

1 HOUSE BILL NO. 675
2 INTRODUCED BY L. BREWSTER

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4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A COUNTY WATER AND/OR SEWER DISTRICT
5 TO PURSUE CONSOLIDATION WITH A MUNICIPALITY WHEN MORE THAN 60% OF THE DISTRICT'S
6 CUSTOMERS RESIDE WITHIN THE MUNICIPALITY'S CITY LIMITS AND THE DISTRICT PURCHASES ITS
7 WATER FROM THE MUNICIPALITY; PROVIDING A REQUIREMENT FOR THE CONSOLIDATION PLAN;
8 AND PROVIDING FOR THE DISTINCTION CONSIDERATION OF AND OUTCOMES FOR A DISTRICT
9 TERRITORY WITHIN CITY LIMITS AND OUTSIDE OF CITY LIMITS."

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

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13 NEW SECTION. **Section 1. Consolidation plan.** (1) If more than 60% of a district's customers reside
14 within the city limits of a municipality and the district purchases its water from the municipality, the district may
15 initiate a consolidation plan with the municipality.

- 16 (2) The consolidation plan must:
 - 17 (a) provide for adjustment of existing bonded indebtedness and other obligations in a manner that
 - 18 will provide for a fair and equitable distribution of the burden of debt service;
 - 19 (b) provide for the establishment of the service areas;
 - 20 (c) outline the transfer or other disposition of property and other rights, claims, or assets of
 - 21 consolidation under this section;
 - 22 (d) provide for the transfer, reorganization, dissolution, absorption, or other adjustment of
 - 23 boundaries as necessary;
 - 24 (e) consider separately the disposition of the district territory within the city limits and the district
 - 25 territory outside of the city limits; and
 - 26 (f) include any other provisions that are consistent with state law.

27 (3) The consolidation plan may grant the municipality the authority to transfer all rights-of-way or
28 other entities without requiring the municipality to hold a referendum.

