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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. **2559**

February 4, 2010

Authored by Gardner

The bill was read for the first time and referred to the Committee on Finance

A bill for an act

relating to water; requiring public water suppliers to recover the costs of providing service; modifying eligibility for loans and grants administered by the Public Facilities Authority; amending Minnesota Statutes 2008, sections 444.075, subdivision 3; 446A.051, by adding a subdivision.

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

Section 1. Minnesota Statutes 2008, section 444.075, subdivision 3, is amended to read:

Subd. 3. **Charges; net revenues.** (a) To pay for the construction, reconstruction, repair, enlargement, improvement, or other obtainment, the maintenance, operation and use of the facilities, and of obtaining and complying with permits required by law, the governing body of a municipality or county may impose just and equitable charges for the use and for the availability of the facilities and for connections with them and make contracts for the charges as provided in this section. The charges may be imposed with respect to facilities made available by agreement with other municipalities, counties or private corporations or individuals, as well as those owned and operated by the municipality or county itself.

(b) Notwithstanding local charter restrictions, charges made for service rendered shall be as nearly as possible proportionate to the cost of furnishing the service except as provided in paragraph (c).

(c) Notwithstanding local charter restrictions, for a public water supplier serving more than 1,000 people, the sum of all charges made for services rendered shall, at least, cover the cost of furnishing the services to all those receiving services. Any charges in excess of the costs of furnishing the services shall be used to pay for future construction, reconstruction, repair, enlargement, improvement, or other obtainment, the maintenance, operation and use of the facilities, and of obtaining and complying with permits required by

2.1 law. For the purposes of this paragraph, "public water supplier" means an entity that owns,
2.2 manages, or operates a public water supply, as defined in section 144.382, subdivision 4.

2.3 **EFFECTIVE DATE.** This section is effective January 1, 2012.

2.4 Sec. 2. Minnesota Statutes 2008, section 446A.051, is amended by adding a
2.5 subdivision to read:

2.6 Subd. 4. **Public water suppliers.** In order to be eligible for a loan or grant under
2.7 this chapter, a public water supplier serving more than 1,000 people shall operate so that
2.8 the sum of all charges made for services rendered shall be sufficient to cover the cost of
2.9 furnishing the services to all those receiving services. For the purposes of this subdivision,
2.10 "public water supplier" means an entity that owns, manages, or operates a public water
2.11 supply, as defined in section 144.382, subdivision 4.

2.12 **EFFECTIVE DATE.** This section is effective July 1, 2010.