

House Bill 318

In The House

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| January 19, 1981 | Introduced and referred to Committee on Business and Industry. |
| January 21, 1981 | Fiscal note requested. |
| January 26, 1981 | Fiscal note returned. |
| April 23, 1981 | Died in Committee. |

HOUSE BILL NO. 318

INTRODUCED BY VILLENT

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION 69-3-302, MCA, TO PROHIBIT UTILITY RATE INCREASES DURING A BUDGET PERIOD OF A STATE OR LOCAL GOVERNMENT AGENCY OR SCHOOL DISTRICT WITHOUT ADVANCE NOTICE."

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

Section 1. Section 69-3-302, MCA, is amended to read:

"69-3-302. Changes in schedules. (1) No change shall be made in any schedule, including schedules of joint rates, except as approved by the commission or upon the passage of 9 months.

(2) Notwithstanding any provision of this title to the contrary and notwithstanding the existence of and authorization for the office of consumer counsel, the rates, tolls, or charges set forth in any schedule filed with the commission pursuant to 69-3-301 shall become effective and be lawful rates, tolls, or charges for the utility service rendered 9 months after the date upon which the schedule was filed under the rules of practice and procedure for filing as adopted by the commission or upon commission approval, whichever shall occur first. However, if the rates, tolls, or charges become effective because of the passage of 9

months' time, the revenues collected thereunder shall be subject to rebate, plus interest at the rate of 10% per year, to the extent that the rates, tolls, or charges ultimately approved by the commission in its final decision produce revenues which are less than those collected under the filed schedules.

~~(3) (a) An increase in a schedule of utility rates applicable to a state department, agency, office, university system unit, or other agency funded by legislative appropriation or to a school district, city, town, county, other political subdivision, or other entity financed by public funds is not chargeable without advance notice. For a school district, advance notice is required at least 40 days before the regular school election established on the first Tuesday in April by 20-20-105. For agencies funded by legislative appropriation and other entities financed by public funds, advance notice is required at least 30 days before the final date for submission of preliminary budget estimates provided by 7-6-2311, 7-6-4221, and 17-7-121. If the advance notice requirement is met, a utility rate increase is chargeable not earlier than the first day of the ensuing fiscal year for state or local government agencies or school districts.~~

~~(b) An increase in utility rates allowed during a previously approved budget period and applicable to a~~

1 ~~department, agency, office, university system unit, school~~
2 ~~district, city, town, county, other political subdivision,~~
3 ~~or other public entity is not chargeable until the first day~~
4 ~~of the ensuing fiscal year, provided that the notice~~
5 ~~requirements are met.~~

6 ~~(c) Unless the advance notice requirement of~~
7 ~~subsection (3)(a) is met, a utility rate schedule increase~~
8 ~~of which notice is received between the required date for~~
9 ~~advance notice provided for in subsection (3)(a) and the~~
10 ~~beginning of the ensuing fiscal year is chargeable against~~
11 ~~a department, agency, office, university system unit, school~~
12 ~~district, city, town, county, other political subdivision or~~
13 ~~other public entity on the first day of the second ensuing~~
14 ~~fiscal year."~~

-End-

STATE OF MONTANA

REQUEST NO. 167-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 22, 19 81, there is hereby submitted a Fiscal Note for HB-318 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act amending section 69-3-302 MCA, to prohibit utility rate increase during a budget period of a state or local government agency or school district without advance notice.

ASSUMPTIONS:

- (1) The PSC would be responsible to notice the affected parties of requested rate increases.
- (2) The utilities would notify the PSC of the increases they would be seeking during the budgeting period in question. This notification would be far enough in advance to enable the PSC to carry out the provisions of section 3(a) of HB-318.

REVENUE & EXPENDITURE IMPACT:

| <u>State</u> | <u>FY 82</u> | <u>FY83</u> |
|--------------------|----------------|----------------|
| Revenue | \$ 0 | \$ 0 |
| Expenditures | | |
| Personal Services | 0 | 0 |
| Operating Expenses | <u>\$5,000</u> | <u>\$5,500</u> |
| NET EFFECT: | \$5,000 | \$5,500 |

LOCAL IMPACT:

If notification of pending rate increases are late, local & state governments may put off utility rate increases for a year or more.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-26-81