

# **HB 49 Subcommittee: Special Districts**

An interim study of local government special purpose districts

**A report to the 61st Legislature**

September 2008



**HB 49 Subcommittee, a subcommittee of the  
Education and Local Government Interim Committee  
2007-2008 Interim**

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An interim study of local government special purpose districts

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## **Overview**

HB 49 (Appendix A), approved in the 2007 Legislative Session, required the Education and Local Government Interim Committee (ELG) to establish a subcommittee to conduct a study of local government special purpose districts. The study was to include a review of current law with regard to special purpose districts, an inventory of existing special purpose districts, and a determination of whether it may be appropriate to consolidate processes for various special purpose districts into one set of statutes. The subcommittee members included legislators and city and county officials. Members were appointed by the ELG's presiding officer, after considering recommendations from the Montana Association of Counties and the Montana League of Cities and Towns, as directed by HB 49.

## **Background**

The existing set of statutes governing local government special purpose districts in Montana is not uniform. Many districts have differing requirements for their creation, administration, funding, and structure. The 2007 Legislature agreed that this absence of uniformity creates confusion and results in numerous bills being introduced each legislative session to address disparities, differences, and specific situations related to special districts. The Legislature determined a single set of statutes governing the creation, alteration, dissolution, right of protest, operation, funding, and structure of special purpose districts would simplify and streamline their processes. Ideally, this would improve efficiency and reduce the amount of time and money spent by local governments to administer these districts.

## **Subcommittee Work**

The subcommittee met on the following dates:

October 2, 2007  
December 12, 2007  
May 29, 2008  
July 29, 2008  
September 4, 2008

During the course of the subcommittee's work, an inventory of the existing special districts in Montana was conducted. (Appendix B) The subcommittee determined that it's not appropriate, at this time, to consolidate all types of special district processes under one set of statutes. Public library districts, for instance, have a specialized set of statutes that ensures their autonomy from political influence. Water and sewer districts were also removed from consideration because of the complex nature of their administration.

Although total consolidation is beyond the scope of what the subcommittee feels can be accomplished in one interim of work, the subcommittee has identified 15 districts for which it feels consolidation of processes is currently appropriate. They include:

- Cemetery Districts
- County Fair Commissions, County Fair Districts, and Multi-county Fair Districts
- County Museums, Facilities for the Arts, and Museum Districts
- County Park Districts
- Hospital Districts
- Joint Solid Waste Management Districts
- Local Improvement Districts
- Mosquito Control Districts
- Multijurisdictional Service Districts
- Park Maintenance Districts
- Road Improvement Districts
- Rodent Control Districts
- Rural Fire Districts
- Solid Waste Management Districts
- Television Districts

The subcommittee has identified this list of districts, generally speaking, as "service" districts. Most of the other types of special districts not being considered for consolidation at this time have been identified as "fee" districts. The subcommittee feels these "fee" districts have an administration structure that must be vetted more thoroughly than current time allows, before they could be considered for inclusion in a consolidated set of statutes.

## **Recommendations**

On September 4, 2008, the subcommittee approved two pieces of draft legislation for consideration by the full Education and Local Government Interim Committee, and with approval of the ELG, the 2009 Legislature.

The first bill draft, LC9208 (Appendix C), is the "Uniform Act" that would consolidate the processes of creating, administering, funding, and dissolving the above mentioned 15 special districts under one set of statutes.

The second bill draft, LC9209 (Appendix D), is a piece of housekeeping legislation that would address two concerns with existing special district statutes. The first change is proposed by the city of Glendive, which would like authorization to sell up to \$1 million in bonds to fund special district services/improvements through private negotiated sale with local banks. The second proposal would require that current and future special districts submit maps and legal descriptions of their boundaries to the Departments of Revenue and Administration, so that the boundaries may be included in the state's computer-operated Geographical Information System (GIS).