



AN ACT REVISING PUBLIC TRANSIT LAWS; PROVIDING THAT A COUNTY ~~COMMISSIONER~~  
~~COMMISSION~~ MAY ~~FILE A PETITION~~ INITIATE THE PROCESS TO CREATE OR EXPAND AN URBAN  
TRANSPORTATION DISTRICT BY RESOLUTION; REQUIRING URBAN TRANSPORTATION DISTRICTS TO  
SHOW AREAS ADDED TO THE DISTRICT; ALLOWING AN AREA THAT HAS NOT RECEIVED DIRECT  
TRANSPORTATION SERVICE FOR 5 YEARS TO BE REMOVED WITHOUT BEING SUBJECT TO EXISTING  
INDEBTEDNESS; PROVIDING THAT A MUNICIPAL BUS SERVICE MAY EXCEED 8 MILES FROM THE  
LOCAL BOUNDARY UNDER CERTAIN CIRCUMSTANCES; PROVIDING A DEFINITION; AND AMENDING  
SECTIONS 7-14-202, 7-14-203, 7-14-205, 7-14-206, 7-14-207, 7-14-208, 7-14-209, 7-14-210, 7-14-241, 7-14-  
4401, 7-14-4402, 7-14-4403, 7-14-4404, AND 7-14-4405, MCA."

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

**Section 1.** Section 7-14-202, MCA, is amended to read:

**"7-14-202. Definitions.** As used in this part, the following definitions apply:

- (1) "Board" means the board of transportation of any district created under this part.
- (2) "Commissioners" means the board of county commissioners or other governing body of a county.
- (3) "Direct transportation service" means the operation of a vehicle that provides general or special service to the public on a regular and continuing basis within 1 1/2 miles of the property.
- ~~(3)~~(4) "District" means any transportation district created under this part."

**Section 2.** Section 7-14-203, MCA, is amended to read:

**"7-14-203. ~~Petition~~ INITIATING PROCESS to create or enlarge an urban transportation district.**

Proceedings for creating or enlarging a transportation district may be initiated:

(1) by a resolution passed by the county commission. The resolution must include a map showing the limits of the proposed district or the area to be added to an existing district and call for a public hearing on the creation of the district or the enlargement of the district.

(2) by a an elector's petition signed by not less than 20% of the registered electors who reside within the proposed district or the area to be added to an existing district."

**Section 3.** Section 7-14-205, MCA, is amended to read:

**"7-14-205. Petition to be filed with election administrator -- certificate.** (1) The complete petition must be filed with the election administrator.

(2) The election administrator shall, within 30 days, carefully examine the petition and attach to it a certificate under the administrator's official signature and seal of office. The certificate must set forth:

(a) the total number of individuals who are registered electors within the proposed transportation district; and

(b) which and how many of the individuals whose names are on ~~the petition~~ an elector's petition are qualified to sign the petition."

**Section 4.** Section 7-14-206, MCA, is amended to read:

**"7-14-206. Effect of insufficient number of signatures.** If ~~the an elector's~~ an elector's petition is found to contain less than 20% of the signatures of the registered electors of the transportation district, the petition shall ~~must~~ be declared void."

**Section 5.** Section 7-14-207, MCA, is amended to read:

**"7-14-207. Presentation of petition to board of county commissioners -- hearing required.** (1) If ~~the an elector's~~ an elector's petition contains the signatures of 20% of the qualified electors of the proposed transportation district or the area proposed to be added to an existing district, the county clerk shall present the petition and the county clerk's certificate to the commissioners at their first meeting held after the county clerk has attached the certificate to the petition.

(2) ~~Upon~~ On receipt of the petition from the county clerk, the commissioners shall examine the

petition and shall by resolution call for a public hearing on the creation of the district or the enlargement of the district."

**Section 6.** Section 7-14-208, MCA, is amended to read:

**"7-14-208. Notice of hearing.** (1) A notice of the public hearing required by 7-14-203(1) or 7-14-207 must be published as provided in 7-1-2121.

(2) The notice must state the time, date, place, and purpose of the hearing and describe the boundaries of the proposed district or addition."

**Section 7.** Section 7-14-209, MCA, is amended to read:

**"7-14-209. Hearing on petition.** (1) At the time fixed for the public hearing required by 7-14-203(1) or 7-14-207, the commissioners shall hear all testimony offered in support of and in opposition to any petition for the creation of the district or addition to a district.

(2) The hearing may be adjourned from time to time for the determination of additional information or hearing petitioners or objectors, but adjournment may not exceed 2 weeks after the date originally noticed and published for the hearing."

**Section 8.** Section 7-14-210, MCA, is amended to read:

**"7-14-210. Election on question of creating urban transportation district or addition to district.**

(1) The commissioners, on completion of the public hearing required by 7-14-203(1) or 7-14-207, shall proceed by resolution to refer the creation of the district or an addition to a district to the persons qualified to vote on the proposition.

(2) The election must be held in accordance with Title 13, chapter 1, part 5."

**Section 9.** Section 7-14-241, MCA, is amended to read:

**"7-14-241. Procedure to be included in district or to remove ~~an~~ addition to or existing property from a district.** (1) A real property owner may petition to have that owner's property included in a district. The addition of the real property owner's property must be approved by a majority vote of the transportation board.

(2) An area added to a district pursuant to this part may be removed from the district if the area does not ~~directly receive~~ receive direct transportation services from the district and 51% of the qualified voters in the area to be removed sign a petition requesting to be removed from the district. The removal of the area is effective 60 days after submission of the petition to the transportation board unless within that time, it is determined that the petition contains insufficient signatures for removal of the area. An insufficient petition must be returned to the petitioners, who may resubmit a corrected version within 90 days. A transportation district shall maintain an inventory or map that clearly delineates areas added to the district.

(3) A real property owner or owners that are part of the existing district may be removed from the district if the area has not received direct transportation services from the district in the last 5 years and 51% of the qualified voters in the area to be removed sign a petition requesting to be removed from the district. The removal of the area is effective 60 days after submission of the petition to the transportation board unless within that time, it is determined that the petition contains insufficient signatures for removal of the area. An insufficient petition must be returned to the petitioners, who may resubmit a corrected version within 90 days.

~~(3)(4)~~ (a) ~~All~~ Except as provided in subsection (4)(b), all property within any addition to a district is subject to all existing indebtedness of the district.

(b) (i) Property within an area removed from a district is not subject to the district's existing indebtedness if the area was added to the district within 5 years of the date on which the petition for removal was submitted to the transportation board.

(ii) Property within an area removed from a district is not subject to the district's existing indebtedness if the area has not received direct transportation services within 5 years of the date on which the petition for removal was submitted to the transportation board."

**Section 10.** Section 7-14-4401, MCA, is amended to read:

**"7-14-4401. Provision of bus service.** (1) Whenever a city or town is not being served by a bus company or operator operating on a regular schedule and under the jurisdiction of the public service commission or if ~~such~~the service is likely to be discontinued in the immediate future, the city or town council of the incorporated city or town:

(4)(a) may contract an indebtedness of ~~any such~~the city or town ~~upon~~on the credit ~~thereof~~of the city

or town by borrowing money or issuing bonds for the purchase, development, operation, or leasing of motorbuses and buslines for the transportation of passengers within the corporate limits of ~~such~~the cities and towns and to operate the same to any point or points beyond these limits not to exceed 8 miles measured along the route of the busline; and

~~(2)(b)~~ shall must have the power to enter into a contract or contracts or to enter into a lease or a lease and operating agreement with an independent carrier or independent carriers for the transportation of passengers by bus within the corporate limits of ~~such~~the city or town and to and from any point or points beyond ~~said~~the limits not to exceed 8 miles measured along the route of ~~said~~the busline or buslines.

(2) The 8-mile limitation imposed by this section may be exceeded if funded by an external funding source, such as the federal or state government or a nonprofit corporation, or to fulfill an interlocal agreement for bus service."

**Section 11.** Section 7-14-4402, MCA, is amended to read:

**"7-14-4402. Limit on indebtedness to provide bus service.** The total amount of indebtedness authorized under ~~7-14-4401(1)~~ 7-14-4401 to be contracted in any form, including existing indebtedness, may not at any time exceed the debt limitation established in 7-7-4201. Money may not be borrowed or bonds issued for the purposes specified in ~~7-14-4401(1)~~ 7-14-4401 until the proposition has been submitted to the vote of the taxpayers of the city or town and a majority vote is cast in its favor."

**Section 12.** Section 7-14-4403, MCA, is amended to read:

**"7-14-4403. Operation of municipal busline.** The city or town council or commission has authority to provide for the:

- (1) management and operation of the system authorized by ~~7-14-4401(1)~~ 7-14-4401(1)(a) and to do all things necessary for the successful operation of that transportation system;
- (2) safe operation of the transportation system, including the adoption of ordinances or resolutions to require motor vehicles to yield the right-of-way to buses reentering the traffic flow; and
- (3) enforcement of ordinances or resolutions adopted under subsection (2)."

**Section 13.** Section 7-14-4404, MCA, is amended to read:

**"7-14-4404. Tax levy for contracts to operate bus service.** For the purpose of raising the necessary money to defray the cost of the transportation service authorized by ~~7-14-4401(2)~~ 7-14-4401(1)(b) pursuant to a contract, lease, or lease and operating agreement with an independent carrier or carriers, the city or town council may annually levy a tax on the taxable value of all taxable property within the limits of the city or town. Whenever the council of the city or town considers it necessary to raise money by taxation for transportation services in excess of the levy allowed by 15-10-420, the council of the city or town shall in the manner prescribed by law submit the question of the additional levy to the qualified electors of the city or town at an election held pursuant to 15-10-425."

**Section 14.** Section 7-14-4405, MCA, is amended to read:

**"7-14-4405. Bids for bus service contracts authorized -- operation of bus service.** The city or town council shall have power and authority to call for bids from independent carriers for such transportation service authorized by ~~7-14-4401(2)~~ 7-14-4401(1)(b) and to do all things necessary or proper for establishment and maintenance of such transportation service by contract, lease, or lease and operating agreement."

- END -

I hereby certify that the within bill,  
HB 764, 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. 764

INTRODUCED BY B. CLOSE

AN ACT REVISING PUBLIC TRANSIT LAWS; PROVIDING THAT A COUNTY ~~COMMISSIONER~~ COMMISSION MAY ~~FILE A PETITION~~ INITIATE THE PROCESS TO CREATE OR EXPAND AN URBAN TRANSPORTATION DISTRICT BY RESOLUTION; REQUIRING URBAN TRANSPORTATION DISTRICTS TO SHOW AREAS ADDED TO THE DISTRICT; ALLOWING AN AREA THAT HAS NOT RECEIVED DIRECT TRANSPORTATION SERVICE FOR 5 YEARS TO BE REMOVED WITHOUT BEING SUBJECT TO EXISTING INDEBTEDNESS; PROVIDING THAT A MUNICIPAL BUS SERVICE MAY EXCEED 8 MILES FROM THE LOCAL BOUNDARY UNDER CERTAIN CIRCUMSTANCES; PROVIDING A DEFINITION; AND AMENDING SECTIONS 7-14-202, 7-14-203, 7-14-205, 7-14-206, 7-14-207, 7-14-208, 7-14-209, 7-14-210, 7-14-241, 7-14-4401, 7-14-4402, 7-14-4403, 7-14-4404, AND 7-14-4405, MCA."