

HOUSE BILL NO. 392

INTRODUCED BY G. MASOLO, BARRETT, BOOKOUT-REINICKE, GALLUS, STONINGTON, TOOLE,
C. YOUNKIN

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE AMOUNT OF GASOLINE AND VEHICLE FUEL
TAX PROCEEDS ALLOCATED TO THE LOCAL TECHNICAL ASSISTANCE TRANSPORTATION PROGRAM
AND REDISTRIBUTING THE REMAINING AMOUNT TO COUNTIES AND CITIES; AMENDING SECTION
15-70-101, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 15-70-101, MCA, is amended to read:

"15-70-101. Disposition of funds. (1) All taxes collected under this chapter must, in accordance
with the provisions of 15-1-501, be placed in a highway revenue account in the state special revenue fund
to the credit of the department of transportation. ~~Beginning July 1, 2001, all~~ All interest and income
earned on the account must be deposited to the credit of the account and any unexpended balance in the
account must remain in the account. Those funds allocated to cities, towns, counties, and consolidated
city-county governments in this section must, in accordance with the provisions of 15-1-501, be paid by
the department of transportation from the state special revenue fund to the cities, towns, counties, and
consolidated city-county governments.

(2) The amount of \$16,766,000 of the taxes collected under this chapter is statutorily
appropriated, as provided in 17-7-502, to the department of transportation and must be allocated each
fiscal year on a monthly basis to the counties, incorporated cities and towns, and consolidated city-county
governments in Montana for construction, reconstruction, maintenance, and repair of rural roads and city
or town streets and alleys, as provided in subsections (2)(a) through (2)(c):

(a) The amount of ~~\$54,000~~ \$100,000 must be designated for the purposes and functions of the
Montana local technical assistance transportation program in Bozeman.

(b) The amount of ~~\$6,323,000~~ \$6,306,000 must be divided among the various counties in the
following manner:

(i) 40% in the ratio that the rural road mileage in each county, exclusive of the national highway



1 system and the primary system, bears to the total rural road mileage in the state, exclusive of the national
2 highway system and the primary system;

3 (ii) 40% in the ratio that the rural population in each county outside incorporated cities and towns
4 bears to the total rural population in the state outside incorporated cities and towns;

5 (iii) 20% in the ratio that the land area of each county bears to the total land area of the state.

6 (c) The amount of ~~\$10,389,000~~ \$10,360,000 must be divided among the incorporated cities and
7 towns in the following manner:

8 (i) 50% of the sum in the ratio that the population within the corporate limits of the city or town
9 bears to the total population within corporate limits of all the cities and towns in Montana;

10 (ii) 50% in the ratio that the city or town street and alley mileage, exclusive of the national
11 highway system and the primary system, within corporate limits bears to the total street and alley mileage,
12 exclusive of the national highway system and primary system, within the corporate limits of all cities and
13 towns in Montana.

14 (3) (a) For the purpose of allocating the funds in subsections (2)(b) and (2)(c) to a consolidated
15 city-county government, each entity must be considered to have separate city and county boundaries. The
16 city limit boundaries are the last official city limit boundaries for the former city unless revised boundaries
17 based on the location of the urban area have been approved by the department of transportation and must
18 be used to determine city and county populations and road mileages in the following manner:

19 (i) Percentage factors must be calculated to determine separate populations for the city and rural
20 county by using the last official decennial federal census population figures that recognized an incorporated
21 city and the rural county. The factors must be based on the ratio of the city to the rural county population,
22 considering the total population in the county minus the population of any other incorporated city or town
23 in the county.

24 (ii) The city and county populations must be calculated by multiplying the total county population,
25 as determined by the latest official decennial census or the latest interim year population estimates from
26 the Montana department of commerce as supplied by the United States bureau of the census, minus the
27 population of any other incorporated city or town in that county, by the factors established in subsection
28 (3)(a)(i).

29 (b) The amount allocated by this method for the city and the county must be combined, and single
30 monthly payments must be made to the consolidated city-county government.

1 (4) All funds allocated by this section to counties, cities, towns, and consolidated city-county
2 governments must be used for the construction, reconstruction, maintenance, and repair of rural roads or
3 city or town streets and alleys or for the share that the city, town, county, or consolidated city-county
4 government might otherwise expend for proportionate matching of federal funds allocated for the
5 construction of roads or streets that are part of the primary or secondary highway system or urban
6 extensions to those systems. The governing body of a town or third-class city, as defined in 7-1-4111,
7 may each year expend no more than 25% of the funds allocated to that town or third-class city for the
8 purchase of capital equipment and supplies to be used for the maintenance and repair of town or
9 third-class city streets and alleys.

10 (5) All funds allocated by this section to counties, cities, towns, and consolidated city-county
11 governments must be disbursed to the lowest responsible bidder according to applicable bidding
12 procedures followed in all cases in which the contract for construction, reconstruction, maintenance, or
13 repair is in excess of \$4,000.

14 (6) For the purposes of this section in which distribution of funds is made on a basis related to
15 population, the population must be determined annually for counties and biennially for cities according to
16 the latest official decennial census or the latest interim year population estimates from the Montana
17 department of commerce as supplied by the United States bureau of the census.

18 (7) For the purposes of this section in which determination of mileage is necessary for distribution
19 of funds, it is the responsibility of the cities, towns, counties, and consolidated city-county governments
20 to furnish to the department of transportation a yearly certified statement indicating the total mileage
21 within their respective areas applicable to this chapter. All mileage submitted is subject to review and
22 approval by the department of transportation.

23 (8) Except by a town or third-class city as provided in subsection (4), the funds authorized by this
24 section may not be used for the purchase of capital equipment.

25 (9) Funds authorized by this section must be used for construction and maintenance programs."
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27 NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 2001.
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