

Senate Bill 339

In The Senate

January 30, 1981	Introduced and referred to Committee on Taxation.
March 16, 1981	Fiscal note requested.
March 18, 1981	Fiscal note returned.
April 23, 1981	Died in Committee.

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Senate BILL NO. *339*
Therese Holman McBride
Johnson SPILLER

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING CREATION OF BUSINESS IMPROVEMENT DISTRICTS; PROVIDING PROCEDURES FOR CREATION; PROVIDING FOR ORGANIZATION, OPERATION, APPOINTMENT, TERMS, AND REMOVAL OF A BOARD OF TRUSTEES; ESTABLISHING POWERS OF THE BOARD OF TRUSTEES; PROVIDING FOR A BUDGET AND AN ANNUAL WORK PLAN; PROVIDING FOR A MANNER OF ASSESSING COSTS; PROVIDING FOR A TAX LEVY UPON THE DISTRICT; PROVIDING FOR THE DISTRICT'S DURATION; PROHIBITING DECREASE IN SERVICES; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Short title. [This act] may be cited as the "Business Improvement District Act".

Section 2. Purpose. (1) The purpose of [this act] is to provide for the creation of business improvement districts having the purposes and powers provided in [this act] that will serve a public use; will promote the health, safety, prosperity, security, and general welfare of the inhabitants thereof and of the people of this state; and will be of special benefit to the property within the boundaries of any district created pursuant to the provisions of [this act].

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(2) The legislature declares that because of a number of atypical factors and special conditions concerning business development unique to each locality, the rule of strict construction has no application to [this act] which shall be liberally construed to effect the purposes and objects for which it is intended.

Section 3. Definitions. As used in [this act], the following definitions apply:

(1) "Business" means all types of business, including professions.

(2) "Board" means the board of trustees created in [section 5].

(3) "Governing body" means the legislative body of a city or town or of a consolidated city-county government.

(4) "Chief executive officer" means the mayor in the case of a city or town or the chief executive of a consolidated city-county government.

(5) "District" means a business improvement district created under [this act].

Section 4. Establishment of a district. A governing body desiring to establish a district under [this act] must establish it in the same manner as a special improvement district is established in Title 7, chapter 12, part 41, except as otherwise provided in [this act].

Section 5. Appointment of board of trustees. (1) When

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1 the governing body of a city adopts an ordinance creating a
 2 business improvement district, the chief executive officer,
 3 with the approval of the governing body, shall appoint not
 4 less than five or more than seven owners of property within
 5 the district to comprise the board of trustees of the
 6 district.

7 (2) The number of members of such board, once
 8 established, may be changed within these limits from time to
 9 time as desired by subsequent resolutions of the legislative
 10 body of the city. A resolution to reduce may not require
 11 resignation of any member prior to completion of his
 12 appointed term.

13 Section 6. Term of office. (1) Three of the members
 14 who are first appointed shall be designated to serve for
 15 terms of 1, 2, and 3 years, respectively, from the date of
 16 their appointments, and two shall be designated to serve for
 17 terms of 4 years from the date of their appointment. For a
 18 seven-member commission, there shall be two additional
 19 appointments of 2 years and 3 years, respectively.

20 (2) Thereafter members shall be appointed for a term
 21 of office of 4 years, except that all vacancies occurring
 22 during a term shall be filled for the unexpired term. A
 23 member shall hold office until his successor has been
 24 appointed and has qualified.

25 Section 7. Removal of board member. A member of a

1 board of trustees may be removed by the chief executive
 2 officer with the consent of the governing body of the city.

3 Section 8. Organization of board of trustees -- no
 4 compensation. (1) The chief executive officer shall
 5 designate which of the members of the board shall be the
 6 first chairman, but when the office of chairman of the board
 7 becomes vacant thereafter, the board shall elect a chairman
 8 from among its members. The term of office as chairman of
 9 the board, unless otherwise prescribed by the governing body
 10 of the city, shall be for the calendar year or for that
 11 portion thereof remaining after each chairman is designated
 12 or elected.

13 (2) Members shall receive no compensation.

14 Section 9. Powers of board in administering district.
 15 The board in administering a district has all of the powers
 16 necessary to carry out the functions of the district
 17 contained in the ordinance creating it, including the power
 18 to:

19 (1) sue and be sued, enter into contracts, hire and
 20 terminate personnel needed for its purposes;

21 (2) provide special police, maintenance, or cleaning
 22 personnel for the protection and enjoyment of the property
 23 owners' businesses and the general public using the business
 24 district;

25 (3) landscape and beautify public areas and to

1 maintain those areas;

2 (4) contract with the governing body to maintain,
3 operate, or repair public parking facilities;

4 (5) contract with the governing body to maintain
5 streets, alleys, malls, bridges, ramps, tunnels,
6 landscaping, and other public facilities as mutually agreed
7 upon;

8 (6) promote private investment and business expansion
9 in the district;

10 (7) provide for the management and administration of
11 the affairs of the district;

12 (8) promote business activity by advertising,
13 decorating, marketing, and promoting and managing of events
14 and other actions designed for the general promotion of
15 business activities in the district; and

16 (9) perform such other functions as are necessary to
17 carry out the purposes of [this act] and to further the
18 objectives of the district.

19 Section 10. Governing body to approve annual budget
20 and work plan. (1) At a time determined by the governing
21 body, the board shall submit to the governing body for
22 approval a work plan and budget for the ensuing fiscal year.

23 (2) Following a public notice that a work plan and
24 budget are submitted and that the governing body will assess
25 a tax to defray the cost of the work plan and budget, the

1 governing body shall hold a public hearing on objections to
2 the work plan and budget. After the hearing, the governing
3 body may modify the work plan and budget as it considers
4 necessary and appropriate.

5 (3) After approval of the work plan and budget and to
6 defray the cost thereof for the next fiscal year, the
7 governing body shall by resolution levy and assess a tax
8 upon all of the property in the district using as a basis
9 one of the methods prescribed in [section 11].

10 (4) A copy of the resolution shall be delivered to the
11 treasurer of the city, town, or city-county government to be
12 placed on the tax roll and collected in the same manner as
13 other taxes.

14 Section 11. Manner of assessing costs. The governing
15 body shall adopt one of the following methods of assessing
16 costs for the purpose of defraying the costs of carrying out
17 the functions of the district:

18 (1) the governing body may assess the entire cost of
19 the district against the entire district, each parcel of
20 land within the district to be assessed for that part of the
21 whole cost which its area bears to the area of the entire
22 district, exclusive of streets, alleys, and public places;

23 (2) the governing body may assess the entire cost of
24 the district against the entire district, each lot or parcel
25 of land within the district to be assessed for that part of

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1 the whole cost which its assessed value bears to the
2 assessed value of the entire district, exclusive of streets,
3 alleys, and public places; or

4 (3) the governing body may use a combination of the
5 two methods of assessment of costs contained in subsections
6 (1) and (2).

7 Section 12. Period of duration. The business
8 improvement district's period of duration is perpetual or
9 until dissolved by the governing body.

10 Section 13. Governing body not to decrease public
11 services. The governing body may not decrease the level of
12 public services in the district existing prior to the
13 creation of the district or transfer the financial burden of
14 providing those services to the district unless the services
15 at the same time are decreased throughout the jurisdictional
16 area of the governing body, and the governing body may not
17 discriminate in the provision of publicly funded services
18 between areas included in such district and areas not so
19 included.

20 Section 14. Effective date. This act is effective July
21 1, 1981.

-End-

STATE OF MONTANA

REQUEST NO. 433-81

FISCAL NOTE

Form BD-15

In compliance with a written request received March 16, 19 81, there is hereby submitted a Fiscal Note for SENATE BILL 339 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION

An act authorizing creation of business improvement districts; providing procedures for creation; providing for organization, operation, appointment, terms, and removal of a board of trustees; establishing powers of the board of trustees; providing for a budget and an annual work plan; providing for a manner of assessing costs; providing for a tax levy upon the district; providing for the district's duration; prohibiting decrease in services; and providing an effective date.

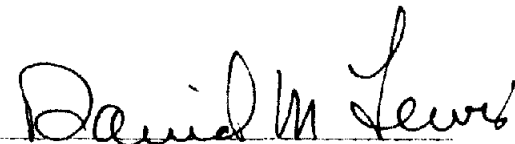
FISCAL IMPACT

The proposal will have no impact on the revenue to the State. The only fiscal impact would be on the taxpayers located within a business improvement district.

LOCAL IMPACT

The local impact can not be determined because the number of districts, their size and their scope of activity cannot be determined.

PREPARED BY THE DEPARTMENT OF REVENUE



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 3-18-81