

HOUSE BILL NO. 118

1/07 Introduced  
1/07 Referred to Local Government  
1/24 Hearing  
Died in Committee

1 HOUSE BILL NO. 118  
2 INTRODUCED BY Hanna

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE  
5 PRESERVATION OF PRIVATE FIRE SERVICES UPON ANNEXATION OF AN  
6 AREA RECEIVING SUCH PRIVATE FIRE SERVICES; PROVIDING FOR THE  
7 ESTABLISHMENT OF MUNICIPAL FIRE SERVICES FOR AN ANNEXED AREA  
8 UNDER CERTAIN CIRCUMSTANCES; PROVIDING FOR A MUNICIPAL  
9 PROPERTY TAX CREDIT FOR PROPERTY IN AN ANNEXED AREA  
10 RECEIVING PRIVATE FIRE SERVICES; PROVIDING THAT PROPERTY  
11 TAXPAYERS IN THE AREA ARE NOT REQUIRED TO PAY CERTAIN OTHER  
12 PROPERTY TAXES DIRECTLY RELATED TO MUNICIPAL FIRE  
13 PROTECTION; AND AMENDING SECTIONS 7-2-4205, 7-2-4305,  
14 7-2-4506, AND 7-2-4610, MCA."  
15

16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
17 NEW SECTION. Section 1. Annexation -- preservation of  
18 existing private fire service -- mutual aid agreement. (1)  
19 Except as provided in subsection (2), a municipality that  
20 annexes an area receiving private fire protection service  
21 may not provide competitive fire services for the annexed  
22 area. Municipal fire services may not be provided to any  
23 private property in an annexed area receiving private fire  
24 services. Property owners in the annexed area may choose to  
25 receive either the private fire service or no fire service.

1 (2) A municipality may provide fire services in an  
2 annexed area that was receiving private fire services at the  
3 time of annexation if:

4 (a) at any time municipal fire protection services are  
5 requested by a petition signed by more than 50% of the  
6 qualified electors of the annexed area;

7 (b) in the opinion of the board of county  
8 commissioners, the private fire service is unable to provide  
9 adequate service or unreasonably refuses to provide service;  
10 or

11 (c) the continued provision of private fire services  
12 is rejected by a majority vote of the residents of the  
13 annexed area during a general election. The question of  
14 retaining the private fire service must be placed on the  
15 ballot for a vote by the electors of the annexed area during  
16 the general election held 5 years after the year of  
17 annexation and each 5 years thereafter as long as private  
18 fire services are provided to the annexed area.

19 (3) (a) Each owner of property that is located within  
20 an area that was annexed while receiving private fire  
21 services and which continues to be served by a private fire  
22 service is entitled to a credit against municipal property  
23 tax liability for property within the area, whether or not  
24 private fire services are provided for the property. The  
25 amount of the tax credit is the percentage established in



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1 subsection (3)(b) multiplied by the municipal all-purpose  
2 property tax payable on property within the annexed area.

3 (b) The percentage used to compute the tax credit  
4 authorized by subsection (3)(a) is the percentage that the  
5 discretionary funds of the municipal fire service budget  
6 constitute of the total discretionary municipal budget for  
7 the prior fiscal year. For purposes of determining the  
8 discretionary budget, only revenues and expenditures from  
9 the following sources are to be considered:

10 (i) general purpose property taxes and general purpose  
11 in-lieu payments for property taxes;

12 (ii) federal revenue sharing;

13 (iii) state general services block grant funds under  
14 7-6-307; and

15 (iv) state general purpose block grant funds  
16 established by 7-6-305, including state aid to local  
17 governments as provided in 61-3-536 and all other general  
18 purpose funds distributed under 61-3-509.

19 (4) Owners of property located within an area annexed  
20 with the provision of private fire services are not liable  
21 for taxes or assessments on property within the area for:

22 (a) payment of general obligation bonds issued for  
23 municipal fire service capital expenditures;

24 (b) firefighters' group insurance under 7-33-4130;

25 (c) firefighters' disability and pension fund levy

1 under 19-11-503 and 19-11-504; and

2 (d) special levy contributions to the firefighters'  
3 unified retirement system under 19-13-606.

4 (5) A mutual aid agreement entered into by a  
5 municipality and a private fire service relating to an area  
6 in the municipality that receives private fire services  
7 under the provisions of this section does not constitute  
8 competitive fire services provided by the municipality.

9 Section 2. Section 7-2-4205, MCA, is amended to read:  
10 "7-2-4205. Provision of services. In all cases of  
11 annexation under current Montana law, services will be  
12 provided according to a plan provided by the municipality as  
13 specified in 7-2-4732, except:

14 (1) as provided in 7-2-4736 and [section 1]; and

15 (2) in first-class cities, where otherwise mutually  
16 agreed upon by the municipality and the freeholders of the  
17 area to be annexed."

18 Section 3. Section 7-2-4305, MCA, is amended to read:  
19 "7-2-4305. Provision of services. In all cases of  
20 annexation under current Montana law, services will be  
21 provided according to a plan provided by the municipality as  
22 specified in 7-2-4732, except:

23 (1) as provided in 7-2-4736 and [section 1]; and

24 (2) in first-class cities, where otherwise mutually  
25 agreed upon by the municipality and the freeholders of the

1 area to be annexed."

2 Section 4. Section 7-2-4506, MCA, is amended to read:

3 "7-2-4506. Provision of services. In all cases of  
4 annexation under current Montana law, services will be  
5 provided according to a plan provided by the municipality as  
6 specified in 7-2-4732, except:

7 (1) as provided in 7-2-4736 and [section 1]; and

8 (2) in first-class cities, where otherwise mutually  
9 agreed upon by the municipality and the freeholders of the  
10 area to be annexed."

11 Section 5. Section 7-2-4610, MCA, is amended to read:

12 "7-2-4610. Provision of services. In all cases of  
13 annexation under current Montana law, services will be  
14 provided according to a plan provided by the municipality as  
15 specified in 7-2-4732, except:

16 (1) as provided in 7-2-4736 and [section 1]; and

17 (2) in first-class cities, where otherwise mutually  
18 agreed upon by the municipality and the freeholders of the  
19 area to be annexed."

20 NEW SECTION. Section 6. Codification instruction.

21 Section 1 is intended to be codified as an integral part of  
22 Title 7, chapter 2, part 47, and the provisions of section 1  
23 apply to Title 7, chapter 2, part 47.

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