



AN ACT GENERALLY REVISING LAWS RELATED TO RURAL IMPROVEMENT DISTRICTS; PROVIDING A PROCESS TO DISSOLVE A RURAL IMPROVEMENT DISTRICT; AND ALLOWING PROTESTS TO BE RECEIVED REGARDING THE DISSOLUTION OF A RURAL IMPROVEMENT DISTRICT.

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

Section 1. Dissolution of district. (1) A district created under this part may be dissolved if:

- (a) the dissolution of the district is considered to be in the best interest of the county and the inhabitants of the district;
- (b) the purpose for creating the district has been fulfilled; or
- (c) the work and improvements engaged in under the authority of the district have been completed or otherwise secured.

(2) At any time required for the public interest or convenience, the board of county commissioners may pass a resolution of intention to dissolve a district except as provided in subsection (3).

(3) If a district lacks sufficient funds to liquidate all existing charges against the district prior to the date of the dissolution, the district may not be dissolved.

(4) After the passage of the resolution provided for in subsection (2), the county clerk shall publish notice, pursuant to 7-1-2121, of the intention to dissolve the district. A copy of the notice must be mailed, pursuant to 7-1-2122, to each person, firm, or corporation or the agent of the person, firm, or corporation owning real property within the district listed in the owner's name on the last-completed assessment roll for state, county, and school district taxes.

(5) The notice required in subsection (4) must specify:

- (a) the boundaries of the district to be dissolved;
- (b) the date of the passage of the resolution of intention to dissolve as provided in subsection (2);

(c) the date set for the passage of the resolution of dissolution; and

(d) that the resolution to dissolve may be passed unless the county clerk receives written protest as provided in subsection (6) and [section 2] in advance from the owners of property in the district.

(6) (a) If a written protest against the dissolution of the district as provided in [section 2] is received, further proceedings may not be taken for a period of 6 months from the date when the protest was received by the county clerk if the board of county commissioners finds the protest is made by owners of property in the district assessed for more than 50% of the cost of the improvements or, if the costs of the improvements within the district have been met, 50% of the annual maintenance as determined by the method or methods of assessment in the resolution of intention to create the district.

(b) Property owned by a government entity must be considered the same as any other property in the district in determining whether or not sufficient protests have been filed as provided in subsection (6)(a).

(7) The decision of the board of county commissioners to pass a resolution to dissolve the district pursuant to this section is final and conclusive.

(8) Except as provided in subsection (9), any assets remaining after all debts and obligations of the district have been paid, discharged, or irrevocably settled must be:

(a) deposited in the general fund of the local government;

(b) in the case of multicounty districts, divided in accordance with their interlocal agreement and deposited in the general fund of each county; or

(c) transferred to a new improvement district that has been created to provide improvements to substantially the same area as provided by the dissolved improved district.

(9) If the remaining assets of the dissolved district are derived from private grants or gifts that restrict the use of those funds, the funds must be returned to the grantor or donor.

(10) (a) As used in this section, "owner" means the record owner of fee simple title to the property as of the date a protest is filed.

(b) The term does not include a tenant or other holder of a leasehold interest in the property.

Section 2. Right to protest dissolution of district. (1) (a) Except as provided in subsection (1)(b), any owner of property liable for the assessments within the district may make written protest against the

dissolution of the district at any time within 30 days of the date of first publication of the notice of passage of a resolution of intention to dissolve the district as provided in [section 1(4)]. The protest must be in writing, identify the property in the district owned by the protestor, and, except as provided in 7-12-2141, be signed by all owners of the property. The protest must be delivered to the county clerk who shall endorse on the protest document the date of its receipt by the county clerk.

(b) If the time period described in subsection (1)(a) includes a holiday as enumerated in 1-1-216, other than a Sunday, the period must be extended for an additional 2 days.

(2) (a) As used in this section, "owner" means the record owner of fee simple title to the property as of the date a protest is filed.

(b) The term does not include a tenant or other holder of a leasehold interest in the property.

Section 3. Codification instruction. [Sections 1 and 2] are intended to be codified as an integral part of Title 7, chapter 12, part 21, and the provisions of Title 7, chapter 12, part 21, apply to [sections 1 and 2].

- END -

I hereby certify that the within bill,
SB 221, originated in the Senate.

Secretary of the Senate

President of the Senate

Signed this _____ day
of _____, 2021.

Speaker of the House

Signed this _____ day
of _____, 2021.

SENATE BILL NO. 221

INTRODUCED BY T. GAUTHIER

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