County Authority

Mixed/Restrictive (Mostly Dillon’s Rule): Counties in Montana may opt for either a charter or non-charter form of government. Out of 56 counties, Fergus, Anaconda-Deer Lodge and Butte-Silver Bow County have charter governments. Charter governments allow counties to dictate their own structure and governance in accordance with state law. The other 53 counties operate under general law and only have the powers and government structure enumerated in the general laws of Montana.

TOP REVENUE SOURCES FOR MONTANA COUNTIES

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Amount (in Millions)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>$585 M</td>
<td>(52%)</td>
</tr>
<tr>
<td>Charges and Fees</td>
<td>$234 M</td>
<td>(21%)</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$214 M</td>
<td>(19%)</td>
</tr>
<tr>
<td>Utilities Revenue</td>
<td>$12 M</td>
<td>(1%)</td>
</tr>
</tbody>
</table>

Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance, 2017

Summary of County Services

Services counties MUST provide:
- Establish a local board of health.
- Construct and maintain county roads and bridges outside of the state highway system.

Services counties MAY provide:
- Build, furnish and maintain a civic center, youth center, park building, museum and recreation center.
- Establish and maintain ambulance services.
- Form inter-jurisdictional transportation services for seniors and people with disabilities.

Services counties CANNOT provide:
- Establish child welfare services.
- Deliver broadband services.

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1Government Form” refers to the distribution of executive decision making authority in a county. “Traditional” county states mandate that counties exercise executive decision making power solely through the board of elected officials (commissioners, supervisors, etc.). “Reformed” county states mandate that counties employ an elected or appointed county executive, manager or similar position to take on at least some of the county’s executive decision making authority. “Mixed” county states means that some counties in that state are “traditional” and some are “reformed.”

2NACo Analysis of U.S. Census Bureau - 2020 Decennial Census
SUMMARY

Fifty-three (53) of Montana’s counties are governed under general law and have three county commissioners. The board of commissioners serves as both the legislative and executive body. The city-county consolidations of Anaconda-Deer Lodge and Butte-Silver Bow, along with the county of Fergus, are chartered and may decide their own respective structures. The Montana Constitution requires an election every ten years to determine if a county will undertake a review of its structure and propose an alternative form. All counties may collaborate with other governmental and private entities to provide certain services such as a county-city board of health, regional port or rail authority. Unlike most other states, many county row officers are optional. The three charter counties include two “commission-executive” forms (Anaconda-Deer Lodge and Butte-Silver Bow) and one commission form (Fergus). Of the non-charter counties, there are 11 commission forms (an adopted alternative), one “manager” form (Petroleum) and 41 Elected County Official (ECOF) default forms. Voters can choose whether to hold county elections on a partisan or non-partisan basis and 43 counties run partisan elections; 13 hold non-partisan elections.

COUNTY STRUCTURE

Legislative Branch: A board of three or more county commissioners acts as the legislative body.

Executive Branch: The board of county commissioners also acts as the executive body. Counties may have an elected executive who carries out the commission’s administrative decisions.

Judicial Branch: Montana district courts are a function of the state, not a county function. The courts are divided into 22 judicial districts which cover all counties. District courts have jurisdiction in civil and felony criminal cases. A district judge must reside in their district and a justice of the peace must reside in the county they serve.

Optional Forms of Government:
- Elected County Official Form (default)
- Commission-Executive
- Commission-Manager
- Commission-Presiding Officer
- Commission
- City-County Consolidation (two versions)
- Charter

COUNTY AUTHORITY

Executive Power: Counties may purchase and hold lands, make contracts and purchases, hold personal property and levy and collect taxes. A board of commissioners must supervise county officers. Counties may adopt alternative forms of government allowed by state statute, but a board may not create or abolish row officer positions.

Ability to Form Partnerships: Counties and municipalities may form joint governments and may collaborate on interlocal agreements to form many entities. These include county-city boards of health, emergency medical services, 911 dispatch centers and more. Two or more counties may form regional port or rail authorities. Counties may also form contracts.

Call a State of Emergency: The chief executive officer or presiding officer of a county may declare and terminate a local emergency or disaster.

Special Districts: Counties may establish special districts to provide cemeteries, museums, parks, fairs, local improvements, mosquito control, multijurisdictional districts, roads and rodent control.
OVERVIEW OF COUNTY SERVICES

Counties in Montana may implement a wide variety of services to ensure the safety, health and welfare of its citizens. Some service authorities are more common, such as health care facilities, roads and parks. Youth centers, veteran cemeteries, port authorities and rail authorities are among the less typical services that counties offer. Counties must provide a board of health, and some of the services that counties are prohibited from offering independently include gas and electric utilities.

HEALTH AND HUMAN SERVICES

County Health Department: Counties must establish a board of health. Alternatively, counties may provide a joint health board with cities.

Hospitals: Counties may build and maintain health care facilities, including hospitals. County residents may petition the board to form a hospital district.

Senior Care: Counties, urban transportation districts and municipalities may enter interlocal agreements to provide regional transportation services to senior citizens and persons with disabilities and may create regional advisory committees to coordinate the services. Counties may maintain a senior boarding home in conjunction with an existing health care facility.

Mental Health Facilities: The state licenses mental health facilities. Private non-profits and hospitals run community based mental health programs. County commissioners, however, often serve as the board of directors for the regional community based mental health service providers and may provide space and funding.

Child Welfare: The state administers child welfare services.

INFRASTRUCTURE

Transportation: If petitioned, a board of county commissioners must hold a public hearing and election on establishing a proposed transportation district.

Transportation Authorities: A board of county commissioners may create rail authorities and port authorities that cover all or part of a county. The county commissioners must appoint a board for the authorities and may also impose a tax on the properties served by the authority. Two or more counties may form a regional rail or port authority.

Roads: Counties must construct and maintain county roads and bridges outside of the state highway system. The county board of commissioners may delegate the administration of county roads to a county surveyor or county road superintendent.

Utilities: Counties may provide water, sewage and solid waste services through special districts. Municipalities may construct and maintain a variety of utilities while the state public service commission regulates rates.

- Water and Sewage: Counties may establish districts to provide water and sewage services.
- Solid Waste: Counties may create solid waste districts.
- Electric: Counties may authorize private or public corporations to construct power lines.
- Gas: Counties may authorize private or public corporations to construct gas lines.
PUBLIC AMENITIES

**Parks and Recreation:** Counties *may* construct and maintain recreation facilities. Counties may form a board of park commissioners to manage these facilities.

**Libraries:** Counties *may* establish, maintain and levy taxes for a public library.

**Youth Centers and Other Amenities:** Counties *may* build, furnish and maintain any combination of a civic center, youth center, park building, museum or recreation center.

**Veteran Cemeteries:** Counties *may* construct and maintain a veteran’s cemetery. Counties may levy a property tax, accept donations and receive allowances to fund the cemetery.

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ZONING AND DEVELOPMENT

**Zoning Power:** Counties *may* regulate and restrict the use and construction of buildings and spaces, as well as regulate population density and distribution.

**Zoning Restriction:** Counties *must* establish a growth policy before exercising zoning powers. The growth policy includes a variety of community goals, assets objectives, an overview of resources and economic condition and a long-term policy plan.

**Housing Authority:** Any 25 residents of a county *may* petition the board of commissioners stating the need for a housing authority. The board of commissioners must then determine if there is a need for a housing authority and if so, appoint a housing authority board. The board of commissioners must also submit the application to the state to jointly approve the housing authority.

**Improvement Districts:** Counties *may* create rural improvement districts to provide for infrastructure construction. County residents may also petition the board of commissioners to establish a business improvements district to promote general welfare tourism and marketing and to serve a public use.
PUBLIC SAFETY

Law Enforcement: Counties may elect a sheriff, but towns and cities must establish local police departments.

Jails: Counties must establish and maintain detention centers through general funds or contract out to provide this service. The board of county commissioners must operate detention centers, although this task is often delegated to the county sheriff.

Courthouses: Counties may build, furnish, equip, expand, improve and maintain many county buildings including a courthouse.

Fire: If petitioned by residents, counties may establish a rural fire taxing district in unincorporated areas. Counties may also establish fire service areas in response to a petition to cover an unincorporated area that is not part of a rural fire district. Instead of a tax, fire service areas charge a fee to the owners of structures within the area which is used for structural fire prevention and suppression.

Ambulance: Counties may establish and maintain ambulance services or may contract with any neighboring city, county, town or private provider to do so.

SCHOOLS

Education, Generally: The state provides a system of public education. However, counties must levy 95 mills for the state to use for schools (22 mills for high school equalization, 33 mills for elementary school equalization and 40 mills for the general fund state equalization aid to public schools), plus any additional millage that local school districts may levy.

School Districts: There is an effective moratorium on creating school districts except for joining an existing elementary school district to a high school district. The county superintendent must oversee the establishment of school districts created by voter resolution.

MONTANA COUNTRIES EMPLOY 8,620 GOVERNMENT EMPLOYEES

<table>
<thead>
<tr>
<th>Full-time</th>
<th>Part-time</th>
</tr>
</thead>
<tbody>
<tr>
<td>23%</td>
<td>77%</td>
</tr>
</tbody>
</table>

Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Employment, 2017

MONTANA COUNTY GOVERNMENT EMPLOYEES BY TOP FUNCTIONAL CATEGORIES

<table>
<thead>
<tr>
<th>Top Functional Categories</th>
<th>Full-time</th>
<th>Part-time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Justice &amp; Public Safety</td>
<td>2,908</td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td>1,204</td>
<td></td>
</tr>
<tr>
<td>Health and Hospitals</td>
<td>1,166</td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>1,042</td>
<td></td>
</tr>
<tr>
<td>Public Amenities</td>
<td>689</td>
<td></td>
</tr>
</tbody>
</table>

Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Employment, 2017
OVERVIEW OF COUNTY FINANCE STRUCTURE

County-generated revenue in Montana primarily comes from property taxes and service charges and fees. Counties cannot impose a sales tax or an income tax. Counties cannot go into debt other than to fund the operations of specific powers granted to them under general law. Counties are, however, granted increased autonomy over their finances and revenue collection in a state of emergency, during which counties may levy an emergency tax and may transfer money from other funds to an emergency relief fund.

FINANCES, TAXES AND LIMITATIONS

Property Tax: Counties **may** tax property for public or governmental purposes and as required by special or local statutes.

Personal Property: Counties **may** assess personal property for property taxes.

Income Tax: Counties **cannot** levy income taxes.

Sales Tax: Counties **cannot** levy sales taxes.

Mineral/Gas/Fuel Taxes: Counties **cannot** tax motor fuel or minerals.

Investment: Counties **may** invest surplus funds under the state unified investment program. Counties may purchase county, municipal, hospital district or school district registered stock warrants.

Debt and Debt Limit: Counties **cannot** incur a total debt over 2.5 percent of the total assessed value of taxable property. Counties may issue, negotiate and sell general obligation bonds. Counties may issue revenue bonds to finance county projects and activities enumerated in the general law.

Other Finance Info:

- **Local Emergency Tax:** Counties **must** levy a tax to cover local emergency or disaster expenditures. The tax rate cannot exceed 2 mills on the county’s taxable valuation in unincorporated areas.
- **Resort Tax:** If petitioned, counties that have an unincorporated area with less than 2,500 residents **may** establish a resort area district to impose a resort tax on services from hotels, motels and other lodging or camping facilities at a rate no higher than 3 percent.

MONTANA COUNTIES INVEST $1.2 BILLION ANNUALLY

<table>
<thead>
<tr>
<th>Top Investment Category</th>
<th>Investment (in millions)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$181 M</td>
<td>8%</td>
</tr>
<tr>
<td>Health and Human Services</td>
<td>$179 M</td>
<td>15%</td>
</tr>
<tr>
<td>Transportation</td>
<td>$157 M</td>
<td>16%</td>
</tr>
<tr>
<td>Education</td>
<td>$101 M</td>
<td>13%</td>
</tr>
<tr>
<td>Justice and Public Safety</td>
<td>$520 M</td>
<td>23%</td>
</tr>
</tbody>
</table>

Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance, 2017

MONTANA COUNTIES RECEIVE $12 MILLION FROM INTERGOVERNMENTAL SOURCES

- **80%** From Federal Government
- **13%** From State Government
- **7%** From Local Government
- **1%** From County-Generated Revenue

Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance, 2017