

HOUSE BILL NO. 512

INTRODUCED BY J. COHENOUR, J. WEBER, C. COCHRAN, M. DUNWELL, C. KEOGH, L. REKSTEN, M.
ROMANO, M. THANE, P. TUSS, M. MARLER

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING A NEW SCHOOL BUS ~~PURCHASED ON OR AFTER~~
~~JANUARY 1, 2026, TO BE EQUIPPED WITH LAP-SHOULDER BELTS~~ TO COMPLY WITH BUS
STANDARDS ESTABLISHED BY THE BOARD OF PUBLIC EDUCATION; ~~PROVIDING EXCEPTIONS~~;
LIMITING GOVERNMENTAL LIABILITY; CLARIFYING BID LETTING REQUIREMENTS REGARDING LAP-
SHOULDER BELTS IN SCHOOL BUS TRANSPORTATION CONTRACTS; REVISING SCHOOL BUS RATE
CAPACITY REQUIREMENTS; DECREASING CERTAIN REGISTRATION FEES FOR SCHOOL BUSES
EQUIPPED WITH LAP-SHOULDER BELTS; REVISING DEFINITIONS; AMENDING SECTIONS 20-10-101,
20-10-125, 20-10-141, 61-3-529, AND 61-9-421, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN
APPLICABILITY DATE."

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

NEW SECTION. Section 1. Lap-shoulder belt requirement for school buses -- limits on liability.

(1) A school bus that is purchased new ~~on or after January 1, 2026,~~ for use in the state must ~~be equipped with~~
~~lap-shoulder belts for each passenger~~ COMPLY WITH THE BUS STANDARDS ESTABLISHED BY THE BOARD OF PUBLIC
EDUCATION.

(2) A school district that uses a school bus equipped with lap-shoulder belts shall:

(a) adopt an enforceable, publicly available lap-shoulder belt usage policy;

(b) require all passengers on the school bus to use lap-shoulder belts; and

(c) ensure that all lap-shoulder belts are properly maintained and in good working order.

(3) A person may not be charged with violating this section or any administrative rule adopted to
implement this section if another passenger on the school bus fails to use or improperly uses the lap-shoulder
belt and the school has adopted an enforceable, publicly available lap-shoulder belt usage policy.

(4) (a) When a school district has adopted an enforceable, publicly available lap-shoulder belt

usage policy, the state, the county, the school district, a school bus contractor, a school bus driver under contract with the school district, or an agent or employee of the school district is not liable in an action for personal injury by a school bus passenger:

(i) because the injured party failed to use or improperly used a lap-shoulder belt; or
(ii) when the injury was caused solely by another passenger's use or nonuse of a lap-shoulder belt in a dangerous or unsafe manner.

(b) A person may recover damages for personal injury caused by a broken or improperly maintained lap-shoulder belt.

NEW SECTION. Section 2. — Exemption from lap-shoulder belt requirement. [Section 1] does not apply to:

(1) ~~a school bus purchased prior to January 1, 2026; or~~

(2) ~~a school bus purchased on or after January 1, 2026, if the board of trustees for the school district:~~

~~(a) determines that the school district's budget does not permit the school district to purchase a school bus equipped with lap-shoulder belts as required by [section 1] based on actual market prices for the school bus to be purchased; and~~

~~(b) votes to approve the determination in subsection (2)(a) in a public meeting that is officially recorded and made available under 2-3-212.~~

Section 2. 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.

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

(5) (a) "School bus" means, except as provided in subsection (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;

- 1 (ii) privately owned and operated for reimbursement under 20-10-142;
- 2 (iii) either district-owned or privately owned, designed to carry not more than nine passengers, and
- 3 used to transport pupils to or from activity events or to transport pupils to their homes in case of illness or other
- 4 emergency situations and that was purchased prior to July 1, 2017;
- 5 (iv) an over-the-road passenger coach used only to transport pupils to activity events; or
- 6 (v) a passenger vehicle as defined in 20-10-129.
- 7 (c) If a school district owns, operates, or uses a vehicle that is not a school bus under subsection
- 8 (5)(b), and if that vehicle is equipped with lap-shoulder belts, then the school district's enforceable, publicly
- 9 available lap-shoulder belt usage policy applies to any passenger riding in that vehicle for activity events.
- 10 (6) "Transportation" means:
- 11 (a) a district's conveyance of a pupil by a school bus between the pupil's legal residence or an
- 12 officially designated bus stop and the school designated by the trustees for the pupil's attendance; or
- 13 (b) individual transportation.
- 14 (7) "Transportation service area" means the geographic area of responsibility for school bus
- 15 transportation for each district that operates a school bus transportation program."

16

17 **Section 3.** Section 20-10-125, MCA, is amended to read:

18 **"20-10-125. Bid letting for contract bus -- payments under transportation contract.** (1) Before

19 any contract with a private party for the provision of school bus transportation is awarded, the trustees shall do

20 one of the following:

21 (a) secure bids by publishing during a period of 21 days at least three calls for bids in a newspaper

22 of the county that will give notice to the largest number of people of the district or in the official newspaper of

23 the county; ~~the.~~ The trustees shall let the contract to the lowest responsible bidder, and the trustees ~~shall have~~

24 ~~the right to reject any and all bids; or.~~

25 (b) negotiate a new contract with the current school bus contractor, provided the negotiated

26 contract costs do not exceed ~~by more than 12% per year~~ the basic costs of the previous year's contract by

27 more than 12% a year. ~~Such a~~ The negotiated contract can be entered into only at a public meeting of the

28 trustees at which ~~meeting the patrons of the district may appear and be heard~~ public comment is taken. Notice

1 of the meeting must have been published in a newspaper of wide circulation within the district at least 1 week
2 prior to the meeting. Differential costs related to outfitting school buses with lap-shoulder belts are not
3 considered part of the basic costs of the previous year's contract and are not subject to the 12% limit.

4 (2) The provisions of this section for awarding a contract for school bus transportation shall be
5 subject to the provisions of 20-9-204.

6 (3) The trustees ~~shall~~may not expend any ~~moneys~~money of the district for school bus
7 transportation by a private party or for individual transportation unless:

8 (a) —a contract for ~~such~~ transportation services has been completed; and;

9 (b)(a) ~~such~~the contracted services for school bus transportation by a private party have been actually
10 furnished except that the failure to perform may be excused by the trustees for reasons not under the control of
11 the contractor; or

12 (c)(b) ~~such~~the contracted services for individual transportation have been actually furnished as
13 confirmed by the actual attendance of school by the eligible transportees and recorded on the school
14 attendance records or, in the case of a supervised correspondence course or supervised home study, as
15 confirmed by the trustees; except that the contracted services furnished one way on any school day ~~shall~~must
16 be reimbursed at one-half the daily contract amount."

17
18 **Section 4.** Section 20-10-141, MCA, is amended to read:

19 **"20-10-141. Schedule of maximum reimbursement by mileage rates.** (1) The mileage rates in
20 subsection (2) for school transportation constitute the maximum reimbursement to districts for school
21 transportation from state and county sources of transportation revenue under the provisions of 20-10-145 and
22 20-10-146. These rates may not limit the amount that a district may budget in its transportation fund budget in
23 order to provide for the estimated and necessary cost of school transportation during the ensuing school fiscal
24 year. All bus miles traveled on bus routes approved by the county transportation committee are reimbursable.
25 Nonbus mileage is reimbursable for a vehicle driven by a bus driver to and from an overnight location of a
26 school bus when the location is more than 10 miles from the school. A district may approve additional bus or
27 nonbus miles within its own district or approved service area but may not claim reimbursement for the mileage.
28 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(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. The board may not adopt a rated capacity that exceeds the rated capacity of the school bus as determined by the school bus manufacturer. 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 5. Section 61-3-529, MCA, is amended to read:

"61-3-529. Schedule of fees for buses, motor vehicles having rated capacity of more than 1 ton, and truck tractors -- proration -- exemption. (1) (a) There is an annual fee in lieu of property tax imposed on buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors. The fee is in addition to annual registration fees.

(b) The fee imposed by subsection (1)(a) is not required to be paid by a dealer of buses, trucks, or truck tractors that constitute inventory of the dealership.

1 (2) Subject to the conditions of subsection (4), the owner of a bus, truck with a manufacturer's
2 rated capacity of more than 1 ton, or truck tractor shall pay a fee in lieu of tax based on the age and
3 manufacturer's rated capacity of the motor vehicle according to the following schedule:

Age of Motor Vehicle (in years)	Rated Capacity (in pounds)			
	16,999 or less	17,000-26,999	27,000-54,999	55,000 or more
1 or less	\$117	\$167	\$284	\$375
2	109	150	250	300
3	100	134	220	266
4	92	117	184	242
5	83	109	160	195
6	75	100	134	167
7	66	91	117	147
8	58	83	100	125
9	50	75	92	109
10	41	58	79	92
11-12	33	50	67	76
13-14	28	37	52	61
15-16	25	30	38	47
17-18	18	26	29	36
19-20	13	19	22	26
21 or more	10	12	16	20

4 (3) The age of the motor vehicle must be determined under 61-3-501.

5 (4) (a) The manufacturer's rated capacity for a bus or truck with a manufacturer's rated capacity of
6 more than 1 ton is the manufacturer's rated gross vehicle weight.

7 (b) The manufacturer's rated capacity for a truck tractor is the manufacturer's rated gross
8 combined weight.

9 (c) The fee in lieu of tax under subsection (2) must be reduced by 10% for a school bus equipped

1 with lap-shoulder belts.

2 (5) Except as provided in 61-3-520, the fee in lieu of tax on a motor vehicle subject to this section
3 that is brought or driven into this state by a nonresident person for hire, compensation, or profit must be
4 prorated as determined and paid under 61-3-701.

5 (6) The fee in lieu of tax may not be refunded."
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7 **Section 6.** Section 61-9-421, MCA, is amended to read:

8 **"61-9-421. Certain vehicles exempt.** ~~Section-Except as provided in [section 1],~~ 61-9-420 is not
9 applicable to a vehicle that:

10 (1) is a motorbus, ~~schoolbus~~ school bus, taxicab, moped, quadricycle, or motorcycle or is not
11 required to be equipped with safety belts under 49 CFR 571 as it reads on January 1, 1984; or

12 (2) has a seating capacity as designated by the manufacturer of two persons and there are two
13 persons 4 years of age or older in the vehicle."
14

15 NEW SECTION. **Section 7. Codification instruction.** ~~[Sections 1 and 2~~ SECTION 1] ~~are~~ IS intended
16 to be codified as an integral part of Title 20, chapter 10, part 1, and the provisions of Title 20, chapter 10, part 1,
17 apply to ~~[sections 1 and 2~~ SECTION 1].
18

19 NEW SECTION. **Section 8. Two-thirds vote required.** Because [section 1] limits governmental
20 liability, Article II, section 18, of the Montana constitution requires a vote of two-thirds of the members of each
21 house of the legislature for passage.
22

23 NEW SECTION. **Section 9. Effective date.** [This act] is effective July 1, 2025.
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25 NEW SECTION. **Section 10. Applicability.** [This act] applies to school years beginning on or after
26 July 1, 2025.
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