

HOUSE BILL 268

Introduced by Harper, et al.

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| 1/19 | Introduced |
| 1/20 | Referred to Taxation |
| 1/20 | First Reading |
| 1/26 | Hearing |
| 2/10 | Committee Report--Bill Passed as Amended |
| 2/13 | 2nd Reading Do Pass as Amended Motion Failed |

1 House BILL NO. 268
2 INTRODUCED BY Raymond Rice
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING CITIES AND
5 TOWNS TO ESTABLISH, MANAGE, AND COLLECT FEES FOR FIRE
6 SERVICE AREAS."
7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
9 NEW SECTION. Section 1. Fire service area --
10 establishment -- alteration -- dissolution. (1) The
11 governing body of a city or town may establish a fire
12 service area to provide the services and equipment set forth
13 in [section 2] within its incorporated boundaries and beyond
14 the boundaries in areas not part of a rural fire district or
15 fire service area of a county.
16 (2) To establish a fire service area, the governing
17 body shall:
18 (a) pass a resolution of intent to form the area after
19 publishing and mailing notices as provided in 7-1-2121 and
20 7-1-2122;
21 (b) hold a public hearing no earlier than 30 days or
22 later than 90 days after passing the resolution of intent;
23 (c) at the public hearing:
24 (i) accept written protests from property owners of the
25 proposed area; and

1 (ii) receive general protests and comments relating to
2 the establishment of the area and its boundaries, rates,
3 service levels, or any other matter relating to the proposed
4 area; and
5 (d) pass a resolution creating the area. The area is
6 established effective 60 days after passage of the
7 resolution unless by that date the property owners
8 responsible for more than 50% of the total assessment of the
9 proposed area protest its establishment.
10 (3) Based on testimony received at the public hearing,
11 the governing body may, in the resolution establishing the
12 fire service area, establish different boundaries, establish
13 a different fee schedule than proposed, or change the manner
14 in which the area will provide services to its residents.
15 (4) The governing body may alter the boundaries of a
16 fire service area or dissolve an area, using the same
17 procedures required to establish an area. The existing
18 indebtedness of a fire service area that is dissolved
19 remains the responsibility of the owners of property within
20 the area. The assets remaining after all indebtedness has
21 been satisfied must be returned to the owners of property
22 within the area.
23 NEW SECTION. Section 2. Area services. A fire service
24 area established pursuant to [section 1] may provide
25 residents of the area with personnel, fire equipment,

housing for the equipment, and related maintenance for use by a fire service agency providing service to the area.

NEW SECTION. **Section 3.** Government and management of fire service area. Whenever the governing body has established a fire service area, it may govern and manage the affairs of the area.

NEW SECTION. **Section 4.** Financing of fire service area -- assessment rates on structures. (1) In the resolution creating the fire service area and by resolution as necessary after the creation of the area, the governing body shall establish a schedule of rates to be charged owners of structures that benefit from the fire services offered by the fire service area.

(2) The rates must be applied on a fair and equal basis to all classes of structures that benefit from the fire service area.

(3) The governing body shall collect the funds necessary to operate the fire service area by charging the area rate as a special assessment on the owners of structures. The assessments are a lien on the property assessed.

(4) The governing body may pledge the income of the fire service area to secure financing necessary to procure fire equipment and buildings to house fire equipment. The outstanding amount of indebtedness may not exceed 7% of the

taxable valuation of the area.

NEW SECTION. **Section 5.** Codification instruction. [Sections 1 through 4] are intended to be codified as an integral part of Title 7, chapter 33, and the provisions of Title 7, chapter 33, apply to [sections 1 through 4].

-End-

APPROVED BY COMMITTEE
ON TAXATION

HOUSE BILL NO. 268

INTRODUCED BY HARPER, J. RICE

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING CITIES AND
TOWNS, AND CONSOLIDATED CITY-COUNTY GOVERNMENTS TO
ESTABLISH, MANAGE, AND COLLECT FEES FOR FIRE SERVICE AREAS;
AND PROVIDING FOR PROPERTY TAX LIMITATION."

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

NEW SECTION. Section 1. Fire service area --
establishment -- alteration -- dissolution. (1) (A) The
governing body of a city or town may establish a fire
service area to provide the services and equipment set forth
in [section 2] within its incorporated boundaries and beyond
the boundaries in areas not part of a rural fire district or
fire service area of a county.

(B) THE GOVERNING BODY OF A CONSOLIDATED CITY-COUNTY
MAY ESTABLISH A FIRE SERVICE AREA TO PROVIDE THE SERVICES
AND EQUIPMENT SET FORTH IN [SECTION 2] IN AREAS OF THE
CITY-COUNTY THAT ARE NOT PART OF A FIRE PROTECTION SERVICE
DISTRICT, RURAL FIRE DISTRICT, OR FIRE SERVICE AREA.

(2) To establish a fire service area, the governing
body shall:

(a) pass a resolution of intent to form the area after
publishing and mailing notices as provided in 7-1-2121 and

7-1-2122;

(b) hold a public hearing no earlier than 30 days or
later than 90 days after passing the resolution of intent;

(c) at the public hearing:

(i) accept written protests from property owners of the
proposed area; and

(ii) receive general protests and comments relating to
the establishment of the area and its boundaries, rates,
service levels, or any other matter relating to the proposed
area; and

(d) pass a resolution creating the area. The area is
established effective 60 days after passage of the
resolution unless by that date the property owners
responsible for more than 50% of the total assessment of the
proposed area protest its establishment.

(3) Based on testimony received at the public hearing,
the governing body may, in the resolution establishing the
fire service area, establish different boundaries, establish
a different fee schedule than proposed, or change the manner
in which the area will provide services to its residents.

(4) The governing body may alter the boundaries of a
fire service area or dissolve an area, using the same
procedures required to establish an area. The existing
indebtedness of a fire service area that is dissolved
remains the responsibility of the owners of property within

the area. The assets remaining after all indebtedness has been satisfied must be returned to the owners of property within the area.

NEW SECTION. Section 2. Area services. A fire service area established pursuant to [section 1] may provide residents of the area with personnel, fire equipment, housing for the equipment, and related maintenance for use by a fire service agency providing service to the area.

NEW SECTION. Section 3. Government and management of fire service area. Whenever the governing body has established a fire service area, it may govern and manage the affairs of the area.

NEW SECTION. Section 4. Financing of fire service area -- assessment rates on structures. (1) In the resolution creating the fire service area and by resolution as necessary after the creation of the area, the governing body shall establish a schedule of rates to be charged owners of structures that benefit from the fire services offered by the fire service area.

(2) The rates must be applied on a fair and equal basis to all classes of structures that benefit from the fire service area.

(3) The governing body shall collect the funds necessary to operate the fire service area by charging the area rate as a special assessment on the owners of

structures. The assessments are a lien on the property assessed.

(4) The governing body may pledge the income of the fire service area to secure financing necessary to procure fire equipment and buildings to house fire equipment. The outstanding amount of indebtedness may not exceed 7% of the taxable valuation of the area.

NEW SECTION. SECTION 5. PROPERTY TAX LIMITATION. IN A CITY OR TOWN THAT FUNDS FIRE SERVICES THROUGH A FIRE SERVICE AREA, THE AMOUNT OF PROPERTY TAXES ALLOWED TO BE LEVIED UNDER THE PROVISIONS OF TITLE 15, CHAPTER 10, PART 4, MUST BE REDUCED BY THE NUMBER OF MILLS LEVIED FOR FIRE SERVICES IN THE YEAR PRIOR TO THE ESTABLISHMENT OF THE FIRE SERVICE AREA. IF FIRE SERVICES ARE FINANCED FROM THE GENERAL FUND OR BY A COMBINATION OF GENERAL FUND AND MILL LEVIES, THE REDUCTION IN THE NUMBER OF MILLS IS THE NUMBER OF MILLS THAT WOULD HAVE BEEN NECESSARY TO GENERATE THE FIRE SERVICE FUNDING IN THE PREVIOUS YEAR.

NEW SECTION. Section 6. Codification instruction. [Sections 1 through 4 5] are intended to be codified as an integral part of Title 7, chapter 33, and the provisions of Title 7, chapter 33, apply to [sections 1 through 4 5].

-End-