

BOND ELECTION VOTE REQUIREMENTS

REVENUE INTERIM COMMITTEE
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WHAT IS A BOND?

A bond is a method of financing that allows the issuer to raise money from borrowers who loan money to the issuer in return for interest on the investment.

Taxing jurisdictions in Montana such as counties, cities and towns, school districts, and special districts may issue bonds to fund projects or operations. Local taxing jurisdictions pay the interest on bonds using available revenue such as property taxes, resort taxes, or fees.

This document focuses on bonds issued by a county, municipality, or school district. Some special districts may also issue bonds, but special district bonds are not covered here due to the variability in special district laws.¹

VOTE REQUIREMENT DEPENDS ON ISSUING ENTITY AND ELECTION

A county, municipality, or school district that wishes to issue bonds must submit the question of issuing bonds to the qualified electors of the taxing jurisdiction.

The vote requirement varies depending on which entity submits the bond question and, for school districts, on the election on which the bond question appears.

COUNTY, MUNICIPAL VOTE REQUIREMENTS DO NOT VARY BY ELECTION TYPE

County and municipality vote requirements are not impacted by when the election is held. Municipalities require a majority vote for bond approval.

For counties, a bond is approved by a majority if at least 40% of qualified electors vote in the bond election. If fewer than 40% but more than 30% of voters participate in a county bond election, 60% of voters must approve the question for passage. A county bond election fails if fewer than 30% of qualified electors return a ballot.

SCHOOL DISTRICT VOTE REQUIREMENT DEPENDS ON WHEN ELECTION IS HELD

The threshold for passage of a school district bond is a simple majority if the bond question appears on a mail ballot along with another election or if the election is in conjunction with a primary election or a general election.

If the bond question is part of a regular school election or a special school election, the vote requirement is the same as for counties. The bond is approved by a majority if at least 40% of qualified elections vote in the school election or special school election. If fewer than 40% but more than 30% of voters participate, 60% of voters must approve the question for passage. A school bond election fails if fewer than 30% of qualified electors return a ballot.

¹ For a summary of special districts and their financing methods see: Toni Henneman, "[Special Districts: Statutory Authority](#)," *Local Government Interim Committee*, September 2021.

COUNTY, MUNICIPALITY, AND SCHOOL DISTRICT BOND VOTE REQUIREMENTS

Issuing Entity	Election	Vote Requirement to Issue Bonds	Code Section	Year Effective
County	Any	If qualified electors voting divided by total qualified electors is: 40%+: majority >30% and <40%: 60% <30%: bond is rejected	7-7-2237	1989
Municipality	Any	Majority	7-7-4235	1999
School district	Regular school election or special election called by trustees	If qualified electors voting divided by total qualified electors is: 40%+: majority >30% and <40%: 60% <30%: bond is rejected	20-9-428(1)(a) and (1)(b)	Pre-1971
	Election conducted in conjunction with another mail ballot election or in conjunction with a primary or general election	Majority	20-9-428(1)(c)	2005

BOND ELECTION VOTE REQUIREMENTS REVISED OVER TIME

School districts were the first to require more than a majority to approve a bond election if voter turnout was less than 40%. This provision dates to sometime before 1971.

In 1989, the Legislature enacted a law to align county and municipal bond election provisions with those for school districts.²

By 1999, however, the Legislature changed the vote requirement for a municipal bond election back to a majority regardless of voter turnout.³

The most recent revision to bond election vote requirements was in 2005. The law change provides for majority approval of school district bond questions when the election is held in conjunction with another mail election or a general or primary election.⁴

² Ch. 336, L. 1989.

³ Ch. 190, L. 1999.

⁴ [Ch. 503, L. 2005.](#)