

SENATE BILL NO. 131

INTRODUCED BY C. LARSEN

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4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING COSTS FOR A BUSINESS IMPROVEMENT DISTRICT
5 TO BE ASSESSED ON A PERCENTAGE BASIS; AUTHORIZING ROOM RATE AS POSSIBLE CRITERIA FOR
6 THE ASSESSMENT; AMENDING SECTION 7-12-1133, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
7 DATE."

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

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11 **Section 1.** Section 7-12-1133, MCA, is amended to read:
12 **"7-12-1133. Assessment of costs -- area, lot, taxable valuation, square footage, and flat-fee and**
13 **percentage options -- provisions for property classifications.** (1) At the same time that the board submits
14 the annual budget and work plan to the governing body as provided in 7-12-1132, the board shall also
15 recommend to the governing body a method of levying an assessment on the property within the district that will
16 best ensure that the assessment on each lot or parcel is equitable in proportion to the benefits to be received.
17 (2) The governing body shall annually assess the entire cost of the district against the entire district using
18 a method that best ensures that the assessment on each lot or parcel is equitable in proportion to the benefits
19 to be received. In determining the method of assessment to be used, the governing body shall consider the
20 recommendations of the board. The governing ~~board~~ body shall levy the assessment using one of the following
21 methods:
22 (a) each lot or parcel of land within the district may be assessed for that part of the whole cost that its
23 area bears to the area of the entire district, exclusive of streets, avenues, alleys, and public places;
24 (b) if the governing body determines that the benefits derived by each lot or parcel are substantially
25 equivalent, the cost may be assessed equally to each lot or parcel located within the district without regard to the
26 area of the lot or parcel;
27 (c) if the governing body determines that the benefits derived by each lot or parcel are proportional, the
28 governing body may use standard criteria, such as individual occupancy or daily use, and make the assessment
29 on a flat-fee basis based on the criteria;
30 (d) if the governing body determines that the benefits derived by each lot or parcel are proportional, the

1 governing body may use standard criteria, such as room rate, and make the assessment on a percentage basis
2 based on the criteria. Pursuant to 7-1-112(1), this subsection (2)(d) is a specific delegation of authority to the
3 governing body to levy an assessment on a percentage basis.

4 ~~(d)(e)~~ each lot or parcel of land, including the improvements on the lot or parcel, may be assessed for
5 that part of the whole cost of the district that its taxable valuation bears to the total taxable valuation of the
6 property of the district;

7 ~~(e)(f)~~ each building may be assessed for that part of the whole cost of the district that the occupied or
8 income-producing area of the building above the first floor bears to the area of the entire district;

9 ~~(f)(g)~~ if the governing body determines that the benefits derived by each lot or parcel are disproportional,
10 the governing body may use classification criteria, such as location within the district, economic impact, or any
11 other measurable criteria, in conjunction with the methods of assessing fees outlined in this subsection (2). Each
12 classification must have its own rate. There may not be more than six classifications upon which a charge is
13 imposed.

14 ~~(g)(h)~~ by using any combination of the assessment options provided in subsections (2)(a) through ~~(2)(f)~~
15 (2)(g).

16 (3) If a district is expanded, the land within the expanded area or property with a similar purpose in the
17 district must be assessed as provided for in subsection (2) for the duration of the district."
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19 NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

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