

1 SENATE BILL NO. 326

2 INTRODUCED BY M. LANG

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS RELATED TO PROVIDING FOR
 5 SPECIAL TAXES OR ASSESSMENTS BY RESOLUTION FOR IRRIGATION DISTRICT IMPROVEMENTS;
 6 PROVIDING NOTICE OF SPECIAL TAXES OR ASSESSMENTS; PROVIDING A RIGHT TO PROTEST
 7 SPECIAL TAXES OR ASSESSMENTS; PROVIDING FOR HEARINGS ON RESOLUTIONS TO LEVY
 8 SPECIAL TAXES AND ASSESSMENTS; ~~PROVIDING FOR PAYMENT TERMS FOR SPECIAL TAXES AND~~
 9 ~~ASSESSMENTS; REPEALING CERTAIN DISTRICT COURT REQUIREMENTS;~~ AMENDING SECTIONS 85-
 10 7-2013, 85-7-2014, 85-7-2015, ~~85-7-2016~~, 85-7-2019, 85-7-2031, ~~AND 85-7-2032~~, AND 85-7-2115, MCA;
 11 REPEALING SECTIONS 85-7-2016, 85-7-2017, AND 85-7-2018, MCA; AND PROVIDING AN IMMEDIATE
 12 EFFECTIVE DATE."

13

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

15

16 NEW SECTION. Section 1. Levy of special ~~TAXES OR~~ assessments by resolution. (1) In lieu of
 17 authorizing bonds by petition or election, ~~an irrigation district may adopt a resolution to~~ THE BOARD OF
 18 COMMISSIONERS MAY undertake proceedings pursuant to this part THAT MAY RESULT IN A RESOLUTION PURSUANT TO
 19 [SECTION 7] authorizing a levy of special taxes or assessments to repay and secure the repayment of bonds
 20 issued to pay the costs of improvements described in 85-7-2012. THE COSTS OF IMPROVEMENTS MAY INCLUDE THE
 21 COSTS OF BOND ISSUANCE AND A DEBT SERVICE RESERVE SECURING THE REPAYMENT OF BONDS.

22 (2) A board of commissioners, if authorized by this part ~~to issue bonds by adopting a resolution~~, shall
 23 levy and assess on all irrigable acres in the district or subdistrict benefited by the improvements ~~in an equal~~
 24 dollar amount for each irrigable acre TO REPAY THE BONDS.

25

26 NEW SECTION. Section 2. Resolution of intent to levy special taxes or assessments --
 27 determination of irrigable acres. (1) ~~The board of commissioners may not authorize by resolution the levy of~~
 28 ~~taxes or assessments pursuant to [section 1] if the protest proceedings in 85-7-2013 are met.~~

1 ~~(2) Before authorizing by resolution the levy of taxes or assessments pursuant to [section 1], the~~
 2 ~~board of commissioners shall determine~~ IF THE BOARD OF COMMISSIONERS DETERMINES TO UNDERTAKE SPECIAL TAX
 3 OR ASSESSMENT PROCEEDINGS TO AUTHORIZE THE ISSUANCE OF BONDS, THE BOARD SHALL FIRST DETERMINE the total
 4 number of irrigable acres in the district or subdistrict pursuant to 85-7-2107 and apportionment of the costs
 5 subject to 85-7-2114.

6 ~~(3)(2) If the conditions in subsections (1) and (2) are~~ CONDITION IN SUBSECTION (1) IS met, the board of
 7 commissioners shall pass a resolution of intention to levy special taxes or assessments.

8 ~~(4)(3) The resolution of intention must:~~

9 (a) describe the number of irrigable acres in the district or subdistrict and the number of irrigable
 10 acres that would be subject to the special TAXES OR assessments, AND, IF A SUBDISTRICT, INCLUDE A MAP AND
 11 DESCRIPTION OF THE BOUNDARIES OF THE SUBDISTRICT;

12 (b) state the general character of the improvements that are desired to be made;

13 (c) designate the name of the engineer, if any, who is in charge of the work and ~~approximate estimate~~
 14 ~~of the cost of the work; and~~ THE ESTIMATED COSTS OF THE IMPROVEMENTS AND OF THE ESTIMATED MAXIMUM
 15 PRINCIPAL AMOUNT OF THE BONDS;

16 (d) specify that the costs of the improvements will be assessed against irrigable acres in the district or
 17 subdistrict benefited by the improvements on the basis of equal amount for each irrigable acre; AND

18 ~~(E) PROVIDE AN ESTIMATE OF THE DOLLAR AMOUNT PROPOSED TO BE ASSESSED AGAINST EACH IRRIGABLE~~
 19 ACRE BASED ON THE ESTIMATED MAXIMUM PRINCIPAL AMOUNT OF THE BONDS.

20 ~~(5)(4) The board of commissioners may include in one proceeding under one resolution of intention~~
 21 the different kinds of improvement or work provided for in ~~the~~ THIS part.

22 ~~(6)(5) In all resolutions, notices, orders, and determinations subsequent to the resolution of intention~~
 23 and notice of improvements, it is sufficient for the board to briefly describe the work or the assessments, or
 24 both, and to refer to the resolution of intention for further information.

25

26 NEW SECTION. Section 3. Notice of resolution of intention for levy of special TAXES OR
 27 assessments -- hearing -- exception. (1) On passage of a resolution of intention to levy special taxes or
 28 assessments pursuant to ~~[section 1]~~ [SECTION 2], the board of commissioners shall publish a notice of that

1 action as provided in 7-1-2121.

2 (2) A copy of the notice must be mailed, as provided in 7-1-2122, to each person, firm, or corporation
3 or the agent of the person, firm, or corporation owning real property within the ~~proposed~~ district OR SUBDISTRICT
4 listed in the owner's name on the last-completed assessment roll for state, county, and school district taxes.

5 (3) (a) The notice must:

6 (i) describe the general character of the improvements proposed to be made or acquired by purchase;

7 (ii) state the estimated cost of the improvements AND THE ESTIMATED MAXIMUM PRINCIPAL AMOUNT OF THE
8 BONDS;

9 (iii) describe ~~generally that the costs of the improvements will be taxed or assessed~~ THAT THE DEBT
10 SERVICE ON THE BONDS WILL BE REPAYED BY A TAX OR ASSESSMENT LEVIED on the basis of equal amount for each
11 irrigable acre;

12 (IV) STATE THE DOLLAR AMOUNT TO BE LEVIED AGAINST EACH IRRIGABLE ACRE BASED ON THE ESTIMATED
13 MAXIMUM PRINCIPAL AMOUNT OF THE BONDS;

14 (V) STATE THAT THE DEADLINE FOR THE RECEIPT OF PROTESTS AGAINST THE PROPOSED ISSUANCE OF THE
15 BONDS OR LEVY OF SPECIAL TAXES OR ASSESSMENT, OR BOTH, IS 5 P.M. ON THE DATE OF THE END OF THE PROTEST
16 PERIOD PURSUANT TO [SECTION 4]; and

17 ~~(iv)(vi)~~ (vi) designate the time when and the place where the board will hear and act on all protests that
18 may be made against the PROPOSED ISSUANCE OF THE BONDS OR levy of the special taxes or assessments, OR
19 BOTH.

20 (b) The notice must refer to the resolution on file in the office of the commission secretary for the
21 description of the particulars. If the proposal is for the purchase of an existing improvement, the notice must
22 state the expected cost of the proposed improvement.

23 (4) If no officer of the county is specifically assigned to publish or post a resolution, order, notice, or
24 determination subject to this section, the commission secretary shall post or procure the publication or posting.

25 (5) An error or mistake by the person posting or procuring the publication or posting of a resolution,
26 notice, order, or determination does not invalidate or affect ~~any proceeding pursuant to [section 4]~~ THE NOTICE
27 AND PROTEST PROCEEDINGS IF THE ERROR OR MISTAKE IS CORRECTED IN A TIMELY MANNER.

28

1 **NEW SECTION. Section 4. Right to protest levy of special TAXES OR assessments.** (1) Except as
 2 provided in subsection (2), within 30 days after the first publication date of a notice of a resolution of intention, a
 3 property owner liable to be assessed for the ~~work~~ COSTS OF IMPROVEMENTS proposed in the resolution of
 4 intention pursuant to ~~[section 3]~~ [SECTION 2] may make a written protest against the proposed ~~work~~ ISSUANCE OF
 5 THE BONDS or proposed levy OF SPECIAL TAXES OR ASSESSMENTS, or both. The protest must be in writing, identify
 6 the property owned by the protestor, and be signed by all owners of the property. The protest must be delivered
 7 to the commission secretary, who shall endorse the date of the receipt of the protest document.

8 (2) If the 30-day period described in subsection (1) concludes on a holiday pursuant to 1-1-216 or a
 9 Saturday or a Sunday, the period of protest is extended to the day immediately following the holiday, Saturday,
 10 or Sunday.

11 (3) For the purposes of this section, "owner" means, as of the date a protest is filed, the record owner
 12 of fee simple title to the irrigable acres to be assessed. THE TERM DOES NOT INCLUDE A TENANT OR OTHER HOLDER
 13 OF A LEASEHOLD INTEREST IN THE IRRIGABLE ACRES.

14
 15 **NEW SECTION. Section 5. Hearing on protest.** (1) At the next regular meeting of a board of
 16 commissioners after the 30-day protest period described in [section 4], the board shall hear and rule on all
 17 protests made. Decisions of the board are final and conclusive. The board may recess this hearing from time to
 18 time.

19 (2) In determining whether or not sufficient protests have been made to prevent further proceedings
 20 pursuant to ~~[section 4]~~ [SECTION 6], irrigable acres owned by the irrigation district or other state or local
 21 government bodies must be considered the same as other irrigable acres in the irrigation district or subdistrict.

22
 23 **NEW SECTION. Section 6. Sufficient protest to BAR ISSUANCE OF BONDS AND TO postpone further**
 24 **special TAX OR assessment proceedings.** Further proceedings pursuant to ~~[section 1]~~ may not be taken THE
 25 BOARD OF COMMISSIONERS MAY NOT AUTHORIZE OR HOLD FURTHER SPECIAL TAX OR ASSESSMENT PROCEEDINGS TO
 26 SEEK THE AUTHORIZATION OF THE ISSUANCE OF BONDS for a period of 60 days from the date of the conclusion of
 27 the protest period if the board of commissioners finds that the protest is made by the owners of irrigable acres
 28 to be assessed for more than 50% of the ~~cost of the proposed improvements~~ COSTS OF IMPROVEMENTS TO BE

1 FINANCED WITH THE BONDS.

2

3 NEW SECTION. Section 7. Resolution authorizing special TAXES OR assessments --power to
 4 order improvements. (1) ~~Before ordering proposed improvements pursuant to [section 1], a board of~~
 5 ~~commissioners shall pass a resolution approving the special taxes or assessments following a public hearing~~
 6 ~~and in accordance with the resolution of intention that was introduced and passed by the board.~~

7 ~~(2) The board may order improvements for the following conditions:~~

8 ~~(a) when sufficient protests have not been delivered to the secretary within the protest period~~
 9 ~~pursuant to [section 4] or at the end of a board-determined protest period;~~

10 ~~(b) when protests have been found by the board to be insufficient or have been overruled;~~

11 ~~(c) when a resolution approving the special taxes or assessments has been adopted; and~~

12 ~~(d) when conditions for proceeding with the improvements have been or will be satisfied to the~~

13 ~~satisfaction of the board of commissioners. IF THE BOARD OF COMMISSIONERS FINDS THAT A PROTEST IS MADE BY~~
 14 ~~THE OWNERS OF IRRIGABLE ACRES TO BE ASSESSED FOR NOT MORE THAN 50% OF THE COSTS OF IMPROVEMENTS TO BE~~
 15 ~~FINANCED WITH THE BONDS, THE BOARD OF COMMISSIONERS FOLLOWING THE PUBLIC HEARING DESCRIBED IN [SECTION~~
 16 ~~5] MAY ADOPT A RESOLUTION APPROVING THE LEVY OF A SPECIAL TAX OR ASSESSMENT TO REPAY THE BONDS IN~~
 17 ~~ACCORDANCE WITH THE RESOLUTION OF INTENTION THAT WAS INTRODUCED AND PASSED BY THE BOARD.~~

18 ~~(2) THE BOARD MAY ISSUE BONDS TO PAY OR REIMBURSE THE COSTS OF THE IMPROVEMENTS WHEN:~~

19 ~~(A) SUFFICIENT PROTESTS HAVE NOT BEEN DELIVERED TO THE SECRETARY WITHIN THE PROTEST PERIOD~~
 20 ~~PURSUANT TO [SECTION 4];~~

21 ~~(B) PROTESTS HAVE BEEN FOUND BY THE BOARD TO BE INSUFFICIENT OR HAVE BEEN OVERRULED;~~

22 ~~(C) CONDITIONS FOR PROCEEDING WITH THE IMPROVEMENTS HAVE BEEN OR WILL BE SATISFIED TO THE~~
 23 ~~SATISFACTION OF THE BOARD OF COMMISSIONERS; AND~~

24 ~~(D) THE REQUIREMENTS OF 85-7-2014 AND 85-7-2015 ARE SATISFIED.~~

25

26 NEW SECTION. Section 8. Adjournment of hearings on resolutions for special taxes or
 27 assessments. If a board of commissioners hearing on proceedings ~~related to [section 1]~~ ON A SPECIAL TAX OR
 28 ASSESSMENT FOR THE REPAYMENT OF BONDS is not held at the scheduled place and time, is adjourned, or is

1 rescheduled, the board has not lost its power or jurisdiction to levy special taxes or assessments pursuant to
 2 ~~[section 4]~~ TO REPAY THE BONDS. The board may fix a time and a place for a new or additional hearing. The
 3 board shall provide notice of the hearing by publication in a daily, semiweekly, or weekly newspaper at least 5
 4 days before the date of the new hearing.

5
 6 **NEW SECTION. Section 9. Collection of special taxes or assessments by county treasurer --**
 7 **delinquencies.** (1) When a resolution approving special taxes or assessments pursuant to ~~[section 4]~~ FOR THE
 8 REPAYMENT OF BONDS has been certified by the board secretary, and DELIVERED TO the county clerk and
 9 recorder, AND THE IRRIGATION DISTRICT HAS ISSUED OR WILL ISSUE THE BONDS PURSUANT TO 85-7-2014 AND 85-7-
 10 2015, the county treasurer in the county in which the lot, tract, or parcel is located shall collect the special taxes
 11 or assessments in the same manner and at the same time as taxes for general state, county, and municipal
 12 purposes are collected.

13 (2) A board may declare an unpaid installment of special taxes or assessments as delinquent on the
 14 adoption of an appropriate resolution. The special taxes or assessments constitute a first and prior lien on the
 15 land against which it is levied as taxes levied for state, county, and municipal purposes. The lien may be
 16 extinguished only by the payment of the special taxes or assessments, with all penalties, costs, and interest, as
 17 provided in 85-7-2021 and Title 85, chapter 7, part 20.

18 (3) The lien of special taxes or assessments to repay the bonds pursuant to ~~[section 4]~~ must remain
 19 on the land for a period of 8 years after the date of the final maturity of the bonds. On the delinquency of one or
 20 all installments, the whole property must be sold as other property is sold for taxes. The enforcement of the lien
 21 does not prevent the enforcement of the lien of any subsequent installment when it becomes delinquent.

22
 23 ~~**NEW SECTION. Section 10. Procedure to correct assessment and to relevy.**~~ (1) ~~Whenever~~
 24 ~~special taxes or assessments for the repayment of bonds pursuant to [section 4] is determined to be either~~
 25 ~~invalid or its validity is questioned by an alleged nonconformity or by an omission or irregularity, the board of~~
 26 ~~commissioners may make all necessary orders and may take all necessary steps to correct, reassess, and~~
 27 ~~relevy the taxes or assessments, including the ordering of the improvement.~~

28 (2) ~~The board may relevy or reassess special taxes or assessments for the repayment of bonds~~

1 pursuant to [section 1] in the same manner as it would have been if the first levy had been enforced, including
 2 the time and order in which acts must be done in a proceeding pursuant to [section 1].

3 ~~(3) The board shall correct and reassess special taxes or assessments made incorrectly, including~~
 4 ~~refunding the taxes or assessments collected.~~

5
 6 **NEW SECTION. Section 11. — Certain errors do not invalidate special taxes, assessments, or**
 7 **liens.** (1) A misidentified owner or supposed owner of irrigable acres subject to special taxes or assessments
 8 pursuant to [section 1] or other mistakes related to the ownership does not render the special taxes or
 9 assessments void.

10 (2) A mistake in the property description or the name of the owner does not void a lien created by this
 11 part unless it is impossible to identify the property from the description.

12
 13 **NEW SECTION. Section 12. — Term of payment of special taxes or assessments.** (1) The
 14 payment of special taxes or assessments pursuant to [section 1] may be spread over a term not to exceed 40
 15 years.

16 (2) The special taxes or assessments are payable:

17 (i) in equal semiannual installments of principal, with interest on the unpaid installments; or

18 (ii) if prescribed by the board of commissioners pursuant to [section 2], in equal semiannual
 19 installments of principal and interest, with interest at the rate borne by the assessment.

20 (3) Special taxes or assessments that are not delinquent may be prepaid after the special taxes or
 21 assessments are levied. The payment of the special taxes and assessments must be with interest accrued
 22 through the next date on which an installment of the taxes or assessments is payable.

23
 24 **NEW SECTION. Section 13. — Interest rate on unpaid taxes or assessments.** An unpaid installment
 25 of special taxes or assessments bears simple interest at an annual rate equal to the sum of:

26 (1) the average interest rate payable on the outstanding bonds issued to finance the costs of the
 27 improvement for which the special taxes or assessments are levied; and

28 (2) an additional interest at a rate to be determined by the board of commissioners, not exceeding 2%

1 a-year.

2

3 **Section 10.** Section 85-7-2013, MCA, is amended to read:

4 **"85-7-2013. Majority vote, and petition, and resolution PROTEST requirements.** (1) Bonds provided
5 for in 85-7-2012 through 85-7-2015 may not be authorized or issued by or on behalf of any irrigation district
6 organized under this chapter or by an irrigation district on behalf of a subdistrict located in the district and a
7 contract may not be made with the United States as provided in 85-7-1906 except on:

8 (a) approval by a majority vote of those voting on the question at an election conducted in accordance
9 with Title 13, chapter 1, part 5, with votes cast and counted as prescribed in 85-7-1710;

10 (b) receipt of a petition signed by ~~at least 60%, in number and acreage,~~ a majority in acreage of the
11 holders of title or evidence of title to lands included within the district or, if the bonds are issued on behalf of or if
12 the contract relates to a subdistrict, ~~at least 60% in number and acreage~~ a majority in acreage of the holders of
13 title or evidence of title to lands within the subdistrict; ~~or~~

14 (c) receipt of a petition signed by at least 75%, in number and acreage, of the holders of title or
15 evidence of title to the lands who are residents of the county or counties in which lands of the district are
16 situated or, if the bonds are issued on behalf of or if the contract relates to a subdistrict, at least 75% in number
17 and acreage of the holders of title or evidence of title to the lands who are residents of the county or counties in
18 which lands of the subdistrict are situated; or

19 (d) adoption of a resolution by the board of commissioners approving special taxes or assessments
20 pursuant to [section 1] and TO REPAY BONDS PURSUANT TO [SECTION 7] FOLLOWING a determination that a protest
21 as provided in [section 4] by owners of assessed irrigable acres as determined by [section 2] ~~comprise~~
22 COMPRISES no more than 50% of the special tax or assessment proposed to pay the ~~cost~~ COSTS of the
23 suggested improvements.

24 (2) The petition must be addressed to the board of commissioners, set forth the aggregate amount of
25 bonds to be issued and the purpose or purposes of the bonds, have attached to it an affidavit verifying the
26 signatures to the petition, and be filed with the secretary of the board. When bonds are issued for the sole
27 purpose of redeeming or paying the existing and outstanding bonds or warrants, or both, including delinquent
28 and accrued interest, of the district, the bonds may be authorized and issued in the manner provided for by 85-

1 7-2019.

2 (3) In an election held for approval to allow a district or subdistrict to issue bonds or enter into a
3 contract under this section, the voting majority must own at least 50% of the acreage included in the district or
4 subdistrict."

5

6 **Section 11.** Section 85-7-2014, MCA, is amended to read:

7 **"85-7-2014. Procedure after election, ~~or~~ petition, or resolution filed.** Upon an election, ~~or~~ the filing
8 of the petition pursuant to 85-7-2013, or the adoption of a resolution approving the levy of a special tax or
9 assessment under ~~section 11~~ [SECTION 7], the board of commissioners shall, by appropriate order or resolution:

10 (1) authorize and direct the issuance of the bonds of the district to the amount and for the purpose or
11 purposes specified in the election, ~~or~~ petition, OR RESOLUTION ADOPTED PURSUANT TO [SECTION 7];

12 (2) fix the numbers, denominations, and maturity or maturities of the bonds;

13 (3) specify the rate of interest on the bonds and whether it is payable annually or semiannually;

14 (4) designate the place and method of payment of the bonds and the interest on the bonds, within or
15 outside the state of Montana;

16 (5) prescribe the form of the bonds; and

17 (6) provide for the levy of a special tax or assessment as provided in this chapter on all the lands in
18 the district or for a levy on a subdistrict if the bonds are issued on behalf of the subdistrict, for the irrigation and
19 benefit of which the district or subdistrict was organized and the bonds are issued or the contract is to be made,
20 sufficient in an amount to pay the interest on and principal of the bonds when due and all amounts to be paid to
21 the United States under any contract between the district and the United States for which bonds of the district
22 have not been deposited with the United States as provided in 85-7-1906."

23

24 **SECTION 12. SECTION 85-7-2015, MCA, IS AMENDED TO READ:**

25 **"85-7-2015. Effect of contracting with United States.** If contract is to be made with the United
26 States as provided in 85-7-1906 and bonds are not to be deposited with the United States in connection with
27 the contract, the board of commissioners need not authorize the issuance of bonds, or if bonds are required in
28 addition to the contract, the commissioners may authorize bonds only for the amount needed in addition to the

1 contract. Such order or resolution shall also provide for the confirmation proceedings in the district court as
2 provided in 85-7-2016 through 85-7-2018."

3

4 **Section 17.** Section 85-7-2016, MCA, is amended to read:

5 ~~"85-7-2016. Confirmation by district court. (1) Within 10 days after the adoption of the order or~~
6 ~~resolution mentioned in 85-7-2014, the board of commissioners shall file a petition in the district court of the~~
7 ~~judicial district where the office of the board is located to determine the validity of the proceedings relative to the~~
8 ~~issuance of the bonds and the levy of the special tax or assessment.~~

9 ~~(2) The action must be in the nature of a proceeding in rem, and jurisdiction of all parties interested~~
10 ~~must be had by giving notice. The petition must set forth:~~

11 ~~(a) generally, the establishment and organization of the district;~~

12 ~~(b) a certified copy of the election results, or petition, or resolution provided for in 85-7-2013;~~

13 ~~(c) a certified copy of the order or resolution provided for in 85-7-2014;~~

14 ~~(d) a request for the confirmation of the proceedings of the board stated in the petition and for the~~
15 ~~confirmation of the bond issue and the special tax or assessment levied to pay the bonds and interest thereon."~~

16

17 **Section 13.** Section 85-7-2019, MCA, is amended to read:

18 **"85-7-2019. Refunding bonds.** (1) Any irrigation district may issue refunding bonds.

19 (2) An irrigation district may issue refunding bonds for the purpose of redeeming or paying the
20 indebtedness or any portion of the indebtedness of the district, whether represented by existing and
21 outstanding bonds, interest coupons, or warrants, including accrued and unpaid interest on the bonds,
22 coupons, and warrants, and whether the indebtedness is due or not due or has or may become payable at the
23 option of the district, by consent of the bondholders or warrant holders, or by any other legal means and
24 whether the indebtedness is now existing or may be created, ~~and funds in the treasury of the district are not~~
25 ~~available for the payment of the indebtedness.~~ The refunding bonds may be issued in one or more series. IF
26 THE AVERAGE ANNUAL INTEREST RATE OF THE REFUNDING BONDS IS MORE THAN THE AVERAGE ANNUAL INTEREST RATE
27 ON THE BONDS BEING REFUNDED OR THE TERM OF THE BONDS BEING REFUNDED IS EXTENDED BY THE REFUNDING
28 BONDS, A PETITION MUST BE FILED WITH THE BOARD OF COMMISSIONERS BEFORE PROCEEDING WITH THE REFUNDING.

1 The petition for the refunding bonds must be signed as required by law by ~~at least 60% in number and a~~
 2 majority in acreage of the holders of title or evidence of title to the lands included within the district, or by ~~at~~
 3 ~~least 60% in number and a~~ majority in acreage of the holders of title or evidence of title to the lands within a
 4 subdistrict if the bonds to be refunded were issued by the district on behalf of the subdistrict, and addressed to
 5 the board of directors or commissioners of the district. The petition may contain the following specifications, in
 6 addition to the matters otherwise required by law:

7 (a) how many series of bonds shall be issued; and

8 (b) the terms, conditions, and liens of the bonds and the terms and conditions upon which each of the
 9 series of bonds shall be exchanged for outstanding bonds of the district if the bonds are to be exchanged and
 10 not sold.

11 (3) The specifications provided for in subsection (2), when set forth in the petition, are controlling
 12 upon the board of directors or commissioners. The petitioners shall in the specifications set forth the contract of
 13 exchange to be made, with particularity. The contract may include any term, requirement, grant, transfer of
 14 property or rights, covenant, or condition considered by the petitioners to be in the best interest of the district or
 15 of the subdistrict if the bonds that are the subject of the contract were issued by the district on behalf of the
 16 subdistrict. The petition shall state that the board of directors or commissioners of the district may authorize and
 17 direct the issuance of bonds according to the specifications of the petition, make any such contract, and bind
 18 the irrigation district under the contract."
 19

20 **SECTION 14. SECTION 85-7-2031, MCA, IS AMENDED TO READ:**

21 **"85-7-2031. Amending or supplementing United States contracts -- effect on indebtedness.** The
 22 board of commissioners of any irrigation district established and organized under and by virtue of the laws of
 23 Montana, whenever deemed advisable and to the interests of the district, shall have the power and authority to
 24 enter into any contract with the United States supplementing or amending any original contract with the United
 25 States, said original contract having been entered into pursuant to the provisions of 85-7-1906 and 85-7-2012
 26 through ~~85-7-2018~~ 85-7-2015; provided, that such supplementary or amendatory contract does not increase the
 27 amount of the principal indebtedness of the district to the United States as it exists at the date of the
 28 supplementary or amendatory contract authorized under the provisions of 85-7-2012 through 85-7-2015."

1

2 **Section 15.** Section 85-7-2032, MCA, is amended to read:

3 "**85-7-2032. Amending or supplementing United States contracts -- petition, or election, or**
 4 **resolution not necessary.** If a supplementary or amendatory contract is made with the United States under
 5 this part, an election, ~~or petition,~~ or resolution required under 85-7-2012 through 85-7-2015 is not necessary
 6 ~~and the board of commissioners of the irrigation district is not required to proceed under 85-7-2016 through 85-~~
 7 ~~7-2018 for a judicial confirmation of the making of the contract and the terms of the contract.~~ It is sufficient in
 8 the case of a contract made with the United States under this part for the board of commissioners of any
 9 irrigation district to authorize the execution of the contract by its president and secretary by appropriate
 10 resolution adopted at any regular or special meeting of the board of commissioners."

11

12 **SECTION 16. SECTION 85-7-2115, MCA, IS AMENDED TO READ:**

13 "**85-7-2115. Objection by landowner.** If a landowner objects to the proceedings of the board in
 14 determining the irrigable area in the landowner's own or any other tract of land or the amount or rate per acre of
 15 the special tax and assessment to be levied against each irrigable acre in the district or subdistrict for the
 16 purposes of the proposed bond issue and the objection is overruled by the board, the objection without further
 17 proceedings must be regarded as appealed to the district court ~~and must, with the other proceedings of the~~
 18 ~~board at the meeting, be heard at the proceedings to confirm the bonds, as provided in 85-7-2016 through 85-~~
 19 ~~7-2018.~~ When confirmed, the order overruling the objection and confirming the order of the board determining
 20 the irrigable area of each tract of land and apportioning the cost of the improvement to each tract becomes
 21 final, binding, and conclusive upon the landowner and upon the district unless appealed ~~from as provided in 85-~~
 22 ~~7-2018."~~

23

24 **NEW SECTION. SECTION 17. REPEALER. THE FOLLOWING SECTIONS OF THE MONTANA CODE ANNOTATED**25 ARE REPEALED:26 85-7-2016. CONFIRMATION BY DISTRICT COURT.27 85-7-2017. HEARING AND PROCEDURE IN THE DISTRICT COURT.28 85-7-2018. DISTRICT COURT FINDINGS AND ORDER -- APPEAL.

1

2 NEW SECTION. Section 18. Codification instruction. ~~[Sections 1 through 13]~~ [SECTION 1 THROUGH
3 9] are intended to be codified as an integral part of Title 85, chapter 7, part 20, and the provisions of Title 85,
4 chapter 7, part 20, apply to ~~[sections 1 through 13]~~ [SECTIONS 1 THROUGH 9].

5

6 NEW SECTION. Section 19. Effective date. [This act] is effective on passage and approval.

7

- END -