



AN ACT REVISING LAWS GOVERNING DISSOLUTION OF WATER AND SEWER DISTRICTS; ALLOWING A PROCESS OF DISSOLUTION TO BE INITIATED BY A DISTRICT BOARD AND REFERRED TO THE ELECTORS OF A DISTRICT UNDER CERTAIN CIRCUMSTANCES; AMENDING SECTION 7-13-2351, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

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

Section 1. Section 7-13-2351, MCA, is amended to read:

"7-13-2351. Dissolution of district by petition. (1) A district may be dissolved as provided in [section 2] or this section.

(2) Upon receipt of a petition to dissolve the district, signed by more than 50% of the ~~freeholders~~ property owners of the district, the board of directors shall set a date for a public hearing on dissolution of the district. The hearing date may be not earlier than 45 days or later than 60 days after the date on which the board schedules the date of the hearing. A notice of the public hearing on the dissolution must be published as provided in 7-1-2121. The published notice must include notice to creditors of the district to present claims owed by the district to the board of directors prior to the date set for the dissolution hearing.

~~(2)~~(3) At the dissolution hearing the board of directors shall hear testimony of all persons interested in whether the district should be dissolved and shall determine whether there are any outstanding debts of the district.

~~(3)~~(4) After the hearing, if the board determines that dissolution of the district is in the best interest of the public and that there are no outstanding debts of the district, it may resolve to recommend that the district be dissolved. A copy of the resolution must be sent to the county commissioners of the county or counties in which the district is located.

~~(4)~~(5) The district is dissolved after the approval of the dissolution by all the boards of county commissioners of the counties in which the district is located. An instrument approving dissolution must be filed with the clerk and recorder of the county or counties in which the district is located, who shall then ~~cause a copy~~

of the instrument to be filed with notify the secretary of state.

~~(5)~~(6) Any assets of the district after dissolution ~~shall~~ must be distributed according to a specific plan adopted by the board of directors after a public hearing and ~~set forth~~ as provided in the resolution recommending that the district be dissolved."

Section 2. Dissolution of district by special election. (1) The board of directors may, after notice is given as provided in 7-1-2121, hold a hearing for dissolution of the district if:

- (a) the district has no facilities;
- (b) the district provides no services;
- (c) the board is not a party to any existing contracts and is not engaged in any contract proposals for facilities or services; and
- (d) the district has not had outstanding debts for at least 3 years.

(2) At the dissolution hearing, the board of directors shall hear testimony of all persons interested in whether the district should be dissolved.

(3) If the board of directors determines that the dissolution of the district is in the best interests of the public, the board may resolve to recommend that the district be dissolved. The recommendation must include a specific plan for distribution of any remaining assets after dissolution and must be provided to the board of county commissioners in each county in which the district is located.

(4) Upon receipt of a recommendation for dissolution, the board of county commissioners in each county in which the district lies shall order a referendum on the proposed dissolution. The referendum must be held in conjunction with a regular or primary election or must be conducted by mail ballot election as provided in Title 13, chapter 19.

(5) If the majority of votes cast at the election by qualified electors of the district are in favor of dissolving the district, each board of county commissioners shall by order declare the district dissolved.

(6) Upon dissolution of the district by each board of county commissioners, the clerk of each county in which the district was located shall immediately send written notice to the secretary of state and shall record a certificate stating that the district is dissolved.

(7) Any assets of the district after dissolution must be distributed according to the plan adopted by the board of directors under subsection (3).

Section 3. Codification instruction. [Section 2] is intended to be codified as an integral part of Title 7, chapter 13, part 23, and the provisions of Title 7, chapter 13, part 23, apply to [section 2].

Section 4. Effective date. [This act] is effective on passage and approval.

- END -

I hereby certify that the within bill,
SB 0271, originated in the Senate.

Secretary of the Senate

President of the Senate

Signed this _____ day
of _____, 2013.

Speaker of the House

Signed this _____ day
of _____, 2013.

SENATE BILL NO. 271
INTRODUCED BY F. THOMAS

AN ACT REVISING LAWS GOVERNING DISSOLUTION OF WATER AND SEWER DISTRICTS; ALLOWING A PROCESS OF DISSOLUTION TO BE INITIATED BY A DISTRICT BOARD AND REFERRED TO THE ELECTORS OF A DISTRICT UNDER CERTAIN CIRCUMSTANCES; AMENDING SECTION 7-13-2351, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.