



AN ACT REVISING RURAL IMPROVEMENT DISTRICT LAWS; ALLOWING FOR A DISTRICT TO BE CREATED FOR THE MAINTENANCE OF EXISTING PUBLIC IMPROVEMENTS; ALLOWING FOR A PETITION TO CREATE A DISTRICT FOR THE PURPOSE OF MAINTAINING EXISTING IMPROVEMENTS; REMOVING THE REQUIREMENT FOR A PETITION WHEN ALL OWNERS OF PROPERTY WITHIN THE AREA OF A PROPOSED RURAL IMPROVEMENT DISTRICT HAVE WAIVED THEIR RIGHT TO PROTEST THE CREATION OF THE DISTRICT; AND AMENDING SECTIONS 7-12-2102, 7-12-2103, 7-12-2105, AND 7-12-2113, MCA."

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

**Section 1.** Section 7-12-2102, MCA, is amended to read:

**"7-12-2102. Authorization to create rural improvement districts -- property owners may petition for creation.** (1) Whenever the public interest or convenience may require, the board of county commissioners may order and create special improvement districts outside of the limits of incorporated towns and cities for the purpose of maintaining existing public improvements or building, constructing, or acquiring by purchase one or more of the improvements of the kind described in 7-12-4102, in or for the benefit of the special improvement district.

(2) (a) Except as provided in subsection (2)(b), the board of county commissioners may order and create a special improvement district ~~upon~~on the receipt of a petition to create a special improvement district that contains the consent of all of the owners of property to be included in the district.

(b) The board of county commissioners may order and create a special improvement district solely for the purpose of road maintenance;

(i)        ~~upon~~on the receipt of a petition to create the district that contains the consent of the owners of more than 85% of the area of the property proposed in the petition to be included in the district; ~~or~~;

(ii) if all of the roads to be maintained are public improvements, on the receipt of a petition of more than 50% of the area of the property proposed in the petition to be included in the district.

(c) The property proposed to be included in the district allowed in subsection (2)(b) must be located in a residential subdivision, except that the owner of property located outside of a residential subdivision may consent to the inclusion of the property in the proposed district.

(d) If all of the owners of property in the area proposed in the petition to be included in the district have waived their right to protest the creation of a rural improvement district, no petition is necessary, and the board of county commissioners may order and create the district.

(3) The board of county commissioners may order and create special improvement districts covering projects abutting the city limits and include properties inside the city where the rural improvement district abuts and benefits that property. Properties within the proposed district boundaries inside the city may not be included in the rural special improvement district if, under the assessment methodology provided in the resolution of intention, the owners of lots, tracts, or parcels in the city representing not less than 40% of the total projected assessments against properties in the city protest the creation of the rural special improvement district. The property inside the city must be treated in a similar manner as to improvements, notices, and assessments as the property outside the city limits. A joint resolution of the city and county must be passed agreeing to the terms of the rural special improvement district prior to passing the resolution of intention or resolution creating the rural special improvement district. A copy of the resolution of intention and the resolution creating the rural special improvement district must be provided to the city clerk ~~upon~~on the passage of the respective resolutions."

**Section 2.** Section 7-12-2103, MCA, is amended to read:

**"7-12-2103. Resolution of intention to create rural improvement district.** (1) Before creating a special improvement district for the purpose of making any of the improvements, maintaining existing public improvements, or acquiring any private property for any purpose authorized by this part, the board of county commissioners shall pass a resolution of intention.

(2) The resolution must:

(a) designate the number of the district;

- (b) describe the boundaries of the district;
- (c) state in the resolution the general character of the improvements that are to be made;
- (d) designate the name of the engineer who is to have charge of the work and an approximate estimate of the cost of the work;
- (e) specify the method or methods by which the costs of the improvements will be assessed against property in the district; and
- (f) if the method of assessment is that described in 7-12-2151(1)(d), specify that if an increase occurs in the number of benefited lots, tracts, or parcels within the boundaries of the district during the term of the bonded indebtedness, the assessment per lot, tract, or parcel then in the district will be recalculated as provided in 7-12-2151(4).

(3) The board of county commissioners may include, in one proceeding under one resolution of intention and in one contract, any of the different kinds of improvements or work provided for in this part and may include any number of streets and rights-of-way or portions of streets and rights-of-way, and it may exempt any of the work already done ~~upon~~on a street to the official grade."

**Section 3.** Section 7-12-2105, MCA, is amended to read:

**"7-12-2105. Notice of resolution of intention to create district -- hearing -- exception.** (1) ~~Upon~~  
On passage of a resolution of intention pursuant to 7-12-2103, the board of county commissioners shall publish notice of the passage as provided in 7-1-2121.

(2) A copy of the notice must be mailed, as provided in 7-1-2122, to each person, firm, or corporation or the agent of the person, firm, or corporation owning real property within the proposed district listed in the owner's name ~~upon~~on the last-completed assessment roll for state, county, and school district taxes.

(3) (a) The notice must describe the general character of the improvements proposed to be made or acquired by purchase, identify the public improvements that will be improved or maintained, state the estimated cost of the improvements, describe generally the method or methods by which the costs of the improvements will be assessed, and designate the time when and the place where the board will hear and pass ~~upon~~on all protests that may be made against the making or maintenance of the improvements or the creation

of the district. If the method of assessment described in 7-12-2151(1)(d) is used, the notice must state that if an increase occurs in the number of benefited lots, tracts, or parcels within the boundaries of the district during the term of the bonded indebtedness, the assessment per lot, tract, or parcel then in the district will be recalculated as provided in 7-12-2151(4).

(b) If the revolving fund is to be pledged to secure the payment of bonds and warrants, the notice must include a statement that, subject to the limitations in 7-12-2182:

- (i) the county general fund may be used to provide loans to the revolving fund; or
- (ii) a general tax levy may be imposed on all taxable property in the county to meet the financial requirements of the revolving fund.

(c) The notice must refer to the resolution on file in the office of the county clerk for the description of the boundaries. If the proposal is for the purchase of an existing improvement, the notice must state the exact purchase price of the existing improvement.

(4) The provisions of this section do not apply to a resolution of intention to create a district that is passed ~~upon~~ on receipt of a petition as provided in 7-12-2102(2)(a)."

**Section 4.** Section 7-12-2113, MCA, is amended to read:

**"7-12-2113. Resolution creating district -- power to order improvements.** (1) Before ordering any of the proposed improvements or maintenance, the board of county commissioners shall pass a resolution creating the special improvement district in accordance with the resolution of intention that is introduced and passed by the board.

(2) The board has jurisdiction to order improvements or maintenance immediately ~~upon~~ on the occurrence of the following conditions:

- (a) when sufficient protests have not been delivered to the county clerk within 30 days after the date of the first publication of the notice of the passing of the resolution of intention;
- (b) when a protest has been found by the board to be insufficient or has been overruled;
- (c) when a protest against extending the proposed district has been heard and denied; or
- (d) when a resolution creating the district is passed ~~upon~~ on receipt of a petition as provided in 7-12-2102(2)(a)."

- END -

I hereby certify that the within bill,  
HB 159, originated in the House.

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Chief Clerk of the House

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Speaker of the House

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2025.

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President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2025.

HOUSE BILL NO. 159

INTRODUCED BY A. GRIFFITH

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