

## UTILITY TAX TRACKER

### LEGISLATOR NOTICE

The Legislative Services Division is required to offer a brief history on the subject matter of a bill draft request prior to drafting. (5-4-105, MCA; [Chapter 309, Laws of 2017](#)) The history must include related legislation introduced over the last five sessions and hyperlinks to the bill, hearing information, and fiscal notes. The legislation links below open to the page showing the status and history of bills introduced on this topic in the past. The bill text and any related fiscal notes can be accessed through the link at the top of that page.

**Legislation can be complex, and this history is not intended to be exhaustive. Please contact the drafter of the requested bill for more information.**

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### Background Materials and Research

**Topic Summary:** As required by law, the Public Service Commission (PSC) allows a public utility to file rate schedules that allow for the automatic adjustment and tracking of Montana state and local taxes and fees, except state income tax. (69-3-308, MCA). This is often referred to as the “tax tracker”. The public utility may also separately disclose in a customer’s bill the amount of state and local taxes and fees assessed against the public utility that the customer is paying. The rates must be filed with the PSC, whose role is limited to identifying errors within 45 days, asking for comment, and ordering that the utility address the errors.

Without a tax tracker, a public utility files a rate case to revise customer rates to include updated taxes levied on the utility. A rate case is the method by which the PSC approves rates charged by a public utility and includes consideration of costs and revenues of the public utility. Three public utilities have used the tax tracker since its implementation in 2003: Energy West in 2004; NorthWestern Energy in every year between 2005 and 2019, except for 2007; and Montana-Dakota Utilities Co. in 2017.

### Legislative Services Division Materials:

[SJ 23: Taxes Paid by Public Utility Customers](#)

### Other Materials:

[Understanding Montana Utility Property Taxation – NWE](#)

[NWE Files Tax Tracker with PSC -- NWE](#)

[MDU -- Rate Cases -- MDU](#)

## Introduced Legislation

\*Chapter number assigned means bill was passed and approved. Most recent action.

### 2019

[House Bill No. 479](#)-- (H) Died in Process -- AN ACT ELIMINATING AUTOMATIC UTILITY RATE ADJUSTMENT AND TRACKING FOR TAXES AND FEES; REQUIRING A UTILITY TO DISCLOSE TAXES AND FEES; AMENDING SECTIONS 69-3-302 AND 69-3-303, MCA; REPEALING SECTION 69-3-308, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

[House Bill No. 737](#) -- (H) Died in Process -- AN ACT IMPOSING AN EXCESS PROFITS TAX ON PUBLIC UTILITIES THAT GENERATE PROFITS GREATER THAN AN ESTABLISHED RETURN ON EQUITY; ESTABLISHING A RATE FOR THE TAX; PROVIDING THAT THE TAX REVENUE BE USED FOR LOW-INCOME ENERGY ASSISTANCE; PROVIDING FOR THE ADMINISTRATION OF THE TAX; PROHIBITING THE TAX FROM AUTOMATICALLY BEING PASSED ON TO RATEPAYERS; PROVIDING THE DEPARTMENT OF REVENUE WITH RULEMAKING AUTHORITY; PROVIDING THE PUBLIC SERVICE COMMISSION WITH RULEMAKING AUTHORITY; AMENDING SECTIONS 15-30-2618, 15-31-114, 15-31-511, AND 69-3-308, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

### 2017

[House Bill No. 189](#)-- (H) Died in Standing Committee -- AN ACT ELIMINATING AUTOMATIC UTILITY RATE ADJUSTMENT AND TRACKING FOR TAXES AND FEES; REQUIRING A UTILITY TO DISCLOSE TAXES AND FEES; AMENDING SECTIONS 69-3-302 AND 69-3-303, MCA; REPEALING SECTION 69-3-308, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

[Senate Joint Resolution No. 23](#) -- Filed with Secretary of State -- A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY TO REVIEW THE FAIRNESS AND SUSTAINABILITY OF THE CURRENT CLASSIFICATION AND TAXATION OF UTILITY, CENTRALLY ASSESSED, AND INDUSTRIAL PROPERTY IN MONTANA AND THE APPRAISAL METHODS USED TO ESTABLISH TAXABLE VALUE FOR UTILITY AND INDUSTRIAL PROPERTY.

### 2015

[House Bill No. 190](#) -- (H) Died in Standing Committee -- AN ACT ELIMINATING AUTOMATIC UTILITY RATE ADJUSTMENT AND TRACKING FOR TAXES AND FEES; ALLOWING A UTILITY TO DISCLOSE TAXES AND FEES; AMENDING SECTIONS 69-3-302 AND 69-3-303, MCA; REPEALING SECTION 69-3-308, MCA; AND PROVIDING A RETROACTIVE APPLICABILITY DATE.

[House Bill No. 638](#) -- (H) Missed Deadline for Referendum Proposal Transmittal -- AN ACT CREATING UNIFORM COST RECOVERY METHODS FOR OUTAGES FOR UTILITY COMPANIES DOING BUSINESS IN MONTANA; PROVIDING THAT THE PROPOSED ACT BE SUBMITTED TO THE QUALIFIED ELECTORS OF MONTANA; AMENDING SECTION 69-8-210, MCA; AND PROVIDING AN EFFECTIVE DATE.

**2013**

[Senate Bill No. 307](#) – (S) Died in Process -- AN ACT ELIMINATING AUTOMATIC UTILITY RATE ADJUSTMENT AND TRACKING FOR TAXES AND FEES; ALLOWING A UTILITY TO DISCLOSE TAXES AND FEES; AMENDING SECTIONS 69-3-302 AND 69-3-303, MCA; REPEALING SECTION 69-3-308, MCA; AND PROVIDING A RETROACTIVE APPLICABILITY DATE.

**2011**

None

**2009**

None

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