "Transportation service area" means the geographic area of responsibility for school bus transportation for each district that operates a school bus transportation program."

**Section 2.** Section 20-10-129, MCA, is amended to read:

**"20-10-129. Transportation for special activities.** (1) A district may use a passenger vehicle to transport students to or from school-sponsored functions or activities. A district may not use a passenger vehicle for purposes of transporting students to or from school on a regular bus route.

(2) A passenger vehicle that is owned by the district is not eligible to be included in the calculations for the bus depreciation reserve fund under 20-10-147.

~~(2)(3)~~ For purposes of this section, "passenger vehicle" means a motor vehicle that is:

(a) designed to transport 8 to 15 passengers and is the size and style of vehicle necessary to meet the needs of the district; and

(b) insured in accordance with the minimum coverage requirements established in 20-10-109."

**Section 3.** Section 20-10-141, MCA, is amended to read:

**"20-10-141. Schedule of maximum reimbursement by mileage rates.** (1) The mileage rates in subsection (2) for school transportation constitute the maximum reimbursement to districts for school transportation from state and county sources of transportation revenue under the provisions of 20-10-145 and 20-10-146. These rates may not limit the amount that a district may budget in its transportation fund budget in order to provide for the estimated and necessary cost of school transportation during the ensuing school fiscal year. All bus miles traveled on bus routes approved by the county transportation committee are reimbursable. Nonbus mileage is reimbursable for a vehicle driven by a bus driver to and from an overnight location of a school bus when the location is more than 10 miles from the school. A district may approve additional bus or

nonbus miles within its own district or approved service area but may not claim reimbursement for the mileage. Any vehicle, the operation of which is reimbursed for bus mileage under the rate provisions of this schedule, must be a school bus, as defined by this title, driven by a qualified driver on a bus route approved by the county transportation committee and the superintendent of public instruction.

(2) (a) The rate for each bus mile traveled must be determined in accordance with the following schedule:

- (i) 50 cents for a school bus as defined in 20-10-101(4)(a)(ii)(5)(a)(ii);
- (ii) 95 cents for a school bus with a rated capacity of not more than 49 passenger seating positions;
- (iii) \$1.15 for a school bus with a rated capacity of 50 to 59 passenger seating positions;
- (iv) \$1.36 for a school bus with a rated capacity of 60 to 69 passenger seating positions;
- (v) \$1.57 for a school bus with a rated capacity of 70 to 79 passenger seating positions; and
- (vi) \$1.80 for a school bus with 80 or more passenger seating positions.

(b) Nonbus mileage, as provided in subsection (1), must be reimbursed at a rate of 50 cents a mile.

(3) The rated capacity is the number of passenger seating positions of a school bus as determined under the policy adopted by the board of public education. If modification of a school bus to accommodate pupils with disabilities reduces the rated capacity of the bus, the reimbursement to a district for pupil transportation is based on the rated capacity of the bus prior to modification.

(4) The number of pupils riding the school bus may not exceed the passenger seating positions of the bus."

**Section 4.** Section 20-10-148, MCA, is amended to read:

**"20-10-148. Cost-effectiveness analysis required before purchase of small school bus.** The trustees of a district may not purchase and operate a school bus as defined in 20-10-101(4)(a)(ii)(5)(a)(ii) until the trustees have:

- (1) conducted an analysis of the costs associated with purchase and operation of the school bus compared to the costs associated with purchase or contract and operation of a school bus designed to carry

more than 10 passengers; and

(2) adopted a written finding that the purchase and operation of a school bus as defined in 20-10-101(4)(a)(ii)(5)(a)(ii) is the most cost-effective means of transporting eligible transportees on the bus route or routes to which the school bus will be assigned."

**Section 5. Effective date.** [This act] is effective July 1, 2023.

- END -

I hereby certify that the within bill,  
SB 69, originated in the Senate.

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Secretary of the Senate

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President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2023.

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Speaker of the House

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2023.

SENATE BILL NO. 69

INTRODUCED BY S. O'BRIEN

BY REQUEST OF THE EDUCATION INTERIM COMMITTEE

AN ACT CLARIFYING THAT A PASSENGER VEHICLE USED BY A SCHOOL DISTRICT FOR TRANSPORTATION FOR SPECIAL ACTIVITIES IS NOT A SCHOOL BUS; CLARIFYING THAT A PASSENGER VEHICLE OWNED BY THE SCHOOL DISTRICT IS NOT ELIGIBLE FOR INCLUSION IN THE DISTRICT'S BUS DEPRECIATION RESERVE FUND; AMENDING SECTIONS 20-10-101, 20-10-129, 20-10-141, AND 20-10-148, MCA; AND PROVIDING AN EFFECTIVE DATE.