

HOUSE BILL NO. 883

Introduced: 02/16/83

Referred to Committee on Business & Industry: 2/15/83

Hearing: 2/21/83

Died in Committee

1 *J. Jansen* *House* BILL NO. *883*
 2 INTRODUCED BY *Frank Harnett* *Vincent*
 3 *Mitcalf* *DoB* *Sawden* *Quisell*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR THE
 5 OWNERSHIP AND OPERATION OF PUBLIC UTILITIES BY UNITS OF
 6 LOCAL GOVERNMENT."

7
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Short title. [This act] may be cited as the
 10 "Public Utilities Act".

11 Section 2. Purpose. The legislature finds that in many
 12 areas of the state, citizens and local governments have
 13 become concerned about the high and increasing cost of
 14 public utility services and desire to provide such services
 15 on the local level. The legislature declares that a public
 16 purpose will be served by providing a procedure by which
 17 public utility services may be provided by units of local
 18 government.

19 Section 3. Definitions. As used in [this act], the
 20 following definitions apply:

21 (1) "Local government unit" means any city, town, or
 22 county of the state of Montana.

23 (2) "Public utility service" means a public utility
 24 service as defined by 69-3-101, except telephone and
 25 telegraph services.

1 Section 4. Authority of local government units to
 2 acquire, own, and operate utilities. (1) Subject to the
 3 approval of the local government's electorate by referendum
 4 conducted substantially as provided in 7-5-132, a local
 5 government unit may build, own, operate, and maintain works,
 6 facilities, or plants, inside or outside its boundaries, for
 7 the purpose of furnishing its inhabitants or other persons
 8 with a public utility service, including gas or electric
 9 service.

10 (2) A local government unit, in exercising the power
 11 granted in subsection (1), may:

12 (a) acquire energy sources, power generating
 13 facilities, and distribution systems and use, sell, and
 14 dispose of such power for domestic, recreational,
 15 industrial, and public use inside or outside its boundaries;

16 (b) acquire rights-of-way, easements, or real
 17 property, whether by purchase or lease, inside or outside
 18 its boundaries, for any such public utility purpose;

19 (c) bring actions for the condemnation or taking of
 20 private property for public use in the manner prescribed in
 21 Title 70, chapter 30.

22 Section 5. Authority to purchase power. A local
 23 government unit may, pursuant to [this act], purchase
 24 wholesale gas, electricity, or other power from public or
 25 private producers for distribution either inside or outside

1 its boundaries, for its own use or for sale to its
2 inhabitants or other persons, and may regulate the control
3 and use of such power.

4 Section 6. Joint acquisition, ownership, and operation
5 of utility -- joint financing. Local government units may
6 jointly construct, own, or operate, in such proportion as
7 they may agree by interlocal agreement, the facilities
8 necessary to provide the public utility services authorized
9 by [this act].

10 Section 7. Preexisting distribution systems. Whenever
11 a local government unit distributes gas, electricity, or
12 other power, it shall acquire, either through purchase or
13 condemnation, any distribution system or systems already in
14 existence in the area it proposes to serve.

15 Section 8. Financing of utility undertakings. A local
16 government unit may finance, either alone or jointly with
17 any other unit or units of local government, any undertaking
18 necessary to accomplish the purposes of [this act] in
19 accordance with the provisions of Title 7, chapter 7, part
20 44. For purposes of financing undertakings authorized by
21 [this act], counties are considered municipalities as
22 defined in 7-7-4402(2).

23 Section 9. Regulation by public service commission.
24 Except as provided in Title 69, chapter 7, for a city or
25 town acting individually or acting jointly with any other

1 local government unit under [this act], a local government
2 unit providing a public utility service under [this act] is
3 subject to regulation by the public service commission.

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