



AN ACT ALLOWING CERTAIN MUNICIPALITIES TO ANNEX ONTO A RURAL FIRE DISTRICT FOR FIRE PROTECTION SERVICES AND DISSOLVE AN EXISTING MUNICIPAL FIRE DEPARTMENT; ALLOWING A MUNICIPALITY THAT HAS ANNEXED ONTO A RURAL FIRE DISTRICT TO REMAIN PART OF THE DISTRICT UPON RECLASSIFICATION OF THE MUNICIPALITY; AMENDING SECTIONS 7-2-4734, 7-33-2101, 7-33-2102, 7-33-2104, 7-33-2120, 7-33-2125, 7-33-2128, AND 7-33-4101, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

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

Section 1. Municipal fire protection through rural fire district -- election -- transition -- governance.

(1) Upon an affirmative vote of the governing body of a city of the second class and the governing body of a rural fire district, the municipal governing body may, after providing public notice and holding a public hearing, submit to the electors of the municipality the question of annexing to the rural fire district for the provision of fire protection services and dissolving the municipal fire department if one exists. Subject to the provisions of this section, a municipality may annex to a rural fire district for the provision of fire protection services upon an affirmative vote of a simple majority of those voting on the question in the municipality.

(2) Within 14 days after the date on which the governing bodies vote to propose the annexation, notice of the proposal must be published as provided in 7-1-4127. A public hearing must be held before the municipal governing body.

(3) At the time the governing bodies vote to propose the annexation, the governing bodies shall also adopt a plan for dissolution of the municipal fire department if one exists and assumption of fire protection services by the rural fire district. The plan must include:

- (a) a timetable for annexation;
- (b) a map of the boundaries of the rural fire district after annexation occurs;
- (c) the estimated financial impact of the annexation on the average taxpayer in the proposed district; and
- (d) the process for disposition of paid municipal fire department staff and the transfer to the rural fire

district of municipal fire department equipment, facilities, finances, and any warrant or bonded indebtedness.

(4) The rural fire district must be governed under the provisions of Title 7, chapter 33, part 21. Residents of the municipality are eligible to serve on the rural fire district's board of trustees.

(5) If there is not an affirmative vote of a simple majority of those voting on annexation to the rural fire district and dissolution of an existing municipal fire department, the existing municipal fire department, subject to 7-33-4101, remains intact and is subject to the provisions of this part.

(6) If the population of a second-class city classified under the provisions of 7-1-4111 or 7-1-4112 increases to the level that would require the city to be classified as a first-class city and the city has been annexed to a rural fire district under the provisions of this section, the city may remain part of the rural fire district upon adoption of a resolution by the city governing body.

Section 2. Section 7-2-4734, MCA, is amended to read:

"7-2-4734. Standards to be met before annexation can occur. A municipal governing body may extend the municipal corporate limits to include any area that meets the following standards:

(1) The area must be contiguous to the municipality's boundaries at the time the annexation proceeding is begun.

(2) No part of the area may be included within the boundary of another incorporated municipality.

(3) The area must be included within and the proposed annexation must conform to a growth policy adopted pursuant to Title 76, chapter 1.

(4) (a) If fire protection services in the area to be annexed have been provided by a fire district organized under Title 7, chapter 33, part 21, the plan must:

(i) include provisions for coordinating the transfer of fire protection services to the municipality and compensating the district, if necessary, for equipment and district expenses; or

(ii) describe the municipality's plans to annex to the rural fire district pursuant to [section 1].

(b) Upon transfer of fire protection services to a municipality under subsection (4)(a)(i), the existing boundaries of a rural fire district may be altered or the fire district may be dissolved as provided in 7-33-2401."

Section 3. Section 7-33-2101, MCA, is amended to read:

"7-33-2101. Rural fire districts authorized -- petition. (1) The board of county commissioners is

authorized to establish fire districts in any unincorporated territory or, subject to [section 1] and subsection (2) of this section, incorporated second-class or third-class city or town upon presentation of a petition in writing signed by the owners of 40% or more of the real property in the proposed district and owners of property representing 40% or more of the taxable value of property in the proposed district.

(2) (a) ~~Third-class~~ Subject to [section 1], second-class or third-class cities and towns may be included in the district upon approval by the city or town governing body.

(b) ~~A~~ Subject to [section 1], a second-class or third-class city or town may withdraw from a district 2 years after providing to the board of county commissioners notice of intent to withdraw."

Section 4. Section 7-33-2102, MCA, is amended to read:

"7-33-2102. Notice of hearing. The board shall, within 10 days after the receipt of the petition, give notice of the hearing at least 10 days prior to the hearing:

(1) by mailing a copy of the notice as provided in 7-1-2122 or as provided in 7-1-4129 if the proposed district or a portion of the proposed district is in an incorporated second-class or third-class city or town to each registered voter and real property owner residing in the proposed district; and

(2) by publishing the notice as provided in 7-1-2121 or as provided in 7-1-4127 if the proposed district or portion of the proposed district is in an incorporated second-class or third-class city or town."

Section 5. Section 7-33-2104, MCA, is amended to read:

"7-33-2104. Operation of fire districts. When a board of county commissioners establishes a fire district in any unincorporated territory or incorporated second-class or third-class city or town, the commissioners:

(1) may contract with a city, town, private fire company, or other public entity to furnish all fire protection services for property within the district; or

(2) shall appoint five qualified trustees to govern and manage the fire district."

Section 6. Section 7-33-2120, MCA, is amended to read:

"7-33-2120. Consolidation of fire districts and fire service areas -- mill levy limitations. (1) Two or more rural fire districts or rural fire districts and fire service areas established pursuant to 7-33-2401 may consolidate to form a single rural fire district or fire service area upon an affirmative vote of each consolidating

rural fire district's or fire service area's governing board.

(2) (a) At the time they vote to consolidate, the governing boards shall also adopt a consolidation plan.

The plan must contain:

(i) a timetable for consolidation, including the effective date of consolidation, which must be after the time allowed for protests to the creation of the new rural fire district or fire service area under subsection (4);

(ii) the name of the new rural fire district or fire service area;

(iii) a boundary map of the new rural fire district or fire service area; and

(iv) the estimated financial impact of consolidation on the average taxpayer within the proposed district or area.

(b) The consolidation plan must state if the consolidation is to be made with or without the mutual assumption of the warrant or bonded indebtedness of each district or fire service area. Without agreement among the governing boards on the assumption of warrant or bonded indebtedness, the consolidation may not occur.

(3) (a) Within 14 days of the date that the governing boards vote to consolidate, notice of the consolidation must be:

(i) published as provided in 7-1-2121 or as provided in 7-1-4127 if a district involved in the consolidation or part of the district is in an incorporated second-class or third-class city or town in each county in which any part of a consolidated fire district will be located; and

(ii) mailed as provided in 7-1-2122 or as provided in 7-1-4129 if a district involved in the consolidation or part of the district is in an incorporated second-class or third-class city or town to each registered voter and real property owner residing in a proposed new district.

(b) A public hearing on the consolidation must be held within 14 days of the first publication and mailing of notice. The hearing must be held before the joint governing boards at a time and place set forth in the notice.

(4) Real property owners in each affected rural fire district or fire service area may submit written protests opposing consolidation to the governing board of their district or fire service area. If within 30 days of the first publication of notice the owners of 40% or more of the real property in an existing district or fire service area and owners of property representing 40% or more of the taxable value of property in an existing district or fire service area protest the consolidation, it is void.

(5) After consolidation, the former rural fire districts and fire service areas constitute a single rural fire district or fire service area governed under the provisions of 7-33-2104 through 7-33-2106 or under the provisions

of part 24 of this chapter.

(6) (a) Subject to the provisions of subsections (6)(b) and (6)(c), when the consolidation of two or more rural fire districts or rural fire districts and fire service areas pursuant to this section results in the creation of a rural fire district, it must be considered to be a new rural fire district for the purposes of determining mill levy limitations.

(b) The mill levy authority under 15-10-420 for each former rural fire district that is consolidated under this section must be aggregated to establish the base mill levy authority for the new district in the year following consolidation.

(c) If the electors of a former rural fire district have approved mill levy authority for the district in excess of the limit established in 15-10-420 pursuant to an election held under 15-10-425, the authority applies to the new district under the limitations established by the electors.

(7) For the purposes of this section, "governing board" means the board of trustees of a rural fire district or fire service area or a board of county commissioners that governs a fire service area as provided in 7-33-2403(1)(a)."

Section 7. Section 7-33-2125, MCA, is amended to read:

"7-33-2125. Annexation of adjacent territory not contained in a fire district. (1) ~~Adjacent~~ Subject to [section 1], adjacent territory within or outside of the limits of an incorporated second-class or third-class city or town that is not already a part of a fire district may be annexed in the following manner:

(a) A petition in writing by the owners of 40% or more of the real property within the proposed area to be annexed and owners of property representing 40% or more of the taxable value of property within the proposed area to be annexed must be presented to the board of trustees of the district for approval. If the proposed annexation is approved by the board of trustees, the petition must be presented to the board of county commissioners.

(b) At the first regular meeting of the board of county commissioners after the presentation of the petition, the commissioners shall set a date to hold a hearing on the petition. The date of the hearing may not be less than 4 weeks after the date of the presentation of the petition to the board of county commissioners. The board of county commissioners shall publish notice of the hearing as provided in 7-1-2121 or as provided in 7-1-4127 if any part of the area proposed to be annexed is within an incorporated second-class or third-class city or town.

(2) On the date set for the hearing, the board of county commissioners shall consider the petition and any objections to the annexation. The board shall approve the annexation unless a protest petition signed by at least 40% of the owners of real property in the area proposed for annexation and owners of property representing 40% or more of the taxable value of the property in the area proposed for annexation is presented at the hearing, in which case the annexation must be disapproved.

(3) The annexed territory is liable for any outstanding warrant and bonded indebtedness of the original district.

(4) (a) ~~Territory~~ Subject to [section 1], territory that is within the limits of an incorporated second-class or third-class city or town may be annexed only upon the approval of the city or town governing body.

(b) A second-class or third-class city or town may withdraw from the district territory that has been annexed under this section 2 years after providing to the board of county commissioners notice of intent to withdraw."

Section 8. Section 7-33-2128, MCA, is amended to read:

"7-33-2128. Dissolution of fire district. (1) Subject to subsection (2), a fire district organized under this part may be dissolved by the board of county commissioners upon presentation of a petition for dissolution signed by the owners of 40% or more of the real property in the area and owners of property representing 40% or more of the taxable value of property in the area. The procedure and requirements provided in 7-33-2101 through 7-33-2103 apply to requests for dissolution of fire districts.

(2) A board of county commissioners may not dissolve a fire district that includes territory within the limits of an incorporated second-class or third-class city or town unless the dissolution is approved by the governing body of the city or town."

Section 9. Section 7-33-4101, MCA, is amended to read:

"7-33-4101. Fire department authorized and required protection services. ~~In every (1) Every~~ city and town of this state there must be a fire department, which must be shall provide for fire protection in a manner that is organized, managed, and controlled as provided in this part ~~except that a third-class city or town may contract for fire protection services or consolidate its fire department with another fire protection provider created under this part chapter.~~

(2) (a) Except as provided in [section 1(6)], a first-class city or town shall provide fire protection services as provided in this part.

(b) A second-class city or town may provide fire protection services as provided in this part:

(i) through an interlocal agreement with another governmental fire protection provider under the provisions of Title 7, chapter 11, part 1;

(ii) through a contract with another fire protection provider; or

(iii) subject to [section 1], annexing to a rural fire district established under Title 7, chapter 33, part 21.

(c) A third-class city or town may provide fire protection through a contract for fire protection services, consolidation of its fire department with another fire protection provider, or inclusion in a rural fire district as provided in Title 7, chapter 33, part 21."

Section 10. Notification to tribal governments. The secretary of state shall send a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell Chippewa tribe.

Section 11. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 7, chapter 33, part 41, and the provisions of Title 7, chapter 33, part 41, apply to [section 1].

Section 12. Saving clause. [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].

Section 13. Effective date. [This act] is effective on passage and approval.

- END -

I hereby certify that the within bill,
SB 0020, originated in the Senate.

President of the Senate

Signed this _____ day
of _____, 2019.

Secretary of the Senate

Speaker of the House

Signed this _____ day
of _____, 2019.

SENATE BILL NO. 20

INTRODUCED BY R. WEBB

BY REQUEST OF THE LOCAL GOVERNMENT INTERIM COMMITTEE

AN ACT ALLOWING CERTAIN MUNICIPALITIES TO ANNEX ONTO A RURAL FIRE DISTRICT FOR FIRE PROTECTION SERVICES AND DISSOLVE AN EXISTING MUNICIPAL FIRE DEPARTMENT; ALLOWING A MUNICIPALITY THAT HAS ANNEXED ONTO A RURAL FIRE DISTRICT TO REMAIN PART OF THE DISTRICT UPON RECLASSIFICATION OF THE MUNICIPALITY; AMENDING SECTIONS 7-2-4734, 7-33-2101, 7-33-2102, 7-33-2104, 7-33-2120, 7-33-2125, 7-33-2128, AND 7-33-4101, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.