

SENATE BILL 413

Introduced by Franklin, et al.

2/16	Introduced
2/18	First Reading
2/18	Referred to Local Government
2/18	Fiscal Note Requested
2/19	Hearing
2/21	Tabled in Committee

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Senate BILL NO. 413

INTRODUCED BY Franklin D. Liberty Mackey
Richard E. Manning & McCullough Becker

A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW MUNICIPAL UTILITIES TO INCREASE RATES BY THE PREVIOUS YEAR'S COST-OF-LIVING INCREASE; AND AMENDING SECTIONS 69-7-101 AND 69-7-102, MCA."

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

Section 1. Section 69-7-101, MCA, is amended to read:

"69-7-101. Municipal utilities -- regulation by municipality -- limitation. A municipality has the power and authority to regulate, establish, and change, as it considers proper, rates, charges, and classifications imposed for utility services to its inhabitants and other persons served by municipal utility systems. Rates, charges, and classifications shall be reasonable and just and, except as provided in 69-7-102, they may not be raised to yield more ~~than a 12% increase in~~ total annual revenues than the previous year's total annual revenue increased by the percentage of the cost-of-living increase for the preceding calendar year, as calculated by the federal bureau of labor statistics, or, in the case of mandated federal and state capital improvements, the increase may not exceed amounts necessary to meet the requirements of bond indentures or

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loan agreements required to finance the local government's share of the mandated improvements. Annual revenues must be computed on any consecutive 12-month period for purposes of this chapter."

Section 2. Section 69-7-102, MCA, is amended to read:

"69-7-102. Rate increases over maximum. (1) If a municipal utility requires rate increases that yield an increase in total revenues in excess of ~~12%~~ the percentage adjustment authorized under 69-7-101 in any one year or rate increases for mandated federal and state capital improvements for which the increase exceeds amounts necessary to meet the requirements of bond indentures or loan agreements required to finance the local government's share of the mandated improvements, it must make application for such increases to the public service commission.

(2) If the public service commission issues a rate order approving such an increase, the municipality may not increase any rates and charges under this chapter within 12 months of the commission's order unless an increase is necessary to meet the requirements of bond indentures or loan agreements required to finance the local government's share for mandated federal and state capital improvements."

-End-

