YELLOWSTONE COUNTY BOARD OF COUNTY COMMISSIONERS

Resolution No. 26-106

Resolution Approving the Issuance of General Obligation Bonds for the Renovation and Expansion of the Yellowstone County Detention Facility Conditioned on Voter Approval, and Calling an Election Thereon

WHEREAS, pursuant to Section 7-7-2201 of the Montana Code Annotated (2025), a county has the authority to issue bonds. Pursuant to Sections 7-7-2203 and 7-7-2101 of the Montana Code Annotated (2025), the aggregate amount of all bonds issued by a county cannot exceed 2.5% of the total assessed value of the taxable property in the county. Pursuant to Section 7-7-2206 of the Montana Code Annotated (2025), the term of a bond is limited to 20 years. Pursuant to Section 7-7-2223 of the Montana Code Annotated (2025), county bonds may not be issued unless authorized by the registered electors of the county voting at an election conducted in accordance with Title 13, chapter 1, part 4, and a bond election may not be called unless the Board of County Commissioners unanimously adopts a resolution in accordance with Section 7-7-2227(2). Pursuant to Section 7-7-2237 of the Montana Code Annotated (2025), the percentage of votes required to approve the issuance of bonds depends on the percentage of the electors who vote: when 40% of the electors vote, a majority of votes is needed to approve the issuance of the bonds; when more than 30% but less than 40% of the electors vote, 60% of the votes is needed to approve the issuance of the bonds; and when less than 30% of the electors vote, the bond issuance is considered rejected. Pursuant to Section 7-7-2238 of the Montana Code Annotated (2025), if the electors approve the issuance of the bonds, the Board of County Commissioners passes a resolution to issue the bonds.

WHEREAS, the process for a county to issue bonds is that the Board of County Commissioners passes a resolution of intent to issue bonds, sets a public hearing, provides notice of the public hearing, holds a public hearing, receives public comment, considers the public comment, passes a resolution to hold an election, holds an election, and passes a resolution to issue the bonds.

WHEREAS, Yellowstone County is a political subdivision of the State of Montana. The County has the authority to issue bonds. The total assessed market value less tax increment value received from the State of Montana in August 2025 in Yellowstone County is $33,954,966,417. The total aggregate amount of bonds the County can issue is $848,874,160, being 2.5% of the total assessed value. As of March 1, 2026, the total aggregate amount of bonds the County has outstanding is $5,500,000. The County has the ability to issue additional bonds in the amount of $843,374,160, which is sufficient to issue the bonds described in this Resolution.

WHEREAS, Yellowstone County, through the Yellowstone County Sheriff's Office, operates the Yellowstone County Detention Facility. The Facility detains men and women charged with or convicted of crimes. Over the past ten years, violent crime rates in Yellowstone County have increased, placing additional strain on the Facility and creating a need for expanded bed capacity. The County needs to renovate and expand the Facility to accommodate the increased number of inmates, which would increase the Facility's capacity from 434 to approximately 756 beds. To renovate and expand the Facility, the County needs to obtain $175,000,000.00, which the County proposes to obtain by issuing up to $175,000,000.00 in general obligation bonds that will retire in not more than 20 years.

WHEREAS, on the 10th day of March, 2026, the Board adopted a Resolution of Intent to issue the bonds and set a public hearing for March 31, 2026, and the Board ordered the Yellowstone County Clerk and Recorder to provide notice of the hearing and to receive and provide written comments to the Board before the hearing.

WHEREAS, on March 31, 2026, the Board held the public hearing, received public comment on the bonds, and considered the public comment.

WHEREAS, having considered the public comment, the Board found that it is in the best interest of the public to renovate and expand the Facility, to issue the bonds for that purpose, and to submit the question of issuing the bonds to the registered electors of the County at an election and executed resolution 26-41, Resolution to Hold Election to Issue Bonds for Yellowstone County Detention Facility.

WHEREAS, the issuance of the bonds is contingent upon both voter approval of the bonds and the concurrent voter approval of a separate public safety levy to fund public safety services, including the operating and capital costs of the Yellowstone County Sheriff's Office and the Yellowstone County Attorney's Office and related public safety expenses, and the Facility will be expanded only if the electors also approve the separate public safety levy.

Purpose:	Renovate and Expand the Yellowstone County Detention Facility (434 to approximately 756 beds)
Amount:	Up to $175,000,000.00
Term:	Not to exceed 20 years

Estimated Tax Impact (beginning tax year 2027, assuming issuance in one series at 4.25% per annum):

Impact:	Fair Market Value $100,000.00 Home = $21.00
	Fair Market Value $300,000.00 Home = $64.00
	Fair Market Value $600,000.00 Home = $136.00

NOW, THEREFORE, BE IT RESOLVED by the Yellowstone County Board of County Commissioners as follows:

1. **Findings.** The Board held a duly noticed public hearing on March 31, 2026, received and considered public comment, and finds that it is in the best interest of the public to renovate and expand the Yellowstone County Detention Facility and to submit the question of issuing general obligation bonds for that purpose to the registered electors of the County.

2. **Approval of Bonds; Purpose.** The Board approves the issuance of general obligation bonds of the County, in one or more series, in the aggregate principal amount of up to $175,000,000.00, bearing interest at rates to be determined at the time of sale, payable over a term not to exceed 20 years for each series, for the purpose of paying the costs of the renovation and expansion of the Yellowstone County Detention Facility and the costs of issuance of the bonds, as further described in Exhibit A attached hereto and incorporated by reference. This approval is conditioned upon, and no bonds shall be issued except upon, voter approval of the bonds as provided in this Resolution.

3. **Call of Election.** The question of issuing the bonds shall be submitted to the registered electors of Yellowstone County at an election to be held on November 3, 2026, conducted in accordance with Title 13, chapter 1, part 4, of the Montana Code Annotated, as required by Sections 7-7-2223 and 7-7-2227(2).

4. **Form of Ballot.** The bond question shall be submitted to the electors substantially in the form set forth in Exhibit B attached hereto and incorporated by reference, providing for a vote of "BONDS-YES" or "BONDS-NO."

5. **Approval Threshold.** The bonds shall be approved or rejected in accordance with the voter-turnout thresholds set forth in Section 7-7-2237 of the Montana Code Annotated.

6. **Contingency on Public Safety Levy.** The issuance of the bonds and the expansion of the Facility are contingent upon the concurrent approval by the electors of the separate public safety levy referred to in the recitals. If the electors do not approve that separate public safety levy at the same election, the bonds shall not be issued and the Facility shall not be expanded, notwithstanding voter approval of the bonds.

7. **Election Administration.** The Board orders the Yellowstone County Clerk and Recorder, as election administrator, to conduct the election in accordance with Title 13 of the Montana Code Annotated, to prepare and give notice of the election as provided in Section 13-1-108, and to take all other actions necessary to submit the bond question to the electors.

8. **Post-Election Action.** If a sufficient percentage of the electors approve the issuance of the bonds as provided in Section 7-7-2237, and if the separate public safety levy is also approved, the Board will adopt a resolution to issue and sell the bonds in accordance with Section 7-7-2238 and applicable law.

9. **Effective Date.** This Resolution is effective upon its passage and adoption.

Passed and Adopted on the ______ day of ____________, 2026.

BOARD OF COUNTY COMMISSIONERS
YELLOWSTONE COUNTY, MONTANA

____
Mark Morse, Chair

____
Michael J. Waters, Member

ATTEST:

____
Chris White, Member

____
Jeff Martin, Clerk and Recorder

EXHIBIT A
Description of the Project to be Financed with the Bond Proceeds

The proceeds of the general obligation bonds authorized by this Resolution, together with earnings thereon, will be used to pay the costs of renovating and expanding the Yellowstone County Detention Facility, and the costs of issuance of the bonds. The renovation and expansion will increase the capacity of the Facility from 434 beds to approximately 756 beds in order to accommodate the increased number of inmates resulting from rising violent crime rates in the County over the past ten years. Bond proceeds may be applied to the design, construction, renovation, expansion, equipping, and furnishing of the Facility, the acquisition of any real property or interests in real property necessary for the project, related site work and infrastructure, and all costs incidental to the foregoing, including the costs of issuing the bonds.

EXHIBIT B
Ballot Language — General Obligation Bond Election Question

General Obligation Bond Election Question

Summary: Violent crime rates have increased over the past 10 years in Yellowstone County, placing additional strain on the Yellowstone County Detention Facility and creating a need for expanded bed capacity. This ballot measure asks voters for authority to issue up to $175 million in principal amount of general obligation bonds to fund the expansion and renovation of the detention facility. The bonds would be payable over a term of 20 years.

Proposal: The Yellowstone County Board of County Commissioners passed a resolution to place this measure before the voters. If approved, the measure would authorize the County to issue up to $175 million in principal amount of general obligation bonds to pay costs of renovating and expanding the Yellowstone County Detention Facility. This expansion would increase the detention facility's capacity from 434 to approximately 756 beds. The issuance of bonds is contingent upon both voter approval of the bond and the concurrent voter approval of a separate public safety levy to cover public safety services, including operating and capital costs of the Yellowstone County Sheriff's Office and the Yellowstone County Attorney's Office and related public safety expenses.

Residential Property Impact: If approved, the estimated annual tax increase beginning in tax year 2027 would be: $21 on a home with an assessed market value of $100,000; $64 on a home with an assessed market value of $300,000; and $136 on a home with an assessed market value of $600,000.

Shall Yellowstone County, Montana (the "County") be authorized to issue general obligation bonds of the County in one or more series, in the aggregate principal amount of up to $175 million, bearing interest at rates to be determined at the time of sale, payable over a term not to exceed 20 years for each series of bonds, for the purpose of paying costs of the expansion and renovation of the Yellowstone County Detention Facility and paying costs of issuance of the bonds, provided that the Detention Facility will be expanded only if the voters also approve the separate public safety levy?

If this bond proposition passes, based on the current taxable value of the County, and assuming the bonds are issued in one series at an interest rate of 4.25% per annum, it is estimated that the property taxes on a home with an assessed market value for tax purposes of $100,000 would increase by $21, of $300,000 would increase by $64, and of $600,000 would increase by $136. An increase in property taxes may lead to an increase in rental costs.

[ ] BONDS-YES
[ ] BONDS-NO