

HOUSE BILL NO. 385  
INTRODUCED BY R. ERICKSON

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING FOR PUBLIC TRANSPORTATION SYSTEMS TO BE INCLUDED IN PROJECTS FINANCED BY MUNICIPAL REVENUE BONDS; PROVIDING FOR THE USE OF LOCAL MOTOR FUEL EXCISE TAX TO BE USED FOR REPAYMENT OF MUNICIPAL REVENUE BONDS; AND AMENDING SECTIONS 7-7-4402, 7-7-4424, AND 7-14-302, MCA."

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

**Section 1.** Section 7-7-4402, MCA, is amended to read:

**"7-7-4402. Definitions.** ~~Whenever~~ As used in this part, unless a different meaning clearly appears from the context, the following definitions apply:

(1) The term "governing body" ~~shall include~~ includes bodies and boards, by whatsoever names they may be known, having charge of finances and management of a municipality.

(2) The term "municipality" ~~shall include~~ includes any city or any town, however organized.

(3) The term "undertaking" ~~shall mean~~ means any one or a combination of the following:

(a) water and sewer systems, together with all parts ~~thereof~~ of the systems and appurtenances ~~thereto~~ to the systems, including but not limited to supply and distribution systems, reservoirs, dams, and sewage treatment and disposal works;

(b) public airport construction and public airport building;

(c) convention facilities;

(d) public recreation facilities; ~~and~~

(e) public parking facilities, solid waste management systems, or other revenue-producing facilities and services authorized ~~in these codes~~ for cities and towns;

(f) public transportation systems, including but not limited to passenger buses and facilities, trolleys, passenger trains and lines, and light rail trains and lines; and

(g) public rights-of-way used for transportation purposes, including but not limited to streets, roads, pedestrian-only thoroughfares, and bike paths."

**Section 2.** Section 7-7-4424, MCA, is amended to read:

**"7-7-4424. Undertakings to be self-supporting.** (1) (a) Except as provided in subsections (1)(b) and (1)(c), ~~The~~ the governing body of a municipality issuing bonds pursuant to this part shall prescribe and collect reasonable rates, fees, or charges for the services, facilities, and commodities of the undertaking and shall revise the rates, fees, or charges from time to time whenever necessary so that the undertaking is and remains self-supporting.

(b) The property taxes specifically authorized to be levied for the general purpose served by an undertaking or resort taxes approved, levied, and appropriated to an undertaking in compliance with 7-6-1501 through 7-6-1509 constitute revenue of the undertaking and may not result in an undertaking being considered not self-supporting.

(c) The local option motor fuel excise tax authorized and collected under 7-14-301 may constitute revenue of the undertaking and may not result in an undertaking being considered not self-supporting.

(2) The rates, fees, or charges prescribed, along with any appropriated property or resort tax collections and local option motor fuel excise tax collections, must produce revenue at least sufficient to:

(a) pay when due all bonds and interest on the bonds, the payment of which the revenue has been pledged, charged, or otherwise encumbered, including reserves for the bonds; and

(b) provide for all expenses of operation and maintenance of the undertaking, including reserves."

**Section 3.** Section 7-14-302, MCA, is amended to read:

**"7-14-302. Use of local motor fuel excise tax revenue.** (1) A county or municipality receiving revenue from the tax authorized by 7-14-301 may use the revenue derived ~~only~~ as follows:

(a) for the construction, reconstruction, maintenance, and repair of public streets and roads; and

(b) as a source of payment of municipal revenue bonds as provided for in 7-7-4421.

(2) One percent of the motor fuel excise tax revenue collected in a county is to be reimbursed to the retail seller for the cost of compliance with this part."

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