

HOUSE BILL NO. 736

INTRODUCED BY T. WOODS

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING PUBLIC UTILITY LIABILITY FOR FIRES CAUSED BY UTILITY-OWNED TRANSMISSION LINES; REQUIRING A FILING FEE; AMENDING SECTION 50-63-104, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. Section 1. Utility liability -- filing fee. (1) (a) If a fire ignited by a transmission line

owned entirely or in part by a public utility spreads, damages, or destroys property not belonging to the public utility, the public utility is liable for all damages caused by the fire, and an owner of property damaged or destroyed by the fire may maintain a civil suit for the purpose of recovering damages.

(b) The ignition source of a fire must be determined in accordance with Title 50, chapter 63.

(2) Costs incurred by a public utility as a result of the liability established in this section are not recoverable in rates.

(3) (a) On or before January 1, 2020, a public utility that owns a transmission line shall file information with the commission verifying an ownership interest in the transmission line.

(b) The information must be accompanied by a \$100 filing fee. The fee is not recoverable in a public utility's rates.

(4) For the purposes of this section, the following definitions apply:

(a) (i) "Fire" means an unplanned, unwanted fire burning uncontrolled.

(ii) The term does not include arson as defined in 45-6-103.

(b) "Public utility" means a public utility regulated by the commission pursuant to this chapter that provides electricity or natural gas for sale to customers.

(c) "Transmission line" means an electric transmission line and associated facilities, except lines and facilities of a design capacity of less than 500 kilovolts.

Section 2. Section 50-63-104, MCA, is amended to read:

"50-63-104. Liability for forest or range fires. (1) ~~It~~ Except as provided in [section 1], in a civil action



1 against any person or legal entity that is not a state government entity or a political subdivision of state
2 government, for a forest or range fire caused by a negligent or unintentional act or omission that is not willful or
3 wanton, the real and personal property damage is limited to:

4 (a) the reasonable costs for controlling or extinguishing the forest or range fire;

5 (b) economic damages; and

6 (c) either:

7 (i) the diminution of fair market value of the real and personal property resulting from the fire; or

8 (ii) the actual and tangible restoration costs associated with restoring the damaged real and personal
9 property to its undamaged state to the extent that those actual and tangible costs are reasonable and practical.

10 The costs of restoring the unimproved property may not be greater than the fair market value of the property
11 immediately before the fire.

12 (2) As used in this section:

13 (a) "economic damages" means objectively verifiable monetary loss, including but not limited to
14 out-of-pocket expenses, loss of earnings, loss of use of property, and loss of business or employment
15 opportunities;

16 (b) "fair market value" means the amount a willing buyer would pay a willing seller in an arm's-length
17 transaction when both parties are fully informed about all of the advantages and disadvantages of the property
18 and neither is acting under any compulsion to buy or sell, as determined by a certified appraiser who is qualified
19 to appraise the property;

20 (c) "forest or range fire" means a fire that burns any unimproved real property located outside of an
21 incorporated municipality, regardless of whether there are improvements also affected by the fire and regardless
22 of whether the fire also burns property within an incorporated municipality."
23

24 NEW SECTION. **Section 3. Codification instruction.** [Section 1] is intended to be codified as an
25 integral part of Title 69, chapter 3, and the provisions of Title 69, chapter 3, apply to [section 1].
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27 NEW SECTION. **Section 4. Effective date.** [This act] is effective on passage and approval.
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