



# Storm Fee

**Proposed Change to Move Fee From Property Taxes to Utility Bill**

# Proposed Billing Change for Storm Fee



## Proposed Change

Move from an assessment on the annual property tax statement to a charge on the monthly utility bill



## Survey of Other Cities

Charge on property taxes – Butte, Helena, Kalispell, Sioux Falls, SD, Spokane WA

Charge on utility bill – Bozeman, Great Falls, Missoula, Bismarck ND, Fargo ND, Fort Collins, CO, Grand Forks ND

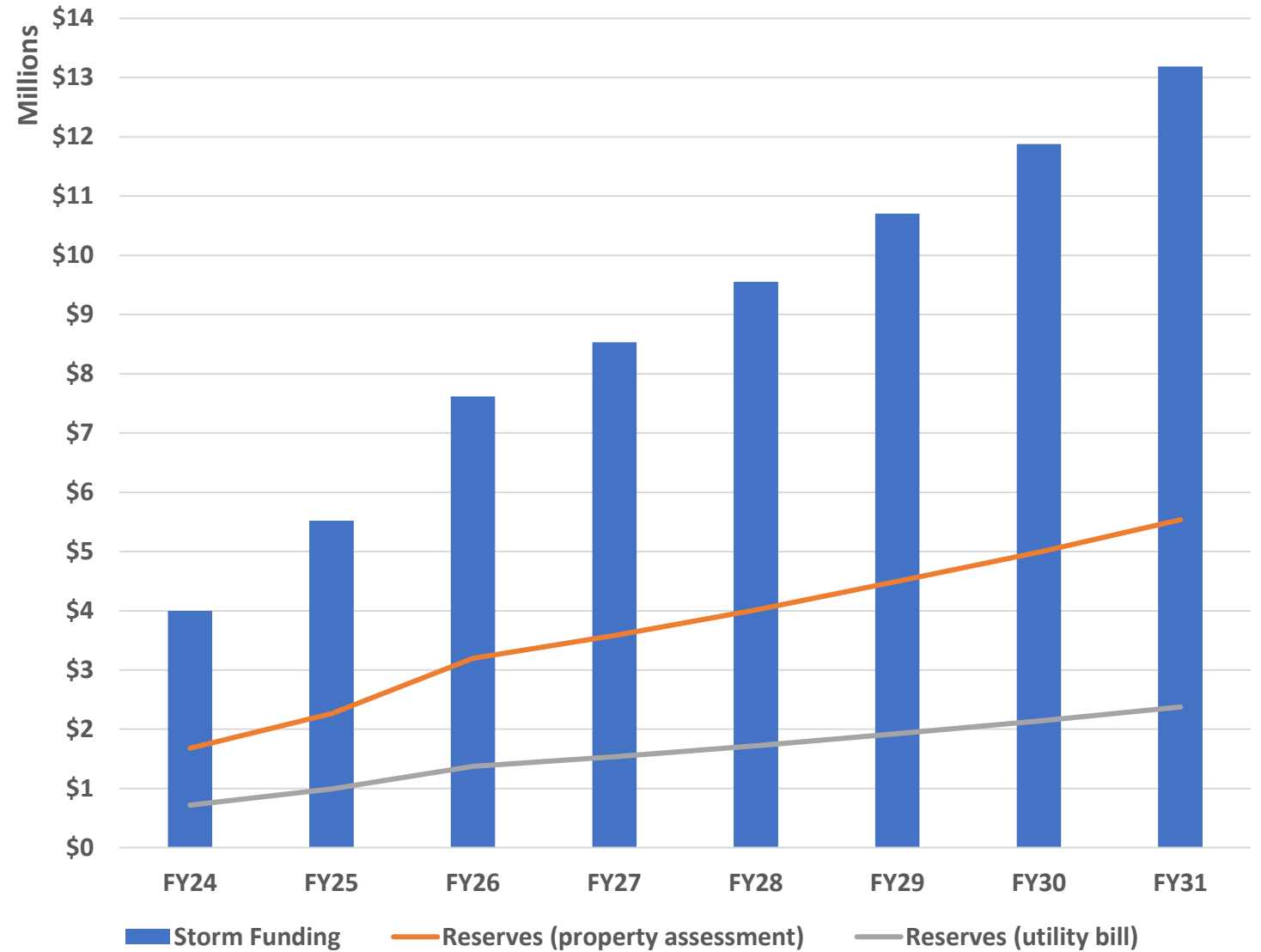
# Pros and Cons

## Charge on Property Tax Statement

## Charge on Utility Bill

	Charge on Property Tax Statement	Charge on Utility Bill
Pros	<ul style="list-style-type: none"><li>• Significantly less upfront staff time required</li><li>• Status quo (no public outreach needed)</li></ul>	<ul style="list-style-type: none"><li>• Increase transparency</li><li>• Monthly collection of revenues decrease reserve needed</li><li>• Increase billing efficiency in the long term</li></ul>
Cons	<ul style="list-style-type: none"><li>• Less transparency</li><li>• Bi-annual collection of revenues requires large reserves</li></ul>	<ul style="list-style-type: none"><li>• Significant amount of staff time needed to convert to utility bill</li><li>• Residents must get used to the change (public outreach needed)</li></ul>

# Estimated Storm Reserve Requirements



# FAQs About Moving Storm Fee to Utility Bill

## **How will this change affect renters?**

Landlords currently recover all property taxes and assessments in the rent. If a tenant pays the utility bill, the tenant will need to pay the estimated \$8/month fee, but the rent should theoretically decrease. Many landlords pay the utility bills so it would have no effect.

## **How will it affect disabled veterans and low-income homeowners who qualify for the Property Tax Assistance Program?**

It will not affect them at all. The storm fee is an assessment rather than a tax. Further the PTAG essentially reduces taxable value of a home, and the storm assessment is calculated using zoning and square footage rather than taxable value.

## **How will this change affect not-for-profit entities?**

It does not impact not-for-profits, These entities pay the storm fee now. Again, it is an assessment, not a tax, and non-profits are only exempt from taxes.

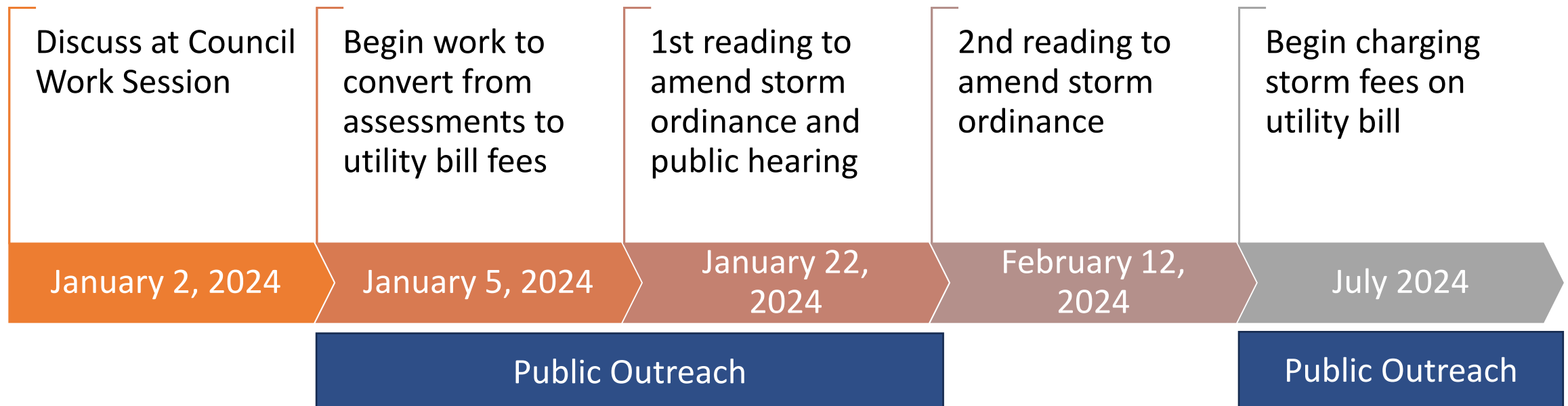
## **How will this change affect the rates?**

This change is completely independent from any rate increase the Council approves.

## **Why now?**

The City is in the process of converting to a new assessment/tax software. Now is the time to decide if we should convert to the new assessment/tax software or to the utility bill.

# Next Steps to Move Storm Fee to Utility Bill





# City Code Revisions

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- Chapter 22 – Storm Sewers
  - Revise billing from property assessments to utility bill
  - Revise methodology from zoning and square footage to be set per resolution



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Innovation  
Integrity

# Thank You

## Q & A



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