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**RESOLUTION 2020-11**

## LOCAL GOVERNMENT SPECIAL DISTRICT REVENUE

It is the intent of the Montana Association of Counties to amend laws pertaining to financing for special districts to allow dedicated federal revenues to be directed towards special districts by a governing body.

**WHEREAS**, Montana Law, MCA 7-11-1024, provides for the financing of special districts in Montana and does not contain a provision where Counties can directly dedicate federal funds for the costs and expenses of the special district; and

**WHEREAS**, Counties are the direct recipients of certain federal funds to be used for specific governmental purposes; and

**WHEREAS**, Special Districts in Montana are often created to provide like services for the benefit of the people and property in the special district; and

**WHEREAS**, adding a provision allowing the governing board to direct federal funds to a special district may benefit the county, and the entire State of Montana, by not having the federal payment be considered a prior year payment and applicable offset for Payment in Lieu of Taxes.

**NOW, THEREFORE BE IT RESOLVED** that the Montana Association of Counties will seek to establish legislation to amend the law to expressly authorize local governments in Montana to direct eligible federal revenues to special districts.

<b>SPONSOR:</b>	PRAIRIE COUNTY
<b>RECOMMENDATION:</b>	DO PASS
<b>REFERRED TO:</b>	MACO PUBLIC LANDS COMMITTEE
<b>ADOPTED:</b>	ANNUAL CONFERENCE – OCTOBER 1, 2020

## ADDITIONAL INFORMATION

### TITLE 7. LOCAL GOVERNMENT

#### CHAPTER 11. GENERAL PROVISIONS RELATED TO SERVICES

##### Part 10. Special Districts -- Creation and Governance

##### Financing For Special District

**7-11-1024. Financing for special district.** (1) The governing body shall make assessments or impose fees for the costs and expenses of the special district based upon a budget proposed by the governing body or separate board administering the district pursuant to 7-11-1021.

(2) For the purposes of this section, "assessable area" means the portion of a lot or parcel of land that is benefited by the special district. The assessable area may be less than but may not exceed the actual area of the lot or parcel.

(3) The governing body shall assess the percentage of the cost of the program or improvements:

(a) against the entire district as follows:

(i) each lot or parcel of land within the special district may be assessed for that part of the cost that its assessable area bears to the assessable area of the entire special district, exclusive of roads, streets, avenues, alleys, and public places;

(ii) if the governing body determines that the benefits derived from the program or improvements by each lot or parcel are substantially equivalent, the cost may be assessed equally to each lot or parcel located within the special district without regard to the assessable area of the lot or parcel;

(iii) each lot or parcel of land, including the improvements on the lot or parcel, may be assessed for that part of the cost of the special district that its taxable valuation bears to the total taxable valuation of the property of the district;

(iv) each lot or parcel of land may be assessed based on the lineal front footage of any part of the lot or parcel that is in the district and abuts the area to be improved or maintained;

(v) each lot or parcel of land within the district may be assessed for that part of the cost that the reasonably estimated vehicle trips generated for a lot or parcel of its size in its zoning classification bear to the reasonably estimated vehicle trips generated for all lots in the district based on their size and zoning classification;

(vi) each lot or parcel of land within the district may be assessed based on each family residential unit or one or more business units; or

(vii) any combination of the assessment options provided in subsections (3)(a)(i) through (3)(a)(vi) may be used for the special district as a whole; or

(b) based upon the character, kind, and quality of service for a residential or commercial unit, taking into consideration:

(i) the nature of the property or entity assessed;

(ii) a calculated basis for the program or service, including volume or weight;

(iii) the cost, incentives, or penalties applicable to the program or service practices; or

(iv) any combination of these factors.

(4) If property created as a condominium is subject to assessment, each unit within the condominium is considered a separate parcel of real property subject to separate assessment and the lien of the assessment. Each unit must be assessed for the unit's percentage of undivided interest in the common elements of the condominium. The percentage of the undivided ownership interest must be as set forth in the condominium declaration.

(5) A governing body may, by resolution, instruct the State of Montana or any applicable Federal agency to designate a special district as the recipient of federal funds to be used for the costs and expenses of the special district.