

SENATE BILL NO. 536

INTRODUCED BY G. HERTZ

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FUNDING TO LOCAL GOVERNMENTS FOR THE MAINTENANCE OF COUNTY AND CITY ROADS; PROVIDING FOR THE DISTRIBUTION OF FUNDS; PROVIDING ADMINISTRATION FEES; PROVIDING A FUND TRANSFER; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

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

NEW SECTION. Section 1. Local government road maintenance account. There is a local government road maintenance account in the state special revenue fund established in 17-2-102. All funds received pursuant to [section 3] must be deposited in the account.

(2) Money deposited in the account is subject to appropriation by the legislature to the department of transportation and may be used only for funding the construction, reconstruction, maintenance, and repair of county roads and city or town streets and alleys in the manner provided in [section 2].

(3) The total amount of money deposited in the account must be distributed pursuant to [section 2] by June 30, 2024.

NEW SECTION. Section 2. Distribution of funds for local government road maintenance. (1) The amount of \$100 million deposited in the local government road maintenance account provided in [section 1] is subject to legislative appropriation to the department of transportation and must be distributed by the department for the fiscal year starting July 1, 2023, on a monthly basis to the counties, incorporated cities and towns, and consolidated city-county governments in Montana for the construction, reconstruction, maintenance, and repair of rural roads and city or town streets and alleys as follows:

(a) The amount of \$40 million must be divided among the various counties in the following manner:

(i) 50% in the ratio that the rural road mileage in each county, exclusive of the national highway system and the primary system, bears to the total rural road mileage in the state, exclusive of the national

1 highway system and the primary system; and

2 (ii) 50% in the ratio that the rural population in each county outside incorporated cities and towns
3 bears to the total rural population in the state outside incorporated cities and towns.

4 (b) The amount of \$40 million must be divided among the incorporated cities and towns with a
5 population of less than 10,000 as of the most recent decennial federal census in the following manner:

6 (i) 50% in the ratio that the city or town street and alley mileage, exclusive of the national highway
7 system and the primary system, within corporate limits bears to the total street and alley mileage, exclusive of
8 the national highway system and primary system, within the corporate limits of all incorporated cities and towns
9 in Montana with a population of less than 10,000; and

10 (ii) 50% in the ratio that the population within the corporate limits of the city or town bears to the
11 total population within corporate limits of all the cities and towns in Montana with a population of less than
12 10,000 as of the most recent decennial federal census.

13 (c) The amount of \$20 million must be divided among the incorporated cities with a population of
14 more than 10,000 as of the most recent decennial federal census in the following manner:

15 (i) 50% in the ratio that the city or town street and alley mileage, exclusive of the national highway
16 system and the primary system, within corporate limits bears to the total street and alley mileage, exclusive of
17 the national highway system and primary system, within the corporate limits of all incorporated cities and towns
18 in Montana with a population of more than 10,000 as of the most recent decennial census; and

19 (ii) 50% in the ratio that the population within the corporate limits of the city or town bears to the
20 total population within corporate limits of all the cities and towns in Montana with a population of more than
21 10,000 as of the most recent decennial census.

22 (2) (a) For the purpose of allocating the funds in subsections (1)(a) through (1)(c) to a consolidated
23 city-county government, each entity must be considered to have separate city and county boundaries. The city
24 limit boundaries are the last official city limit boundaries for the former city unless revised boundaries based on
25 the location of the urban area have been approved by the department of transportation and must be used to
26 determine city and county populations and road mileages in the following manner:

27 (i) Percentage factors must be calculated to determine separate populations for the city and rural
28 county by using the last official decennial federal census population figures that recognized an incorporated city

1 and the rural county. The factors must be based on the ratio of the city to the rural county population,
2 considering the total population in the county minus the population of any other incorporated city or town in the
3 county.

4 (ii) The city and county populations must be calculated by multiplying the total county population,
5 as determined by the latest official decennial census or the latest interim year population estimates from the
6 department of commerce as supplied by the United States bureau of the census, minus the population of any
7 other incorporated city or town in that county, by the factors established in subsection (2)(a)(i).

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

10 (3) (a) All funds allocated by this section to counties, cities, towns, and consolidated city-county
11 governments must be used for the construction, reconstruction, maintenance, and repair of rural roads or city or
12 town streets and alleys.

13 (b) Funds allocated by this section may not be used for the purchase of capital equipment.

14 (4) All funds allocated by this section to counties, cities, towns, and consolidated city-county
15 governments must be disbursed to the lowest responsible bidder according to applicable bidding procedures
16 followed in all cases in which the contract for construction, reconstruction, maintenance, or repair is in excess of
17 the amounts provided in 7-5-2301 and 7-5-4302.

18 (5) For the purposes of this section in which distribution of funds is made on a basis related to
19 population, the population must be determined for counties and cities according to the latest official decennial
20 federal census.

21 (6) For the purposes of this section in which determination of mileage is necessary for distribution
22 of funds, the department of transportation shall utilize the yearly certified statement indicating the total mileage
23 as provided in 15-70-101(7).

24 (7) To receive a distribution of funds allowed under this section, a county, city, town, or
25 consolidated city-county shall remit a \$5 fee to the department of transportation for costs related to the
26 administration of [this act].

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28 **NEW SECTION. Section 3. Transfer of funds.** Within 15 days of [the effective date of this act], the

1 state treasurer shall transfer \$100 million from the general fund to the local government road maintenance
2 account provided in [section 1].

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4 NEW SECTION. **Section 4. Effective date.** [This act] is effective July 1, 2023.

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6 NEW SECTION. **Section 5. Termination.** [This act] terminates June 30, 2024.

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