A BILL FOR AN ACT ENTITLED: “AN ACT REVISIONS COUNTY WATER AND/OR SEWER DISTRICT ADMINISTRATION LAWS; REVISING LAWS RELATED TO THE ELECTION, APPOINTMENT, AND COMPOSITION OF A COUNTY WATER AND/OR SEWER DISTRICT BOARD OF DIRECTORS; CLARIFYING THE NUMBER OF APPOINTED DIRECTORS ALLOWED ON A COUNTY WATER AND/OR SEWER DISTRICT BOARD; CLARIFYING THE DATE A DIRECTOR’S TERM OF OFFICE BEGINS; REMOVING BOND REQUIREMENTS OF CERTAIN COUNTY WATER AND/OR SEWER DISTRICT ADMINISTRATIVE PERSONNEL; AMENDING SECTIONS 7-13-2231, 7-13-2232, 7-13-2234, AND 7-13-2262, MCA; REPEALING SECTION 7-13-2279, MCA.”

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

Section 1. Section 7-13-2231, MCA, is amended to read:

“7-13-2231. Election or appointment of board of directors. (1) The district shall elect a board of directors, except as provided in subsection (2) and allowed in 7-13-2232(2) and (3).

(2) If no qualified electors reside in the district at a time when directors of the district are to be elected, the directors must be appointed in a certificate of appointment. The certificate of appointment must be signed by the owners of all of the real property in the district and must contain the signed acceptance of the appointment by all of the directors.

(3) The board of directors is the governing body of the district.

(4) When an appointed director’s term expires, the position must be filled by election, except as provided in subsection (2).”

Section 2. Section 7-13-2232, MCA, is amended to read:

“7-13-2232. Composition of board of directors. (1) If there are no municipalities within the
boundaries of said a district, the board of directors shall consist of five members or three members if there are

10 or fewer qualified electors in the district.

(2) In all cases where the boundaries of such a district include any municipality or municipalities, said-the board, in addition to the five or three directors to be elected as aforesaid allowed in subsection (1), shall may consist of one additional director for each of said municipalities within such the district. Each such additional director to may be appointed by the mayor of the municipality for which said-the additional director is allowed, and,

(3) if there be any unincorporated territory within said district If the district includes any unincorporated territory, one additional director to may be appointed by the board of county commissioners of each county containing such territory.

(4) A director appointed as allowed in subsections (2) and (3) serves at the pleasure of the appointing authority for the term of office allowed in 7-13-2234."

Section 3. Section 7-13-2234, MCA, is amended to read:

"7-13-2234. Term of office. (1) The term of office of a director begins on the first Monday of the month following the date of the director's election or appointment. A director, elected or appointed, shall hold office until the election and qualification or the appointment and qualification of the term of office of the director's successor begins.

(2) Except as provided in subsection (3), the term of office of a director must be 4 years.

(3) (a) In districts requiring the election of five directors, three of the initial directors shall serve for a term of 2 years and two of the initial directors shall serve for a term of 4 years.

(b) In districts requiring the election of three directors, one initial director shall serve for a term of 2 years and two initial directors shall serve for a term of 4 years.

(c) At the first meeting following an initial election or appointment of directors, the directors shall determine by lot who shall serve a 2-year term.

(4) Directors to be first appointed under the provisions of this part and part 23 must be appointed within 90 days after the formation of the district."
Section 4. Section 7-13-2262, MCA, is amended to read:

7-13-2262. Vacancies on board of directors -- appointment. (1) (a) Except as provided in subsections (2) and (3), any vacancy in the board of directors, whether the vacant office is elective or appointive, must be filled by majority vote of the remaining directors.

(b) A vacancy must be determined in accordance with 7-13-2263.

(2) If there are no directors remaining on the board and no nominees for any director position to be elected, the county commissioners may appoint the number of directors specified in 7-13-2232(1). If the district lies in more than one county, the county commissioners of each county with territory included in the district shall jointly appoint the directors. The county commissioners shall stagger the terms of the directors appointed.

(3) If the boundaries of the district include any municipality or municipalities or unincorporated territory and a new board must be appointed as provided in subsection (2), the board shall include one additional director to be appointed by the mayor of the municipality for which the additional director is allowed an additional director or directors to be appointed as allowed in 7-13-2232(2) and (3).

(4) Following the appointment of a board in accordance with subsection (2), the subsequent directors must be elected as provided in this part."

NEW SECTION. Section 5. Repealer. The following sections of the Montana Code Annotated are repealed:

7-13-2279. Performance bonds for administrative personnel.