

1 *House* BILL NO. *679*
 2 INTRODUCED BY *Philby, House* *Bradley Vincent Bond*
 3 *Balderson*

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE
 5 ORGANIZATION, FINANCING, ADMINISTRATION, OPERATION, AND
 6 MAINTENANCE OF A COUNTY ALTERNATIVE ENERGY DISTRICT;
 7 AMENDING SECTIONS 16-4501, 16-4502, 16-4505, 16-4525, AND
 8 16-4526, R.C.M. 1947."

9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 16-4501, R.C.M. 1947, is amended to
 12 read as follows:

13 "16-4501. Organization of county water and/or sewer or
 14 alternative energy districts authorized. A county water
 15 and/or sewer district or alternative energy district may be
 16 organized and incorporated and managed as herein expressly
 17 provided and may exercise the powers herein expressly
 18 granted or necessarily implied."

19 Section 2. Section 16-4502, R.C.M. 1947, is amended to
 20 read as follows:

21 "16-4502. Organization of districts. The people of any
 22 county or counties, or portion of a city or a county, or
 23 city and county, or any combination of these political
 24 divisions, whether such portion includes unincorporated
 25 territory or not, in the state of Montana, may organize a

1 county water and/or sewer district or alternative energy
 2 district under the provisions of this act by proceeding as
 3 herein provided."

4 Section 3. Section 16-4505, R.C.M. 1947, is amended to
 5 read as follows:

6 "16-4505. Proposition submitted -- who may vote --
 7 certificate of secretary of state -- district deemed
 8 incorporated -- must hear testimony -- suit commenced within
 9 one year -- election. Upon such hearing of said petition,
 10 the board of commissioners shall determine whether or not
 11 said petition complies with the requirements of the
 12 provisions of this act, and for that purpose must hear all
 13 competent and relevant testimony offered in support of or in
 14 opposition thereto. Such determination shall be entered
 15 upon the minutes of said board of commissioners. A finding
 16 of the board of commissioners in favor of the genuineness
 17 and sufficiency of the petition and notice shall be final
 18 and conclusive against all persons except the state of
 19 Montana upon suit commenced by the attorney general. Any
 20 such suit must be commenced within one (1) year after the
 21 order of the board of commissioners declaring such district
 22 organized as herein provided, and not otherwise. Upon the
 23 final determination of the boundaries of the district the
 24 board of commissioners of each county in which said district
 25 lies shall give notice of an election to be held in said

1 proposed district for the purpose of determining whether or
 2 not the same shall be incorporated, the date of which
 3 election shall be not more than sixty (60) days from the
 4 date of the final hearing of such petition. Such notice
 5 shall describe the boundaries so established and shall state
 6 the proposed name of the proposed incorporation (which name
 7 shall contain the words ".... county water and/or sewer
 8 district" or ".... county alternative energy district"),
 9 and this notice shall be published for ten (10) consecutive
 10 days in a daily newspaper or in two (2) issues of a weekly
 11 newspaper printed and published in every county in which
 12 said district lies. The first publication shall be made at
 13 least two (2) weeks before the time at which the election is
 14 to be held. At such election the proposition to be submitted
 15 shall be: "Shall the proposition to organize ".... county
 16 water and/or sewer district" or ".... county alternative
 17 energy district" under (naming the chapter containing this
 18 act) of the acts of the session of the Montana
 19 legislature and amendments thereto be adopted?" And the
 20 election thereupon shall be conducted, the vote canvassed
 21 and the result declared in the same manner as provided by
 22 law in respect to general elections, so far as they may be
 23 applicable, except as in this act otherwise provided. No
 24 person shall be entitled to vote at any election under the
 25 provisions of this act unless such person possesses all the

1 qualifications required of voters under the general election
 2 laws of the state, and is a resident of the proposed
 3 district or the owner of taxable real property located
 4 within the county in which he proposes to vote and situated
 5 within the boundaries of the proposed district; provided
 6 however a person who is the owner of such real property need
 7 not possess the qualifications required of a voter in
 8 subsection (1)(c) of section 23-2701, R.C.M. 1947; provided
 9 further that such voter shall be qualified if he is
 10 registered to vote in any state of the United States. Within
 11 four (4) days after such election the vote shall be
 12 canvassed by the board of commissioners. If at least forty
 13 percent (40%) of all registered voters residing within the
 14 proposed district have voted and if a majority of the votes
 15 cast at such election in each municipal corporation or part
 16 thereof and in the unincorporated territory of each county
 17 included in such proposed district shall be in favor of
 18 organizing such county district, said board of each such
 19 county shall by an order entered on its minutes declare the
 20 territory enclosed within the proposed boundaries duly
 21 organized as a county water and/or sewer district or a
 22 county alternative energy district under the name
 23 theretofore designated, and the county clerk of each such
 24 county shall immediately cause to be filed with the
 25 secretary of state and shall cause to be recorded in the

1 office of the county recorder of the county or counties in
 2 which such district is situated, each, a certificate stating
 3 that such a proposition was adopted. Upon the receipt of
 4 such last-mentioned certificate the secretary of state
 5 shall, within ten (10) days, issue his certificate reciting
 6 that the district (naming it) has been duly incorporated
 7 according to the laws of the state of Montana. A copy of
 8 such certificate shall be transmitted to and filed with the
 9 county clerk of the county or counties in which such
 10 district is situated. From and after the date of such
 11 certificate, the district named therein shall be deemed
 12 incorporated, with all the rights, privileges and powers set
 13 forth in this act and necessarily incident thereto. In case
 14 less than a majority of the votes cast are in favor of said
 15 proposition the organization fails but without prejudice to
 16 renewing proceedings at any time in the future."

17 Section 4. Section 16-4525, R.C.M. 1947, is amended to
 18 read as follows:

19 "16-4525. Rates. The board of directors shall fix all
 20 water and sewer or energy rates, and shall through the
 21 general manager collect the sewer charges and the charges
 22 for the sale and distribution of water or energy to all
 23 users."

24 Section 5. Section 16-4526, R.C.M. 1947, is amended to
 25 read as follows:

1 "16-4526. Rate to pay operating expenses. The board of
 2 directors in the furnishing of water, sewer service, energy
 3 or other services and facilities, shall fix such rate, fee,
 4 toll, rent or other charge as will pay the operating
 5 expenses of the district, provide for repairs and
 6 depreciation of works owned or operated by it, pay the
 7 interest on any bonded debt, and, so far as possible,
 8 provide a sinking or other fund for the payment of the
 9 principal of such debt as it may become due.

10 Notwithstanding any other section of this chapter, or
 11 limitation imposed therein, and when the board of directors
 12 has applied for and received from the federal government any
 13 moneys for the construction, operation and maintenance of
 14 treatment services and works, the board of directors may
 15 adopt a system of charges and rates to require that each
 16 recipient of treatment works services pays its proportionate
 17 share of the costs of operation, maintenance and
 18 replacement, and to require industrial users of treatment
 19 works to pay the portion of the cost of construction of the
 20 treatment works which is allocable to the treatment of that
 21 industrial users' wastes."

22 Section 6. There is a new R.C.M. section within Title
 23 16, chapter 45, that reads as follows:

24 Special powers -- alternative energy districts. In
 25 addition to the powers granted under 16-4514, a county

1 alternative energy district may:

2 (1) enter into contracts and agreements, cooperative
3 and otherwise, affecting the affairs of the district,
4 including contracts with the United States of America, the
5 state of Montana, public or private corporations, or local
6 governments, and cooperate with any one or more of them in
7 constructing alternative energy generating facilities within
8 or without the district. Unless a district is expending
9 funds granted by a governmental agency, it shall let all
10 contracts for work or material worth over \$5,000 after bids
11 therefor, in the manner provided by law for the county
12 governing body. The district may reject any and all bids,
13 and if it can perform the work or acquire the material for
14 less than the lowest bid, it may proceed to do so;

15 (2) construct, acquire, dispose of, and encumber real
16 or personal property, alternative energy works, systems, and
17 facilities and sell energy in any usable form derived from a
18 recognized nonfossil form of energy generation or acquired
19 in exchange for energy derived from a recognized nonfossil
20 form of energy generation. Such sale may be by distribution,
21 metered or otherwise, directly to customers within the
22 district or to public utilities; and

23 (3) levy taxes under the limitations of 16-4527.

-End-

Approved by Committee
on Natural Resources

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