

HOUSE BILL NO. 618

INTRODUCED BY L. HELLEGAARD, S. GUNDERSON, M. MALONE, J. SCHILLINGER, B. MITCHELL, T. MOORE, R. MARSHALL, E. BUTTREY, J. READ, B. USHER, G. HERTZ, K. BOGNER, P. GREEN, T. FALK

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING SPECIAL DISTRICT LAWS; INCREASING THE PETITION THRESHOLD TO CREATE A SPECIAL DISTRICT; PROHIBITING THE CREATION OF A SPECIAL DISTRICT THAT ENCOMPASSES THE ENTIRE JURISDICTIONAL AREA OF A MUNICIPALITY OR COUNTY; INCREASING THE NUMBER OF REQUIRED PUBLIC HEARINGS; REVISING THE DETERMINATION OF APPROVAL OR REJECTION OF A REFERENDUM TO CREATE A SPECIAL DISTRICT; MANDATING THAT SPECIAL DISTRICTS DISSOLVE AFTER 6 YEARS UNLESS A REFERENDUM IS PASSED TO EXTEND THE DISTRICT; REQUIRING PROPERTY TAX ASSUMPTIONS TO BE PRINTED ON THE PROPOSITION; REPEALING THE PROVISION FOR GRANDFATHERED DISTRICTS TO OPERATE UNDER PAST STATUTES; AMENDING SECTIONS 7-11-1003, 7-11-1006, 7-11-1007, 7-11-1008, 7-11-1011, 7-11-1012, AND 7-11-1029, MCA; REPEALING SECTIONS 7-11-1004 AND 7-11-1009, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

Section 1. Section 7-11-1003, MCA, is amended to read:

"7-11-1003. Authorization to create special districts. (1) Whenever the public convenience and necessity may require:

(a) the governing body may:

(i) create a special district by resolution pursuant to 7-11-1007; and 7-11-1008, ~~and the provisions of 7-11-1009, if applicable;~~ or

(ii) order a referendum on the creation of a special district to serve the inhabitants of the special district as provided in 7-11-1011 ~~and the provisions of 7-11-1009, if applicable;~~ or

(b) petitioners may initiate the creation of a special district to serve inhabitants of the special district as provided in subsection (2).

Amendment - 1st Reading-white - Requested by: Lyn Hellegaard - (H) Local Government

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Drafter: Sue O'Connell, 406-444-3597

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(2) (a) ~~Upon~~On receipt of a petition to institute the creation of a special district that is signed by at least 40% 51% of the registered voters or by the owners of at least 40% 51% of the real property within the boundary of the proposed special district and that is submitted to the clerk of the governing body, the governing body shall commence proceedings to create a special district as provided in subsection (1)(a).

(b) The form of the petition may be prescribed by the governing body, and the ~~clerk~~ election administrator of the governing body shall verify the signatures on the petition.

(c) Subject to subsection (2)(b), the petition must:

(i) require the printed name of each signatory;

(ii) specify whether the signatory is a property taxpayer or owner of real property within the proposed special district and either the street address or the legal description, whichever the signatory prefers, of that property;

(iii) describe the type of special district being proposed and the ~~general~~ specific character of any proposed improvements and program to be administered within the special district;

(iv) designate the method of financing any proposed improvements, ~~or maintenance, and operating~~ program within the special district;

(v) include a description of the areas to be included in the proposed special district; and

(vi) specify whether the proposed special district would be administered by the local governing body or an appointed or elected board.

(3) Within 60 days of receipt of a petition to create a special district, the clerk of the governing body shall:

(a) certify that the petition is sufficient under the provisions of subsection (2) and present it to the governing body at its next meeting; or

(b) reject the petition if it is insufficient under the provisions of subsection (2).

(4) A defect in the contents of the petition or in its title, form of notice, or signatures may not invalidate the petition and subsequent proceedings as long as the petition has a sufficient number of qualified signatures attached."

Section 2. Section 7-11-1006, MCA, is amended to read:

1 **"7-11-1006. Determining special district boundaries.** (1) The boundaries of the proposed special
2 district must be mapped, clearly described, and made available to the public at the time of the publication of the
3 notice of public hearing pursuant to 7-11-1007 before the district may be approved.

4 (2) The governing body or petitioners shall consult with a professional land surveyor, as defined in
5 37-67-101, to prepare a legal description of the boundaries for the proposed special district.

6 (3) The boundaries:

7 (a) must follow property ownership, precinct, school district, municipal, and county lines as far as
8 practical;

9 (b) must be specific to the projects, improvements, and services offered by the special district; and

10 (c) may not encompass the entire jurisdictional area of a municipality ~~or county, unless the special~~
11 ~~district was initiated pursuant to 7-11-1003(1)(a)(ii) or (1)(b)."~~

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13 **Section 3.** Section 7-11-1007, MCA, is amended to read:

14 **"7-11-1007. Public hearing -- resolution of intention to create special district.** (1) The governing
15 body shall hold at least ~~one~~ two public hearing hearings concerning the creation of a proposed special district
16 prior to the passage of a resolution of intention to create the special district. A resolution of intention to create a
17 special district may be based upon a decision of the governing body as provided in 7-11-1003(1)(a) or upon a
18 petition that contains the required number of signatures as provided in 7-11-1003(1)(b).

19 (2) The resolution must designate, consistent with the requirements of ~~7-11-1009~~ and 7-11-1024:

20 (a) the proposed name of the special district;

21 (b) the necessity for the proposed special district;

22 (c) a ~~general~~ specific description of the territory or lands to be included within the proposed special
23 district, giving the boundaries of the proposed special district;

24 (d) the general character of any proposed improvements and the proposed location for the
25 proposed program or improvements;

26 (e) the maximum rate or amount of the initial proposed assessments or fees that would be
27 imposed;

28 (f) the method of financing the proposed program or improvements;