

HOUSE BILL NO. 504

INTRODUCED BY D. HAYMAN, Z. BROWN, V. COURT, W. CURDY, T. STEENBERG, K. SWANSON,
T. WOODS, K. WILLIAMS

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS GOVERNING RURAL FIRE DISTRICTS AND FIRE SERVICE AREAS; ALLOWING FOR CONSOLIDATION OF RURAL FIRE DISTRICTS AND FIRE SERVICE AREAS TO CREATE A NEW RURAL FIRE DISTRICT; REQUIRING A PLAN OF CONSOLIDATION TO STATE IF THERE WILL BE MUTUAL ASSUMPTION OF INDEBTEDNESS; CLARIFYING MILL LEVY AUTHORITY; PROHIBITING CONSOLIDATION IF THE GOVERNING BOARDS DO NOT AGREE ON ASSUMPTION OF INDEBTEDNESS; ~~AND~~ AMENDING SECTIONS 7-33-2120 AND 7-33-2401, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 7-33-2120, MCA, is amended to read:

"7-33-2120. Consolidation of fire districts and fire service areas -- mill levy limitations. (1) Two or more rural fire districts or rural fire districts and fire service areas established pursuant to 7-33-2401 may consolidate to form a single rural fire district upon an affirmative vote of each of the consolidating rural fire district's or fire service area's ~~board of trustees governing board~~.

(2) (a) At the time they vote to consolidate, the governing boards of trustees shall also adopt a consolidation plan. The plan must contain:

(~~a~~)(i) a timetable for consolidation, including the effective date of consolidation, which must be after the time allowed for protests to the creation of the ~~consolidated~~ new rural fire district under subsection (~~3~~) (4);

(~~b~~)(ii) the name of the new rural fire district;

(~~c~~)(iii) a boundary map of the new rural fire district; and

(~~d~~)(iv) the estimated financial impact of consolidation on the average taxpayer within the proposed district.

(b) The consolidation plan must state if the consolidation is to be made with or without the mutual assumption of the warrant or bonded indebtedness of each district or fire service area. Without agreement among the governing boards on the assumption of warrant or bonded indebtedness, the consolidation may not occur.

(~~2~~)(3) (A) Within 14 days of the date that the ~~trustees~~ governing boards vote to consolidate, notice of the

1 consolidation must be:

2 (I) published as provided in 7-1-2121 or as provided in 7-1-4127 if the district or part of the district is in
 3 an incorporated third-class city or town in each county in which any part of the consolidated fire district will be
 4 located; AND

5 (II) MAILED AS PROVIDED IN 7-1-2122 OR AS PROVIDED IN 7-1-4129 IF THE PROPOSED DISTRICT OR PART OF THE
 6 DISTRICT IS IN AN INCORPORATED THIRD-CLASS CITY OR TOWN TO EACH REGISTERED VOTER AND REAL PROPERTY OWNER
 7 RESIDING IN THE PROPOSED NEW DISTRICT.

8 (B) A public hearing on the consolidation must be held within 14 days of the first publication AND MAILING
 9 of notice. The hearing must be held before the joint governing boards of trustees at a time and place set forth in
 10 the publication of notice.

11 (3)(4) Real property owners in each affected rural fire district or fire service area may submit written
 12 protests opposing consolidation to the trustees governing boards of their district or fire service area. If within 21
 13 30 days of the first publication of notice the owners of 40% or more of the real property in an existing district or
 14 fire service area and owners of property representing 40% or more of the taxable value of property in an existing
 15 district or fire service area protest the consolidation, it is void.

16 (4)(5) After consolidation, the former rural fire districts and fire service areas constitute a single rural fire
 17 district governed under the provisions of 7-33-2104 through 7-33-2106.

18 (5)(6) (A) The SUBJECT TO THE PROVISIONS OF SUBSECTIONS (6)(B) AND (6)(C), THE consolidation of two or
 19 more rural fire districts or rural fire districts and fire service areas pursuant to this section results in the creation
 20 of a new rural fire district for the purposes of determining mill levy limitations.

21 (B) THE MILL LEVY AUTHORITY UNDER 15-10-420 FOR EACH FORMER RURAL FIRE DISTRICT THAT IS
 22 CONSOLIDATED UNDER THIS SECTION MUST BE AGGREGATED TO ESTABLISH THE BASE MILL LEVY AUTHORITY FOR THE NEW
 23 DISTRICT IN THE YEAR FOLLOWING CONSOLIDATION.

24 (C) IF THE ELECTORS OF A FORMER RURAL FIRE DISTRICT HAVE APPROVED MILL LEVY AUTHORITY FOR THE
 25 DISTRICT IN EXCESS OF THE LIMIT ESTABLISHED IN 15-10-420 PURSUANT TO AN ELECTION HELD UNDER 15-10-425, THE
 26 AUTHORITY APPLIES TO THE NEW DISTRICT UNDER THE LIMITATIONS ESTABLISHED BY THE ELECTORS.

27 (7) For the purposes of this section, "governing board" means the board of trustees of a rural fire district
 28 or fire service area or a board of county commissioners that governs a fire service area as provided in
 29 7-33-2403(1)(a)."

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1 **Section 2.** Section 7-33-2401, MCA, is amended to read:

2 **"7-33-2401. Fire service area -- establishment -- alteration -- dissolution.** (1) Upon receipt of a
3 petition signed by at least 30 owners of real property in the proposed service area, or by a majority of the owners
4 of real property if there are no more than 30 owners of real property in the proposed service area, the board of
5 county commissioners may establish a fire service area within an unincorporated area not part of a rural fire
6 district in the county to provide the services and equipment set forth in 7-33-2402.

7 (2) To establish a fire service area, the board shall:

8 (a) pass a resolution of intent to form the area, with public notice as provided in 7-1-2121;

9 (b) hold a public hearing no earlier than 30 or later than 90 days after passage of the resolution of intent;

10 (c) at the public hearing:

11 (i) accept written protests from property owners of the area of the proposed area; and

12 (ii) receive general protests and comments relating to the establishment of the fire service area and its
13 boundaries, rates, kinds, types, or levels of service, or any other matter relating to the proposed fire service area;
14 and

15 (d) pass a resolution creating the fire service area. The area is created effective 60 days after passage
16 of the resolution unless by that date more than 50% of the property owners of the proposed fire service area
17 protest its creation.

18 (3) Based on testimony received in the public hearing, the board in the resolution creating the fire service
19 area may establish different boundaries, establish a different fee schedule than proposed, change the kinds,
20 types, or levels of service, or change the manner in which the area will provide services to its residents.

21 (4) (a) The board of county commissioners may alter the boundaries or the kinds, types, or levels of
22 service or dissolve a fire service area, using the procedures provided in subsection (2). The board of county
23 commissioners shall alter the boundaries of a fire service area to exclude any area that is annexed by a city or
24 town, using the procedures provided in subsection (2). ~~Any~~ Except as provided in 7-33-2120(2)(b), any existing
25 indebtedness of a fire service area that is dissolved remains the responsibility of the owners of property within
26 the area, and any assets remaining after all indebtedness has been satisfied must be returned to the owners of
27 property within the area.

28 (b) A fire service area that consolidates with a rural fire district as provided in 7-33-2120 is considered
29 to be dissolved."

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