

SENATE BILL NO. 323

INTRODUCED BY R. WEBB

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A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A GOVERNING BODY TO CREATE A PUBLIC SAFETY SPECIAL DISTRICT; ALLOWING ADDITIONAL ASSESSMENT METHODS FOR FUNDING A PUBLIC SAFETY DISTRICT; AND PROVIDING EXEMPTIONS AND PARTIAL EXEMPTIONS FOR CERTAIN BUILDINGS WITHIN A PUBLIC SAFETY DISTRICT."

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

NEW SECTION. **Section 1. Public safety district -- purpose -- definition.** (1) A governing body may create, fund, and operate a public safety district to provide adequate public safety services that may include supplemental funding for services provided.

(2) As used in this part, "public safety district" means a special district created to provide adequate public safety services that may include supplemental funding for services including but not limited to:

- (a) fire protection;
- (b) law enforcement, including detention centers;
- (c) emergency response systems;
- (d) animal control;
- (e) prosecutorial and judicial services, including diversion programs as described in 46-16-130; and
- (f) mental health treatment.

NEW SECTION. **Section 2. Applicable special district regulations.** Except as provided in [section 3], the procedures for establishing and operating a public safety district are governed by Title 7, chapter 11, part 10.

NEW SECTION. **Section 3. Financing a public safety district.** (1) A governing body may make assessments or impose fees for the costs and expenses of a public safety district as provided in 7-11-1024.

(2) (a) In addition to the methods described in 7-11-1024, a governing body may assess the percentage of the cost of the district based on the total square footage of the buildings located within the district, unless the

1 buildings are exempted as provided for in subsection (3) or partially exempted as provided for in subsection (4).

2 (b) An assessment based on the square footage of buildings:

3 (i) must include all parcels that are exempted from property taxation and exclude all parcels that are  
4 subject to property taxation, as provided in Title 15, chapter 6; and

5 (ii) may not exceed the estimated average charge per square foot of building paid by owners of class four  
6 commercial properties in the local governing unit of the proposed public safety district calculated by dividing the  
7 portion of the total amount levied by the local governing unit against class four commercial properties intended  
8 to be used for public safety expenses by the total square footage of taxable class four commercial property within  
9 the local governing unit as determined by the department of revenue.

10 (3) An assessment for a public safety district may not be imposed on a building within the boundaries  
11 of the district that is owned by:

12 (a) any government entity, including a federal or state agency, a county or city government, a school  
13 district, or any other subordinate government organization, unless the building is operated by an entity whose  
14 primary use of the building is for the sale of goods or services;

15 (b) a not-for-profit educational institution or foundation that provides educational services, including  
16 preschool, primary, secondary, graduate, or postgraduate education;

17 (c) a religious institution and the building is used as a place of worship or to provide other services  
18 offered without charge;

19 (d) a charity that engages exclusively in the provision of goods and services at no charge to members  
20 of the public and whose budget is fully obtained through donations or charitable contributions; or

21 (e) a veterans' services organization or senior services organization.

22 (4) (a) Unless provided in subsection (3), a building owned by an entity exempt from property tax  
23 assessment as provided for in Title 15, chapter 6, part 2, may be granted a partial assessment exemption. A  
24 partial assessment exemption may be granted after a governing body receives an application that must include  
25 the following information related to the entity based on a 3-year running average:

26 (i) the percentage of its annual budget that is derived from donations, contributions, or memberships  
27 compared to its total annual budget; and

28 (ii) the percentage of income derived from the provision of goods or services that are sold, charged, or  
29 otherwise compensated for by the recipient of the goods or services or by a third party.

30 (b) The information submitted in the application must be verified using copies of documents submitted

1 to the internal revenue service as provided by law or verified using annual income and expense reports of an  
2 entity that is exempt from property tax and not required to file tax documents with the internal revenue service.

3 (c) After an application for a partial assessment exemption is verified, the governing body shall grant the  
4 entity a partial assessment exemption equal to the percentage calculated in subsection (4)(a)(i).

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6 **NEW SECTION. Section 4. Codification instruction.** [Sections 1 through 3] are intended to be codified  
7 as an integral part of Title 7, chapter 11, and the provisions of Title 7, chapter 11, apply to [sections 1 through 3].

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