



1 to the total rural population in the state outside incorporated cities and towns;

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

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

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

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

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

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

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

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

26 (4) All funds allocated by this section to (4) counties, cities, towns, and consolidated city-county  
27 governments must be used for the construction, reconstruction, maintenance, and repair of rural roads or city or  
28 town streets and alleys or for the share that the city, town, county, or consolidated city-county government

1 might otherwise expend for proportionate matching of federal funds allocated for the construction of roads or  
2 streets that are part of the primary or secondary highway system or urban extensions to those systems. The  
3 governing body of a town or third-class city, as defined in 7-1-4111, may each year expend no more than 25%  
4 of the funds allocated to that town or third-class city for the purchase of capital equipment and supplies to be  
5 used for the maintenance and repair of town or third-class city streets and alleys. The governing body of a town  
6 or third-class city may place all or a part of the 25% in a restricted asset account within the gas tax  
7 apportionment fund that is carried forward until there is a need for the expenditure.

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

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

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

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

23 (9) Funds authorized by this section must be used for construction and maintenance programs.

24 (10) At the request of a tribal government eligible to participate in the federal tribal transportation  
25 program, the department shall distribute the on-reservation share of revenue calculated for distribution to a  
26 county pursuant to subsection (2)(b) to the tribal government through the transfer process established in 23  
27 USC 202(a)(9). The on-reservation share is the portion of the distribution calculated using the rural road  
28 mileage, rural population, and land area within the exterior boundaries of the reservation that lie within the

1 county. Transferred funds must be used in same manner as allowed by the federal tribal transportation  
2 program."

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4 NEW SECTION. Section 2. Effective date. [This act] is effective July 1, 2021.

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