



ADMINISTRATIVE RULES OF MONTANA



36.23.112 SPECIAL IMPROVEMENT DISTRICTS

- (1) The department may accept as evidence of the loan, bonds issued by a municipality payable from assessments levied upon real property included within a special improvement district and specially benefited by the project being financed from the proceeds of the loan, upon the following terms and conditions:
 - (a) the district be created in accordance with the provisions of Title 7, chapter 12, part 21 and/or Title 7, chapter 12, parts 41 and 42, MCA;
 - (b) the city or county agrees to maintain a state revolving fund as authorized by 7-12-2181 through 7-12-2186 and 7-12-4221 through 7-12-4225, MCA (respectively, the state revolving fund statutes) , and covenants to secure the bonds by such state revolving fund and agrees to provide funds for the state revolving fund by levying such tax or making such loan from the general fund as authorized by the state revolving fund statutes;
 - (c) five percent of the principal amount of the loan be deposited into the state revolving fund and the city or county shall agree to maintain in the state revolving fund to the extent allowed by law an amount not less than 5% of the principal of the bonds secured by the state revolving fund. The department may, if the financial risks associated with a proposed district warrant it, as a condition to the purchase of such bond, require the city or county to establish a district reserve fund and fund it from the proceeds of the loan, as permitted by law;
 - (d) the special improvement district be at least 75% developed, except if the loan is for the purpose of acquiring an existing system. For purposes of this rule, a district will be deemed to be 75% developed if 75% of the lots or assessable area in the district has a habitable residential dwelling thereon that is currently occupied or there is a commercial, professional, manufacturing, industrial, or other nonresidential facility thereon;
 - (e) the total amount of special assessment debt including the amounts to be assessed for repayment of the loan against the lots or parcels of land in the district does not exceed 50% of the fair market value of such lots or parcels within the district; and
 - (f) if the project to be financed from the loan secured by a special assessment bond is not part of a system currently existing and operated by the municipality receiving the loan and for the normal maintenance and operation of which the municipality is responsible and provides for such through rates and charges, a special maintenance district must be created at the time the improvement district is created pursuant to the applicable statutes in order to provide for the operation and maintenance of the project or an agreement must have been entered into at the time the loan is made between the municipality and another

governmental entity, pursuant to which the governmental entity agrees to operate and maintain the project.

Authorizing statute(s): 75-6-205, MCA

Implementing statute(s): 75-6-222, MCA

History: NEW, 1998 MAR p. 1412, Eff. 5/29/98; AMD, 2004 MAR p. 2288, Eff. 9/24/04.