

SENATE BILL NO. 260

INTRODUCED BY G. HERTZ, C. NEUMANN, A. GRIFFITH, L. JONES

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE ALTERATION OF SERVICE DISTRICT BOUNDARIES FOR CERTAIN PURPOSES; PROVIDING THAT THE PURPOSES INCLUDE AN INABILITY TO ACCESS PUBLIC SERVICES OR IMPROVEMENT OF PUBLIC SAFETY SERVICES; PROVIDING FOR PETITION, PUBLIC HEARING, AND ELECTION PROCEDURES FOR ALTERING SERVICE HOSPITAL DISTRICT BOUNDARIES; PROVIDING FOR THE SHARING OF TAX COLLECTIONS WHEN HOSPITAL DISTRICT BOUNDARIES ARE ALTERED; PROVIDING FOR RECONCILIATION PAYMENTS BETWEEN CERTAIN SCHOOL DISTRICTS WHEN ISOLATED PUPILS ARE INVOLVED; ESTABLISHING A PROCESS FOR A SCHOOL DISTRICT TO SEEK A RECONCILIATION PAYMENT BY PETITIONING THE COUNTY SUPERINTENDENT AND PAYING A PROCESSING FEE; PROVIDING THAT THE TAXABLE VALUE OF TERRITORY TRANSFERRED BETWEEN SCHOOL DISTRICTS IS SPLIT BETWEEN THE DISTRICTS FOR A PERIOD OF 3 YEARS; PROVIDING FOR PAYMENTS BETWEEN DISTRICTS FOLLOWING A TERRITORY TRANSFER IF A RECONCILIATION PAYMENT WAS MADE PREVIOUSLY; PROVIDING DEFINITIONS; AMENDING SECTION 20-6-105, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. **Section 1. Definitions.** For the purposes of [sections 1 through 8], the following definitions apply:

(1) "HOSPITAL DISTRICT" MEANS A DISTRICT CREATED PURSUANT TO TITLE 7, CHAPTER 34, PART 21.

~~(1)(2)~~ "Inability to access public services" means the inability of a real property owner to reach public services in the county in which the owner's property is located due to:

(a) a physical or geographical barrier;

(b) a lack of PUBLIC county or PUBLIC county-maintained roads; or

(c) a lack of legal access on existing PRIVATE roads that would require the owner to, REQUIRING

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2 **NEW SECTION. Section 2. Alteration of ~~service~~ district boundaries for purposes of public**  
3 **~~safety or inaccessibility.~~** (1) (a) A qualified petitioner may petition for the alteration of ~~service~~ HOSPITAL district  
4 OR SCHOOL DISTRICT boundaries ~~to improve public safety services or due to an inability to access public services~~  
5 as provided in [sections 1 through 8].

6 (b) A qualified petitioner may not petition to alter hospital district boundaries under the process  
7 provided in [sections 1 through 8] if any portion of the property identified in the petition for separation is subject  
8 to an active petition for withdrawal of land from a hospital district under 7-34-2156.

9 (2) A petition FOR A HOSPITAL DISTRICT under [sections 1 through 8] must provide for either the  
10 transfer of property from one hospital district to an existing ~~service~~ HOSPITAL district or for the ~~creation of a new~~  
11 division of the existing ~~service~~ HOSPITAL district as described in the petition, AND MUST FOLLOW THE PROCEDURES  
12 PROVIDED FOR IN 7-2-2801, 7-2-2802, AND [SECTIONS 1 THROUGH 8].

13 ~~(3) A petition under [sections 1 through 8] must follow the procedures provided for in 7-2-2801~~  
14 ~~and 7-2-2802 and [sections 1 through 8].~~

15 (3) A PETITION FOR A SCHOOL DISTRICT UNDER [SECTIONS 1 THROUGH 8] MUST PROVIDE FOR THE  
16 TRANSFER OF PROPERTY TO AN EXISTING SCHOOL DISTRICT AS DESCRIBED IN 20-6-105.

17  
18 **NEW SECTION. Section 3. Public hearing on alteration of ~~service~~ district boundaries.** (1) Within  
19 30 days after certification that a petition to change a ~~service~~ HOSPITAL district boundary is sufficient as provided  
20 in [section 2], the board of the ~~service~~ HOSPITAL district ~~in the adjoining county into which boundary changes are~~  
21 ~~proposed~~ shall provide, after providing public notice pursuant to 7-1-2121 in the ~~county seat of each adjoining~~  
22 county affected hospital district and in the city, town, resort community, or resort area district closest to the area  
23 impacted by the petition, and hold a public hearing in the area proposed to be transferred from one ~~service~~  
24 HOSPITAL district to another ~~for the purposes of.~~ The purpose of the public hearing is educating the public and  
25 soliciting public comment on the petition to change the ~~service~~ HOSPITAL district boundary.

26 ~~(2) If there is no existing service HOSPITAL district in the county into which the property is proposed~~  
27 ~~to be moved, the petition must also call for the creation of a new service HOSPITAL district in the county. The~~

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~~county or the closest city, town, resort community, resort area, or resort area district in the adjacent county shall, after providing public notice pursuant to 7-1-2121 in the county seat of each adjoining county, hold a public hearing within 30 days after certification of the petition in the area proposed to be transferred from one service HOSPITAL district to another for the purposes of educating the public and soliciting public comment on the petition to change the service HOSPITAL district boundary and to create a new service HOSPITAL district within that county.~~

~~(3)(2)~~ FOR A PETITION TO CHANGE A SCHOOL DISTRICT BOUNDARY, A HEARING MUST BE HELD AS REQUIRED IN 20-6-105.

NEW SECTION. Section 4. Order for election -- registered electors entitled to vote. (1) After the public hearing held under [section 3] FOR A HOSPITAL DISTRICT PETITION, the board of county commissioners in the county in which the ~~service HOSPITAL~~ district is located shall order and give notice of an election to be held at the next election most immediately following the public hearing.

(2) Only registered electors within the area proposed to be transferred to an existing hospital district or within the area proposed to be separated from the existing hospital district may vote in the election.

(3) (a) The notice must require that the ballot contain the legal description of the proposed boundary change, together with any descriptive name or names for the property that may be in common use.

(b) In the case of the ~~creation of a new service HOSPITAL district~~ division of an existing hospital district into two districts, the notice must require that the ballot contain the legal ~~description of the proposed new service HOSPITAL descriptions for each~~ district.

(4) The election must be conducted in conformance with Title 13, chapter 1, part 4.

NEW SECTION. Section 5. Effect of election -- resolution by board of county commissioners --  
WITHDRAWAL OF TAXABLE VALUE sharing of tax collections. (1) After the canvas of votes cast in an election held in accordance with [section 4], FOR A HOSPITAL DISTRICT PETITION, if more than 50% of the votes cast approve the proposed ~~service HOSPITAL~~ district boundary change ~~or more than 50% of the votes cast approve the creation of a new service HOSPITAL district~~, then the board of county commissioners shall, by resolution,

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1 declare the boundary to be changed ~~or TO~~ the new ~~service~~ HOSPITAL ~~district created districts~~ as of ~~January 1 of~~  
2 ~~the year July 1~~ immediately following the election. The resolution must contain the legal description of each of  
3 the hospital districts.

4 ~~(2) THE TAXABLE VALUE OF THE AREA WITHDRAWN FROM THE HOSPITAL DISTRICT MUST BE WITHDRAWN IN~~  
5 ~~EQUAL PARTS OVER A 3-YEAR PERIOD FROM THE EFFECTIVE DATE OF THE BOUNDARY CHANGE.~~

6 ~~(3) The resolution must include the legal description of the new service HOSPITAL district boundary.~~

7 (2) (a) If an existing hospital district is divided into two districts, the number of voted mills in the  
8 existing district must be levied in each district.

9 (b) The voted mills must be levied in the newly separated district each year for the first 8 fiscal  
10 years following the division in subsection (1). The newly separated district may, but is not obligated to, levy mills  
11 pursuant to 7-34-2133.

12 (3) The newly separated district shall make payments to the existing hospital district in each of the  
13 first 8 fiscal years after the effective date in subsection (1) based on a percentage of the newly separated  
14 hospital district's tax collections as follows:

15 (a) 70% of collections in the first year;

16 (b) 60% of collections in the second through fourth years;

17 (c) 40% of collections in the fifth and sixth years; and

18 (d) 20% of collections in the seventh and eighth years.

19  
20 **NEW SECTION. Section 6. Notification of boundary change.** (1) Upon implementation of a ~~service~~  
21 ~~HOSPITAL~~ HOSPITAL district ~~OR SCHOOL DISTRICT~~ boundary change under [sections 1 through 8], the county clerks and  
22 recorders in the adjoining affected county or counties ~~where the boundary was changed~~ shall notify the  
23 department of administration, the department of revenue, and the secretary of state of the boundary change.

24 (2) The department of revenue shall certify to ~~each adjoining the~~ county the total taxable value  
25 within each county ~~for the year following implementation of the service district boundary change and each~~  
26 district to account for the transfer of the property.