

# Memorandum

**REPORT TO:** City Commission

**FROM:** Bernie Massey, Assistant Treasurer  
Laurae Clark, City Treasurer  
Kaitlin Johnson, Budget Manager

**SUBJECT:** Resolution to Levy and Assess Delinquent Water, Sewer, Stormwater, Garbage, Recycling and Organic Charges

**MEETING DATE:** September 23, 2025

**AGENDA ITEM TYPE:** Resolution

**RECOMMENDATION:** **Consider the Motion:** *I move to Approve the Commission Resolution to Levy and Assess Delinquent Water, Sewer, Stormwater, Garbage, Recycling and Organic Charges in FY26*

**STRATEGIC PLAN:** 7.5. Funding and Delivery of City Services: Use equitable and sustainable sources of funding for appropriate City services, and deliver them in a lean and efficient manner.

**BACKGROUND:** Letters were sent out prior to July 7, 2025, on all delinquent accounts notifying the previous and new owners of the delinquent charges outstanding on final bills, as well as current owners that are not paying their monthly charges, and the process of placing those charges as a lien on the real property should they not be paid. Only the few accounts listed on Schedule A of the attached resolution remain delinquent.

MCA 7-13-4309. Procedure to collect delinquent utility charges.

(1) Sewer or water charges must be collected by the treasurer.

(2) On or before July 7 of each year, notice must be given by the city treasurer or town clerk to the owners of all lots or parcels of real estate to which sewer or water service has been furnished prior to July 1 by the city or town. The notice must specify the assessment owing and in arrears at the time of giving notice. The notice must be in writing and must state the amount of arrearage, including any penalty and interest assessed pursuant to the provisions of the city or town ordinance, and that unless the amount is paid within 30 days of the notice, the amount will be levied as a tax against the lot or parcel of real estate to which sewer or water service was furnished and for which payment is delinquent. The notice must also state that the city or town may by suit collect past-due assessments, interest, and penalties, as a debt owing the city or town, in any court of competent jurisdiction, including city court. The notice may be delivered to the owner personally or by letter addressed to the owner at the post-office address of the owner as

shown in property tax records maintained by the department of revenue.

(3) (a) Except as provided in subsection (3)(b), at the time that the annual tax levy is certified to the county clerk, the city treasurer or town clerk shall certify and file with the department of revenue a list of all lots or parcels of real estate, giving the legal description of the lot or parcel, to the owners of which notices of arrearage in payments were given and which arrearage remains unpaid and stating the amount of the arrearage, including any penalty and interest. The department of revenue shall insert the amount as a tax against the lot or parcel of real estate.

(b) In cities where the council has provided by ordinance for the collection of taxes, the city treasurer shall collect the delinquent amount, including penalty and interest, as a tax against the lot or parcel of real estate to which sewer or water service was furnished and payment for which is delinquent.

(4) A city or town may, in addition to pursuing the collection of assessments in the same manner as a tax, bring suit in any court of competent jurisdiction, including city court, to collect the amount due and owing, including penalties and interest, as a debt owing the city or town. BMC 32.02.060 Costs of Collection and Disposal – Collection and Payment – Solid Waste Fund: The rates established by resolution shall be set as monthly fees and those fees shall be included on the monthly water and sewer statement and will become delinquent if not paid by the 15th of the month in which the bill is received. If the monthly fees are not paid within thirty days after they have become delinquent the delinquent amount shall be a lien against the property against which they are severally assessed and levied until paid and discharged and shall be subject to the same penalties for delinquency in payment when due and payable as are other special assessments and levies made by the City and as authorized by the laws of the state.

BMC 40.04.1050. - Billing of charges; penalties for late payment and procedure to collect. Stormwater service charges authorized by this section shall be included with the monthly water and wastewater utility billing.

Should any user fail to pay the stormwater service charge and penalty within two months of the due date, the city may terminate water service to the property. The city may also follow the collection procedure outlined in MCA 7-13-4309.

**UNRESOLVED ISSUES:** None

**ALTERNATIVES:** As suggested by the City Commission

**FISCAL EFFECTS:** The proposed assessment will recover overdue charges that have accrued due to delinquent water, sewer, stormwater, garbage, recycling and organic services totaling \$14,835.07.

Attachments:

[Resolution Delinquent Utility Accounts FY26.docx](#)

[Schedule A-Delinquent Utilities FY26.pdf](#)

Report compiled on: September 10, 2025