

RESOLUTION NO. 2025-03R
TO APPROVE AND EXECUTE MEMORANDUM OF UNDERSTANDING
WITH MADISON VALLEY MEDICAL CENTER AND
MADISON VALLEY HOSPITAL DISTRICT

WHEREAS, in the spring and summer of 2023, residents of the Big Sky Resort Area District (BSRAD) who reside within Madison County, opted to pursue withdrawing that territory from the Madison Valley Hospital District; and

WHEREAS, at duly noticed and properly convened public meetings, BSRAD's Board of Directors elected to assist such residents by agreeing to fund those efforts; and

WHEREAS, the efforts of such residents resulted in the submission of two separate withdrawal petitions, one in December 2023 and the second in December 2024; and

WHEREAS, each petition was denied by the Madison County Commissioners for different reasons, and each denial was appealed by such residents to the Fifth Judicial District Court; and

WHEREAS, at duly noticed and properly convened public meetings, BSRAD's Board of Directors elected to assist such residents in their appeals by agreeing to fund those efforts; and

WHEREAS, at duly noticed and properly convened public meetings, BSRAD's Board of Directors also elected to prepare and support certain legislative changes to the Montana Code Annotated related to the change of hospital and school district boundaries because of geographic barriers or lack of reasonable access to services within those districts; and

WHEREAS, Madison Valley Medical Center (MVMC) and Madison Valley Hospital District (MVHD) opposed the withdrawal petitions, opposed the Court appeals, and opposed the legislative efforts; and

WHEREAS, MVHD sued BSRAD for allegedly violating certain open meeting laws; and


WHEREAS, MVHD appealed a decision by the Fifth Judicial District Court related to the December 2023 withdrawal petition to the Montana Supreme Court; and

WHEREAS, BSRAD, MVMC, and MVHD have negotiated a global resolution of each of the lawsuits, appeals, administrative proceedings, and legislative actions in which all parties have collaborated to find common ground and reach solutions that will mutually benefit both the Big Sky and Ennis communities; and

WHEREAS, the parties have negotiated a Memorandum of Understanding to document their global resolutions of these matters, a copy of which is attached hereto as Exhibit A.

NOW THEREFORE, the Board of Directors of BSRAD, upon motion properly made and seconded at a duly noticed and held public meeting, and following discussion among the Board, do hereby consent, approve and adopt the Memorandum of Understanding attached hereto as Exhibit A, and further authorize and direct Kevin Germain to sign the Memorandum of Understanding promptly following the conclusion of the meeting.

Done, dated, and effective this 21st day of April, 2025 by a vote of 5 in favor and 0 opposed.


Kevin Germain (Apr 21, 2025 08:31 MDT)

Kevin Germain, Chair

Sarah Blechta
Sarah Blechta (Apr 21, 2025 11:02 MDT)


Sarah Blechta, Vice Chair

Grace Young
Grace Young (Apr 21, 2025 08:33 MDT)

Grace Young, Secretary/Treasurer


John Zirkle (Apr 21, 2025 16:42 GMT+2)

John Zirkle, Director


Michelle Kendziorski (Apr 21, 2025 08:30 MDT)

Michelle Kendziorski, Director

Exhibit A
DRAFT: Memorandum of Understanding

This Memorandum of Understanding (“Memorandum”) is made as of the date of the last signature set forth below, between Big Sky Resort Area District (“BSRAD”), Madison Valley Hospital District (“MVHD”), and Madison Valley Hospital, d/b/a Madison Valley Medical Center (“MVMC”).

WHEREAS, the MVHD was created in 1953 to provide operational funding to support the operations and maintenance of MVMC in Ennis, Montana; and

WHEREAS, MVHD currently assesses 9 elector-approved voted permanent mills, as well as statutory mills currently assessed at 1.28 additional mills; and

WHEREAS, MVHD currently encompasses the Madison County portion of the BSRAD; and

WHEREAS, there are two current petitions and active litigation seeking to withdraw property in the BSRAD from the MVHD under the withdrawal procedures set forth in MCA 7-34-2156, including *WIA v. MVHD*, Cause No. DV-29-2025-0014-JR, and *LeProust v. Madison County Board of Commissioners*, Cause No. DV-29-2024-000065-IJ;

WHEREAS, there is an active lawsuit by MVHD against BSRAD pending in the 5th Judicial District Court, *MVHD v. BSRAD* Cause No. DV-2024-0000109-DK;

WHEREAS, Senate Bill 260, which will allow for the alteration of hospital and school district boundaries under certain circumstances, has been introduced in Montana’s 69th Legislature, has passed the Senate and is presently amended with an agreed amendment and awaiting second reading in the House;

WHEREAS, BSRAD, MVHD, and MVMC believe it is in their collective interests and the collective interests of the districts and communities they serve to reach a stipulated resolution of these withdrawal issues in a manner that does not include costly and protracted litigation.

NOW, THEREFORE, the parties have entered into this Memorandum to memorialize their agreement to facilitate a resolution of current and future attempts to withdraw BSRAD from the MVHD.

SB 260 Amendment

1. The parties have reached an agreement upon a proposed consensus amendment to the hospital district portions of SB 260, as attached as Exhibit A hereto. The parties further agree their consent to the stipulated amendment is conditioned upon each of the following:
 - a. A qualified petitioner may not petition to alter hospital district boundaries under the process provided in SB260 if any portion of the property identified in the petition for separation is subject to an active petition for withdrawal of land from

a hospital district under MCA 7-34-2156.

- b. SB 260 will permit, upon successful petition and vote, an existing district to be divided into two districts, allowing the newly formed district to levy voter-approved mills in the newly divided portion of the hospital district, which, in this case, will become Big Sky Hospital District.
 - c. The SB260 withdrawal/division framework will be conditioned upon a statutorily outlined Payment Schedule noted in subsection (e) below, with the payments being made by BSHD to MVHD pursuant to an interlocal agreement.
 - d. The voted mills will expire in BSHD one year after the payments are completed to MVHD.
 - e. Payment Schedule: Payments are calculated based on a percentage of the total collections of the BSHD for a period of 8 years set forth as follows:
 - i. FY 2026 [7/1/2025 – 6/30/2026] – 100%
 - ii. FY2027 (Payment Year 1) – 70%
 - iii. FY2028 (Payment Year 2) – 60%
 - iv. FY2029 (Payment Year 3) – 60%
 - v. FY 2030 (Payment Year 4) – 60%
 - vi. FY 2031 (Payment Year 5) – 40%
 - vii. FY 2032 (Payment Year 6) – 40%
 - viii. FY 2033 (Payment Year 7) – 20%
 - ix. FY 2034 (Payment Year 8) – 20%
2. These payments are contingent upon the joint amendment and support of SB 260 for each remaining step in the legislative process.
 3. The payments are contingent upon no legislative unwind or material change to the hospital district portions of SB 260 until payments are completed to MVHD; and none of MVMC, MVHD, BSRAD or any of their respective trustees, board members, and executive teams shall directly or indirectly solicit, support, fund, testify, or lobby for any such change at the state or local level.
 4. The payments are contingent upon no judicial challenges to the hospital district portions of SB260; and none of MVMC, MVHD, BSRAD or any of their respective trustees, board members, and executive teams shall directly or indirectly solicit, support, or fund any such judicial efforts.
 5. MVMC, MVHD, BSRAD and each of their respective trustees, board members, and executive teams agree to jointly support the use of SB260 as the proper settlement of the two pending petitions to withdraw.
 6. MVMC, MVHD, BSRAD and each of their respective trustees, board members, and

executive teams agree to collectively present a joint proposal to the Madison County Commissioners to adopt the SB 260 process as the appropriate resolution for the current withdrawal petitions.

7. MVMC, MVHD and their respective trustees, board members, and executive teams, shall not:
 - a. directly or indirectly oppose, interfere with, rally support against, challenge, testify against, or fund any resistance efforts of any kind, to Big Sky's efforts to withdraw from MVHD under SB260 or create its own separate hospital/wellness district(s) under SB260; or
 - b. directly or indirectly contest any new petition under SB260 or the signatures on or signature count of the new petition submitted by Big Sky to withdraw from MVHD or to create its own separate hospital/wellness district(s) under SB260.

Stay of Current Withdrawal Efforts and Current Litigation

8. All parties agree to an immediate stay of all current litigation, appeals, petitions, hearings, including *WIA v. MVHD*, Cause No. DV-29-2025-0014-JR (which includes a stay of the County Commissioner hearing currently scheduled for April 23, 2025 and a stay of MVHD's appeal of Judge Berger's Order to the Montana Supreme Court), *LeProust v. Madison County Board of Commissioners*, Cause No. DV-29-2024-0000065-IJ, and *MVHD v. BSRAD*, Cause No. DV—2004-0000109-DK. The stays will continue until the end of the legislative session if SB 260 fails to pass, or, if SB260 passes, until the effective date of the newly created Big Sky Hospital District.

Implementation of SB 260

9. If SB 260 becomes law, BSRAD will facilitate the submission of a petition under SB 260 to Madison County within 30 days of SB 260's effective date.
10. MVHD and MVMC stipulate and will not challenge that BSRAD may use the 2023 withdrawal petition as the SB 260 petition to submit to Madison County to allow the Commissioners to hold the public hearing and election set forth in SB 260, with the parties' intent that the election will be held in May 2026.

Ceasing of Litigation Funding and Dismissal of Pending Appeals/Petitions

11. Once SB260 becomes law and the Madison County Commissioners adopt SB260 as the appropriate remedy and process for withdrawals/settlement of current withdrawal petitions, BSRAD shall cease funding current litigation related to the two pending petitions and shall use its good faith reasonable efforts to encourage the Plaintiffs to dismiss with prejudice their appeals/petitions.
12. When BSRAD ceases funding the current litigation related to the two pending petitions,











Resolution 2025-03R to Approve and Execute MOU


Final Audit Report


2025-04-21


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By:	Jenny Muscat (jenny@resorttax.org)
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-  Document emailed to John Zirkle (john@resorttax.org) for signature
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-  Document emailed to Kevin Germain (kevin@resorttax.org) for signature
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