EXHIBIT #3
DATE 2/19/2013
HB 314

Amendments to House Bill No. 314
1st Reading Copy

Requested by Representative Daniel Zolnikov

For the House Local Government Committee

Prepared by K.V. ("Ginger") Aldrich
February 5, 2013 (12:22pm)

1. Title, page 1, line 6.
Following: "CREATION"
Insert: "OR DISSOLUTION"

2. Title, page 1, line 15.
Following: "A SPECIAL DISTRICT;"
Insert: "REVISING SPECIAL DISTRICT COST ESTIMATE AND ASSESSMENT DATES; ALLOWING THE INITIATION OF DISSOLUTION OF A SPECIAL DISTRICT BY PETITION; REQUIRING DISSOLUTION OF A SPECIAL DISTRICT UNDER CERTAIN CIRCUMSTANCES;"

3. Title, page 1, line 17.
Following: "7-11-1023,"
Strike: "AND"
Following: "7-11-1025,"
Insert: "AND 7-11-1029,"

4. Page 8, line 28.
Following: "first Thursday"
Insert: "after the first Tuesday"

5. Page 9, line 24.
Following: "~~third Monday in August~~"
Insert: "later of the"
Following: "first Thursday"
Insert: "after the first Tuesday"

6. Page 9.
Following: line 25
Insert: "**Section 10.** Section 7-11-1029, MCA, is amended to read:

"**7-11-1029. Dissolution of special district.** (1) A special district may be dissolved if it is considered to be in the best interest of a local government or the inhabitants of the local government or if the purpose for creating the special district has been fulfilled and the special district is not needed in perpetuity.

(2) The dissolution of a special district may be commenced by:

(a) ~~The governing body may pass a~~ a resolution of intention to dissolve a special district passed by the governing body upon

its own request or upon request of the separate board administering the special district~~.~~;

(b) a referendum ordered by the governing body on the dissolution of a special district as provided in subsection (6); or

(c) a petition as provided in subsection (5).

(3) After the passage of the resolution provided for in subsection (2)(a) or (5)(b), the clerk of the local government that established the special district shall publish a notice, as provided in 7-1-2121 or 7-1-4127, of the intention to dissolve the district.

(4) The notice must specify the boundaries of the special district to be dissolved, the date of the passage of the resolution of intention to dissolve, the date set for the passage of the resolution of dissolution, and that the resolution will be passed unless the clerk of the local government receives written protest in advance from:

(a) ~~40%~~ 25% of registered voters or ~~40%~~ 25% of the owners of real property in the district; or

(b) 40% of registered voters or 40% of the property taxpayers in the district if the district program or improvements have been financed through a mill levy.

(5) (a) Subject to subsection (5)(c), upon receipt of a petition submitted to the clerk of the governing body to dissolve a special district that is signed by at least 25% of the registered voters or by the owners of at least 25% of the real property within the boundary of the special district, the governing body shall order a referendum on the dissolution of the special district as provided in subsection (6).

(b) Subject to subsection (5)(c), upon receipt of a petition submitted to the clerk of the governing body to dissolve a special district that is signed by more than 50% of the registered voters or by the owners of more than 50% of the real property within the boundary of the special district, the governing body shall pass a resolution of intention to dissolve the special district.

(c) A petition submitted under subsection (5)(a) or (5)(b) must:

(i) be in a form prescribed by the governing body;

(ii) require the printed name of each signatory;

(iii) specify whether the signatory is a property taxpayer or owner of real property within the special district and the address of that property;

(iv) describe the special district the petition proposes to dissolve;

(v) designate whether any proposed improvements remain unimplemented in the special district;

(vi) designate whether there is an existing maintenance program within the special district and whether it will end when the special district is dissolved; and

(vii) have its signatures verified by the clerk of the

governing body.

(d) Within 60 days of receipt of a petition to dissolve a special district, the clerk of the governing body shall:

(i) certify that the petition is sufficient under the provisions of subsection (5)(a) or (5)(b) and present it to the governing body at its next meeting; or

(ii) reject the petition if it is insufficient under the provisions of subsection (5)(a) or (5)(b).

(e) A defect in the contents of the petition or in its title, form of notice, or signatures may not invalidate the petition and subsequent proceedings as long as the petition has a sufficient number of qualified signatures attached.

(6) (a) The governing body may order a referendum on the dissolution of a special district to be submitted to the registered voters who reside within the special district consistent with the provisions and procedures of 7-11-1011(3) and (5) through (7).

(b) The referendum must state:

(i) a short description of the special district's purpose;

(ii) whether any services will be eliminated if the district is dissolved; and

(iii) the current type and rate of the assessment or fees that have been imposed.

(c) The proposition to be submitted to the electorate must read "Shall (name of special district) be dissolved?"

(d) If the referendum to dissolve the district passes, the clerk of the governing body shall follow the procedures in subsection (7).

~~(5)~~(7) If the special district is dissolved, the clerk of the local government shall immediately send written notice to:

(a) the secretary of state; and

(b) the department of revenue, providing the same information required in 7-11-1014 when a district is created. The department of revenue and the department of administration shall respond to the dissolution in the same manner as they respond to the creation of a district, as described in 7-11-1014.

~~(6)~~(8) The dissolution of a special district may not relieve the property owners from the assessment and payment of a sufficient amount to liquidate all charges existing against the special district prior to the date of dissolution.

~~(7)~~(9) Any assets remaining after all debts and obligations of the special district have been paid, discharged, or irrevocably settled must be:

(a) deposited in the general fund of the local government;

(b) in the case of multiple local governments, divided in accordance with their interlocal agreement and deposited in the general fund of each local government; or

(c) transferred to a new special district that has been created to provide substantially the same service as provided by the dissolved special district.

~~(8)~~(10) If the remaining assets are derived from private

grants or gifts that restrict the use of those funds, the funds must be returned to the grantor or donor."
{Internal References to 7-11-1029: None.}"
Renumber: subsequent subsections

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