

SENATE BILL NO. 133

INTRODUCED BY G. HERTZ

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LOCAL GOVERNMENT IMPACT FEE LAWS; REMOVING THE ALLOWED ADMINISTRATION FEE; REQUIRING THAT IMPACT FEES NOT INCREASE MORE THAN THE RATE OF INFLATION; REVISING DEFINITIONS; AND AMENDING SECTIONS 7-6-1601 AND 7-6-1602, MCA."

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

**Section 1.** Section 7-6-1601, MCA, is amended to read:

**"7-6-1601. Definitions.** As used in this part, the following definitions apply:

(1) (a) "Capital improvements" means improvements, land, and equipment with a useful life of 10 years or more that increase or improve the service capacity of a public facility.

(b) The term does not include consumable supplies.

(2) "Connection charge" means the actual cost of connecting a property to a public utility system and is limited to the labor, materials, and overhead involved in making connections and installing meters.

(3) "Development" means construction, renovation, or installation of a building or structure, a change in use of a building or structure, or a change in the use of land when the construction, installation, or other action creates additional demand for public facilities.

(4) "Governmental entity" means a county, city, town, or consolidated government.

(5) (a) "Impact fee" means any charge imposed ~~upon~~ on development by a governmental entity as part of the development approval process to fund the additional service capacity required by the development from which it is collected. ~~An impact fee may include a fee for the administration of the impact fee not to exceed 5% of the total impact fee collected.~~

(b) The term does not include:

(i) a charge or fee to pay for administration, plan review, or inspection costs associated with a

**Amendment - 1st Reading/2nd House-blue - Requested by: Greg Hertz - (H) Local Government**

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Drafter: Toni Henneman,

SB0133.002.001

1 permit required for development;

2 (ii) a connection charge;

3 (iii) any other fee authorized by law, including but not limited to user fees, special improvement  
4 district assessments, fees authorized under Title 7 for county, municipal, and consolidated government sewer  
5 and water districts and systems, and costs of ongoing maintenance; or

6 (iv) onsite or offsite improvements necessary for new development to meet the safety, level of  
7 service, and other minimum development standards that have been adopted by the governmental entity.

8 (6) "Proportionate share" means that portion of the cost of capital system improvements that  
9 reasonably relates to the service demands and needs of the project. A proportionate share must take into  
10 account the limitations provided in 7-6-1602.

11 (7) "Public facilities" means:

12 (a) a water supply production, treatment, storage, or distribution facility;

13 (b) a wastewater collection, treatment, or disposal facility;

14 (c) a transportation facility, including roads, streets, bridges, rights-of-way, and traffic signals, ~~and~~  
15 landscaping;

16 (d) a storm water collection, retention, detention, treatment, or disposal facility or a flood control  
17 facility; and

18 (e) a ~~police~~ law enforcement, emergency medical rescue, 9-1-1 system, emergency management,  
19 or fire protection facility; ~~and~~

20 (f) ~~other facilities for which documentation is prepared as provided in 7-6-1602 that have been~~  
21 ~~approved as part of an impact fee ordinance or resolution by:~~

22 (i) ~~a two-thirds majority of the governing body of an incorporated city, town, or consolidated local~~  
23 ~~government; or~~

24 (ii) ~~a unanimous vote of the board of county commissioners of a county government."~~

25  
26 **Section 2.** Section 7-6-1602, MCA, is amended to read:

27 **"7-6-1602. Calculation of impact fees -- documentation required -- ordinance or resolution --**