

SENATE BILL NO. 264

INTRODUCED BY KAUFMANN, WANZENRIED

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING LOCAL GOVERNMENTS TO ESTABLISH SPECIAL FEES, RATES, CHARGES, OR CLASSIFICATIONS FOR LOW-INCOME PERSONS RECEIVING LOCAL GOVERNMENT UTILITY SERVICES; DEFINING "LOW-INCOME"; AND AMENDING SECTIONS 7-6-4013, 7-13-4304, AND 69-7-101, MCA."

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

Section 1. Section 7-6-4013, MCA, is amended to read:

"7-6-4013. Fees for services -- hearing and resolution. (1) If a local government has the authority to regulate, establish, and change fees, rates, charges, and classifications that are imposed for services to its inhabitants and other persons served by the local government, the fees, rates, charges, and classifications must be reasonable and related to the cost of providing the service. Notwithstanding the provisions of this section, a local government may establish special fees, rates, charges, and classifications to assist and benefit low-income persons receiving the service. "Low income" means an individual or family income of less than or equal to 150% of the federal poverty level.

(2) Charges for services must comply with Title 17, chapter 2, part 3, and other applicable statutes.

(3) In order to establish or change fees, rates, charges, or classifications imposed for services, the governing body shall order a hearing to be held as provided in 7-1-4131, unless a special hearing process is provided by law. Municipal utility rate hearings must be held as provided in 69-7-112.

(4) Notice of a hearing must be published as provided in 7-1-2121 for a county and as provided in 7-1-4127 for a municipality.

(5) After a hearing, the fees, rates, charges, or classifications must be established by resolution of the governing body."

Section 2. Section 7-13-4304, MCA, is amended to read:

"7-13-4304. Authority to charge for services. (1) The governing body of a municipality operating a municipal water or sewer system shall fix and establish, by ordinance or resolution, and collect rates, rentals, and

1 charges for the services, facilities, and benefits directly or indirectly afforded by the system, taking into account
2 services provided and benefits received. The governing body may establish special rates, rentals, and charges
3 to assist and benefit low-income persons receiving the services and benefits provided. "Low income" means an
4 individual or family income of less than or equal to 150% of the federal poverty level.

5 (2) Sewer charges may take into consideration the quantity of sewage produced and its concentration
6 and water pollution qualities in general and the cost of disposal of sewage and storm waters. The charges may
7 be fixed on the basis of water consumption or any other equitable basis the governing body considers
8 appropriate. The rates for charges may be fixed in advance or otherwise and ~~shall~~ must be uniform for like
9 services in all parts of the municipality. If the governing body determines that the sewage treatment or storm water
10 disposal prevents pollution of sources of water supply, the sewer charges may be established as a surcharge on
11 the water bills of water consumers or on any other equitable basis of measuring the use and benefits of the
12 facilities and services.

13 (3) An original charge for the connecting sewerline between the lot line and the sewer main may be
14 assessed when the connecting sewerline is installed.

15 (4) The water and sewer rates, charges, or rentals ~~shall~~ must be as nearly as possible equitable in
16 proportion to the services and benefits rendered."

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18 **Section 3.** Section 69-7-101, MCA, is amended to read:

19 **"69-7-101. Municipal utilities -- regulation by municipality.** A municipality has the power and authority
20 to regulate, establish, and change, as it considers proper, rates, charges, and classifications imposed for utility
21 services to its inhabitants and other persons served by municipal utility systems. Rates, charges, and
22 classifications must be reasonable and just. Special rates, charges, and classifications established by a
23 municipality to assist and benefit low-income persons are considered reasonable and just A MUNICIPALITY MAY SET
24 SPECIAL RATES, CHARGES, AND CLASSIFICATIONS TO ASSIST AND BENEFIT LOW-INCOME PERSONS. "Low income" means
25 an individual or family income of less than or equal to 150% of the federal poverty level."

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