

HOUSE BILL NO. 235
INTRODUCED BY E. DUTTON

A BILL FOR AN ACT ENTITLED: "AN ACT EXPANDING BUSINESS IMPROVEMENT DISTRICT PURPOSES TO INCLUDE TOURISM, PROMOTION, MARKETING, AND SALES; REVISING OPTIONS FOR ASSESSMENT OF COSTS TO INCLUDE FLAT-FEE OPTIONS; PROVIDING FOR DISTRICTS COMPOSED OF NONCONTIGUOUS AREAS IF PROPERTY IS RELATED BY PURPOSE; AND AMENDING SECTIONS 7-12-1102, 7-12-1111, AND 7-12-1133, MCA."

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

Section 1. Section 7-12-1102, MCA, is amended to read:

"7-12-1102. Purpose. The purpose of this part is to provide for the creation of business improvement districts having one or more of the purposes and powers provided in this part that will:

- (1) serve a public use; will
- (2) promote the health, safety, prosperity, security, and general welfare of the inhabitants thereof of the district and of the people of this state; and will
- (3) be of special benefit to the property within the boundaries of any district created pursuant to the provisions of this part; or
- (4) aid in tourism, promotion, marketing, and sales within the district."

Section 2. Section 7-12-1111, MCA, is amended to read:

"7-12-1111. Establishment or expansion of district. (1) Upon receipt of a petition signed by the owners of more than 60% of the area of the property proposed in the petition to be included in a district or in the expansion of a district, a governing body shall establish a district or expand a district as provided in this part.

- (2) The boundaries of a district must comply with applicable zoning regulations; and the
- (3) The district may not include areas that are zoned primarily as residential areas.
- (4) (a) A district may be composed of noncontiguous areas if the properties in a district have a common purpose, including but not limited to lodging, recreation, sales, or other activities related to the purposes listed in 7-12-1102.
- (b) The boundaries of a district with noncontiguous areas must encompass all properties in the district

with the same identified purpose."

Section 3. Section 7-12-1133, MCA, is amended to read:

"7-12-1133. Assessment of costs -- area, lot, taxable valuation, and square footage, and flat-fee options. (1) At the same time that the board submits the annual budget and work plan to the governing body as provided in 7-12-1132, the board shall also recommend to the governing body a method of levying an assessment on the property within the district ~~which~~ that will best ensure that the assessment on each lot or parcel is equitable in proportion to the benefits to be received.

(2) The governing body shall annually assess the entire cost of the district against the entire district using a method ~~which~~ that best ensures that the assessment on each lot or parcel is equitable in proportion to the benefits to be received. In determining the method of assessment to be used, the governing body shall consider the recommendations of the board. The governing board shall levy the assessment using one of the following methods:

(a) each lot or parcel of land within ~~such~~ the district may be assessed for that part of the whole cost ~~which~~ that its area bears to the area of the entire district, exclusive of streets, avenues, alleys, and public places;

(b) if the governing body determines that the benefits derived by each lot or parcel are substantially equivalent, the cost may be assessed equally to each lot or parcel located within the district without regard to the area of the lot or parcel;

(c) if the governing body determines that benefits derived by each lot or parcel are proportional, the governing body may use a standard criteria, such as individual occupancy or daily use, and make the assessment on a flat-fee basis based on the criteria;

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

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

~~(e)~~(f) by using any combination of the assessment options provided in subsections (2)(a) through ~~(2)(d)~~ (2)(e).

(3) If a district is expanded, the land within the expanded area or property with a similar purpose in the district must be assessed as provided for in subsection (2) for the duration of the district."

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