

MINUTES OF THE MEETING  
HIGHWAYS AND TRANSPORTATION COMMITTEE  
MONTANA STATE  
HOUSE OF REPRESENTATIVES

March 28, 1985

The meeting of the Highways and Transportation Committee was called to order by Chairman Harp on March 28, 1985, at 7 a.m. in Room 420, State Capitol.

ROLL CALL: All members of the Committee were present except Representatives Peterson and O'Connell, who were absent.

CONSIDERATION OF SENATE BILL 22: Senator Pete Story, District 41, sponsor of Senate Bill 22, told the Committee the bill would allow county commissioners to set speed limits on county roads (as low as 15 miles per hour), without an engineering study. He said the bill was introduced at the urging of Livingston area residents and he believes county commissioners possess the common sense to set such speed limits. Senator Story commented if the counties were to wait for an engineering study to be completed, speed limit changes would not be accomplished in a timely manner.

PROPOSERS: Mr. Gordon Morris, Montana Association of Counties, told the Committee no traffic and engineering studies have been completed concerning this situation. He explained current law sets a minimum speed on 35 mph on county roads, while the bill would allow counties to set local speed limits.

OPPOSERS: Mr. Gary Wicks, Director, Department of Highways, told the Committee he doesn't actually oppose the bill (as it addresses county roads), but he sees a problem on page 4, line 1, subsection (1), which would allow county commissioners to set speed limits without an engineering and traffic investigation of a county road. Mr. Wicks provided committee members with copies of his proposed amendment to insert (c) after (1) on page 4, line 2, which he said would correct the situation (Exhibit 1).

There were no other proponents or opponents of Senate Bill 22.

QUESTIONS: Representative Keyser asked Mr. Wicks if the proposed amendment would also apply to section 2, subsections (a) and (b), if adopted. Mr. Wicks replied the amendment applies only to section (1)(c).

Representative Keyser asked Mr. Wicks if he would disagree with a motion to strike (5) on page 4 of the bill. Mr. Wicks replied he would.

Representative Keyser referred to the request made by Twin Bridges for a speed limit reduction, which actually resulted in a speed limit increase, and said residents are both confused and frustrated by the decision.

Representative Harbin asked Senator Story if line 22, on page 3, would allow county commissioners to increase daytime speed limits on county roads without limitation. Senator Story did not respond.

Chairman Harp asked Senator Story for his opinion of the proposed amendment. Senator Story replied he would rather the bill not be amended.

In closing, Senator Story commented that the bill contains much "scar tissue" in the form of senate amendments, and asked the Committee to give Senate Bill 22 favorable consideration.

CONSIDERATION OF SENATE BILL 396: Senator William Yellowtail, District 50, sponsor of Senate Bill 396, told the Committee the bill is an issue of public safety, specifically concerning the safety of children attending area schools. Senator Yellowtail alluded to schools in Culbertson, Poplar and Hardin (all of which are situated on federal-aid highways), and said parents are concerned that local communities are unable to set speed limits in these situations.

Senator Yellowtail advised committee members there is no federal regulation authorizing the Highway Commission to set speed limits and that he questions the actions of the Department of Highways in raising speed limits in certain areas where speed limit reductions were requested by the residents. Senator Yellowtail said the bill would grant "narrow authority" to set local speed limits in these situations. He provided committee members with two letters in support of the bill (Exhibits 2 and 2a) and advised the Committee, the Montana School Boards Association and the Montana School Administrators Association support the bill.

Senator Yellowtail explained the bill was amended by the Senate Highways and Transportation Committee in an effort to clean up the language. He said (1) subsection (d) near the bottom of page 3, speaks to local authority to set speed limits within a quarter-mile radius of schools situated along highways' (2) section 1 on page 3, refers to local engineering and traffic investigations; (c) subsection (4) on page 4, gives the Highway Commission exclusive jurisdiction, except as provided in 61.8.310(1); (4) the new section 2, beginning on line 18, page 4, refers to county authority where there are unincorporated towns.

PROPOSERS: Mr. Gordon Morris, Montana Association of Counties, told committee members he supports the concept of the bill and urged them to do so.

Representative Howe asked to go on record in support of the bill.

OPPONENTS: Mr. Gary Wicks told the Committee he opposes the bill in that the duties of the Department of Highways in setting speed limits are probably the most controversial to carry out, especially when speed limits are increased as a result of a study, instead of decreased as requested by a community. He commented that the majority of the time, an agreement is reached between the community and the Department on speed limits.

Mr. Wicks advised the Committee he has been working with local governments recently, in accord with federal regulations, and said the State is required to sign a federal agreement (not by Law), when changes are made in speed limits.

Mr. Wicks told the Committee he believes Senate Bill 396 contains the same problems as Senate Bill 22. He said there are problems with: (1) subsection (4), on page 4, pertaining to the jurisdiction of county commissioners; (2) section (1), to which the Department would add (d) (Exhibit 3); (3) page 3, line 8, to which the Department would add, "in accord with Institute of Traffic Engineering standards"; (4) line 23, on page 4, which allows local governments to prescribe and enforce penalties and, according to Mr. Wicks should be left to the rule-making authority of the Legislature.

Mr. Wicks told the Committee the Department recently allowed Poplar residents to choose a consultant to further study its speed limit problem, but required the study be completed in compliance with Institute of Traffic Engineering guidelines.

Mr. Don Harriott, Administrator, Engineering Division, Department of Highways, told the Committee he was formerly mayor of Helena, and that common sense can be affected by frustration concerning issues such as school safety, which are particularly sensitive. He stated changing the speed limit is not the answer, while crossing guards, changing parking along the roadside, and additional lighting would help considerably more.

There were no other proponents or opponents of Senate Bill 396.

QUESTIONS: Referring to the situation at Twin Bridges, Representative Keyser asked Mr. Wicks if it would not be reasonable for the Department to advise area residents of a potential increase in the speed limit, prior to implementing it. Mr. Wicks replied the policy of the Department is to work with communities as the Department is required by law to complete traffic studies.

Mr. Wicks advised the Committee some local governments are putting up signs showing the regular speed limit and a reduced speed limit during school hours, which the Department is looking into.

Representative Harbin stated he was concerned with the quarter-mile radius referred to in the bill, as he is aware of several schools whose property may border a federal-aid highway, while the school itself, is situated away from the Highway. He commented there is a need for a disinterested third party to set these speed limits.

In closing, Senator Yellowtail told the Committee the issue addressed in the bill arises out of frustration with public procedure for setting speed limits and the feeling that communities are not receiving proper answers to their questions relating to school speed zones.

Senator Yellowtail agreed that good signs are important, but said speed is the fundamental issue. He explained the bill is not a speed trap bill and told Representative Harbin the bill was meant to apply only to schools actually situated along federal-aid highways. Senator Yellowtail stated it is common practice for a municipality to set 15 mph speed zones and told the Committee the bill is purely a safety concern.

Senator Yellowtail advised committee members of a car-child accident he witnessed in Great Falls, which proved to be fatal to the child, and asked the Committee to support Senate Bill 396.

DISCUSSION OF SENATE BILL 83: Representative Smith reminded committee members the Committee planned to amend Senate Bill 83. He expressed his concern with record keeping and Representative Glaser stated he was concerned with the age for issuing a chauffer's license.

The Committee elected to defer action on the bill until Saturday, March 30, 1985.

DISPOSITION OF SENATE BILL 344: Representative Glaser told the Committee he objected to the exemption of tanks up to 3,000 gallons.

Representative Harbin stated such tanks should have a plate for identification purposes.

Representative Smith stated he believes Senate Bill 344 is a bad bill and made a motion that the bill BE NOT CONCURRED IN. The motion was seconded by Representative Compton and passed, with all members voting aye except Representatives Abrams and Campbell. Representatives O'Connell and Peterson were absent for the vote.

There being no further business before the Committee, the meeting was adjourned at 8:20 a.m.

DAILY ROLL CALL

HOUSE HIGHWAYS AND TRANSPORTATION COMMITTEE

49th Legislative Session

Date 3-28, 1985

| Name      | Present | Absent | Excused |
|-----------|---------|--------|---------|
| Harp      | X       |        |         |
| Abrams    | X       |        |         |
| Campbell  | X       |        |         |
| Compton   | X       |        |         |
| Glazer    | X       |        |         |
| Harbin    | X       |        |         |
| Howe      | X       |        |         |
| Kennerly  | X       |        |         |
| Keyser    | X       |        |         |
| Koehnke   | X       |        |         |
| O'Connell |         | X      |         |
| Peterson  |         | X      |         |
| Smith     | X       |        |         |
| Zabrocki  | X       |        |         |
|           |         |        |         |

VISITORS' REGISTER

House Highways & Transp. COMMITTEE

BILL NO. SB 22

DATE 3-28-85

SPONSOR Story

| NAME (please print)       | RESIDENCE    | SUPPORT                             | OPPOSE                              |
|---------------------------|--------------|-------------------------------------|-------------------------------------|
| <u>L. Morris</u>          | <u>MALCO</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <u>Don Harriott, P.E.</u> | <u>MIDOK</u> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
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IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

House Highways & Transp. COMMITTEE

BILL NO. SB 396

DATE 3-28-85

SPONSOR Yellowtail

| NAME (please print) | RESIDENCE     | SUPPORT | OPPOSE |
|---------------------|---------------|---------|--------|
| Gary Wicks          | Helena, Mont. |         | X      |
| B. Morris           | Mt. A.C.S.    | ✓       |        |
| Don Harriott, P.E.  | M.D.C.H.      |         | X      |
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IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

March 28, 1985  
Exhibit 2  
SB 396

LANNY G. FRANTZICK  
P.O. Box 1076, Poplar, Mt. 59255  
(406)768-3225(Home)  
(406)768-5173(Office)

Feb 19, 1985

Written Testimony for the Record  
Concerning Senate Bill #396  
Introduced by Sen. Yellowtail

I have had an opportunity to review the draft of Senate Bill #396 and submit the following written testimony for inclusion in the record of hearing proceedings on this important Bill.

This bill is a initial remedy to assist local authorities with problems in speed enforcement within the local authorities jurisdiction.

Local government authorities need input on speed limit decisions within their jurisdiction. The problem in Poplar right now is created by the lack of consultation with local authorities including in our case situation: The Poplar City Council and the Fort Peck Tribal Executive Board.

Each community situation differs in our State. In our instance, we have a significant part of our school district campus located adjacent to Highway#2., increasing the speed limits in Poplar proper have set forth a clear and present danger to the immediate safety of the children and youth attending the local school district facility, the college facilities, and other individuals utilizing business establishments in Poplar proper on a day-to day basis.

The intent of Senate Bill No. 396 is in the right direction. The intent of our State government in respect to the issue of speed limits decrease issues should be in collaboration with local authorities.

Because of other commitments, I cannot be present to present oral testimony on this bill. I congratulate Sen. Yellowtail on his efforts.

*Lanny G. Frantzick*  
Submitted by: Lanny G. Frantzick, Councilperson  
City Council-City of Poplar, Poplar,  
Montana 59255

02-19-85

I am a Business person located on  
Highway #2, close to the school  
district in Poplar  
(Lanny G. Frantzick, President)  
Sun Rise Lumber and Hardware Inc.  
P.O. Box 1117, Hyw#2 West-308 F St  
Poplar, Montana 59255  
768-3762



March 28, 1985  
Exhibit 2a  
SB 396

TESTIMONY OF DONOVAN BRIDGES, PRESIDENT OF THE POPLAR CHAMBER OF COMMERCE AND AGRICULTURE

Poplar, Montana 59255  
Address: Poplar Chamber of Commerce and Agriculture  
P.O. Box 313, Poplar, Montana 59255  
Telephone Number: 768-3323

I am Donovan Bridges, President of the Poplar Chamber of Commerce and Agriculture, Poplar, Montana. I am privileged and honored to be here with you to submit oral testimony in support of the SENATE BILL NO. 396. Introduced by Sen. Yellowtail.

THIS BILL IS OF IMMENSE INTEREST TO THE 4200 people in our service area. THE BILL IS A REMEDY TO THE SPEED LIMIT PROBLEM WE HAVE IN THE GREATER COMMUNITY OF POPLAR, MONTANA- WHICH HIGHWAY #2 PASSES THROUGH.

ON BEHALF OF THE POPLAR CHAMBER OF COMMERCE AND AGRICULTURE, ITS MEMBERSHIP WHICH INCLUDES THE FORT PECK TRIBES , AND ON BEHALF OF THE 4200 People in our trade/service area.....I urge the elected officials of the Great State of Montana to join together in support of this bill and enact every step possible to facilitate its passage into law.

I DO NOT FEEL POPLAR IS PROVINCIAL IN ITS REASONS FOR SUPPORT OF THIS BILL. I DO FEEL THE BILL HAS EXCEPTIONAL MERIT AND WILL DO WONDERS TO REMEDY OTHER EXISTING SIMILAR PROBLEMS IN OTHER MUNICIPALITIES IN OUR GREAT STATE.

Ladies and Gentlemen...I submit to you my endorsement and support of SENATE BILL No. 396 to be in the best interests of the local governmental authorities of our Great State. It certainly will do much to remedy an existing unsatisfactory condition that exists endangering the safety and lives of our citizens.

Throughout our Great State you will find support for the intent of Senate Bill #396., I ask with due respects as a citizen of this State for favorable consideration and support of S.B. #396.

*Donovan Bridges*

Submitted by: Donovan Bridges  
President  
Poplar Chamber of Commerce &  
Agriculture  
#313, Poplar, Montana 59255

March 28, 1985  
Exhibit 3  
SB 396

Amendments to SB 396, Third Reading

1. Amend title, Line 8  
Following: "COUNTIES"  
Strike: "TO ESTABLISH SPEED LIMITS; AUTHORIZING"  
Insert: "AND"
2. Amend title, Line 10  
Following: "HIGHWAYS"  
Insert: "ADJACENT TO SCHOOLS"
3. Page 3, Line 8  
Following: "CONDUCTED"  
Insert: "IN ACCORDANCE WITH THE INSTITUTE OF TRAFFIC ENGINEERS STANDARDS"
4. Page 4, Line 14  
Following: "(1)"  
Insert: "(d)"
5. Page 4, Line 21  
Following: "(1)"  
Insert: "(d)"
6. Page 4, Line 21  
Following: "any"  
Strike: "county road"
7. Page 4, Line 22  
Following: "state"  
Strike: "highway, or federal-aid secondary"
8. Page 4, Line 23  
Following: "county"  
Strike: "and prescribe and enforce a penalty for violation of such  
an ordinance"

# STANDING COMMITTEE REPORT

March 23

19 35

MR. **SPEAKER:** .....

We, your committee on ..... **HOUSE HIGHWAYS AND TRANSPORTATION** .....

having had under consideration ..... **SENATE BILL** ..... Bill No. **344** .....

THIRD reading copy ( BLUE )  
color

**AN ACT TO DEFINE ANODOROUS AMMONIA URSE TANKS AND TO TXEMPT SUCH TANKS  
FROM SPECIAL MOBILE EQUIPMENT FEES AND GROSS VEHICLE WEIGHT FEES;**

Respectfully report as follows: That ..... **SENATE BILL** ..... Bill No. **344** .....

BE NOT CONCURRED IN

~~XDUX68~~

March 28, 1985  
Exhibit

#1 PROGRAM ASSUMPTION GOING INTO THE  
SESSION. USING FY86-FY87  
PROJECT LIST. COAL TAX  
AS 1983 LEGISLATURE  
INTENDED (HB19)

STATE OF MONTANA  
DEPARTMENT OF HIGHWAYS  
COMBINED RTF & EARMARK CASH FLOW  
03/20/85

|                           | FY85        | FY86        | FY87        | FY88        | FY89        |
|---------------------------|-------------|-------------|-------------|-------------|-------------|
| BEGINNING CASH BALANCE    | 51,940,233  | 65,562,606  | 49,196,265  | 16,383,407  | -16,556,042 |
| REVENUE                   |             |             |             |             |             |
| G.V.W.                    | 23,157,280  | 23,388,853  | 23,622,742  | 23,858,969  | 24,097,559  |
| GAS TAX                   | 61,916,500  | 61,664,500  | 61,289,500  | 61,001,948  | 61,315,958  |
| DIESEL TAX                | 18,737,000  | 18,925,000  | 19,114,000  | 19,305,140  | 19,498,191  |
| ACCOUNT RECEIVABLE        | 686,048     | 681,048     | 681,048     | 681,048     | 681,048     |
| MINERAL ROYALTIES         | 8,500,000   | 7,564,000   | 7,598,000   | 7,632,000   | 7,667,000   |
| COAL TAX REVENUE          | 0           | 6,235,140   | 13,233,600  | 14,129,040  | 15,332,760  |
| INTEREST INCOME           | 0           | 5,912,471   | 3,450,954   | 0           | 0           |
| MODIFIED                  | 0           | 400,000     | 550,000     | 550,000     | 550,000     |
| ACI CONVERSION            | 0           | 2,973,000   | 2,526,000   |             |             |
| TOTAL REVENUE             | 112,996,828 | 127,744,012 | 132,065,844 | 127,158,145 | 129,142,516 |
| AVAILABLE FUNDS           | 164,937,061 | 193,306,618 | 181,262,109 | 143,541,552 | 112,586,474 |
| EXPENDITURE               |             |             |             |             |             |
| G.V.W.                    | 3,207,546   | 3,113,357   | 3,195,827   | 3,342,445   | 3,439,628   |
| GENERAL OPERATIONS        | 4,903,896   | 5,060,459   | 5,090,959   | 4,887,083   | 5,037,925   |
| CONSTRUCTION              | 4,328,367   | 4,199,657   | 26,130,929  | 23,607,899  | 23,661,240  |
| MAINTENANCE               | 41,729,404  | 40,211,558  | 40,201,981  | 43,156,732  | 44,601,979  |
| PRECONSTRUCTION           | 3,482,615   | 3,407,288   | 2,935,908   | 3,142,721   | 3,240,211   |
| EQUIPMENT                 | 2,568,000   | 2,788,210   | 2,555,637   | 2,647,828   | 2,743,839   |
| HDQTRS. BLDG.             | 587,245     | 646,106     | 588,505     | 596,085     | 602,845     |
| A & E                     | 500,000     | 762,100     | 762,100     | 375,000     | 375,000     |
| LOCAL GOVERNMENT          | 14,150,000  | 14,150,000  | 14,150,000  | 14,150,000  | 14,150,000  |
| BOND INTEREST & PRINCIPAL | 4,898,063   | 14,127,230  | 15,975,094  | 15,973,573  | 15,975,105  |
| RECONSTRUCTION TRUST      | 10,473,003  | 46,054,864  | 43,812,205  | 40,000,000  | 40,000,000  |
| REVENUE                   | 757,959     | 845,899     | 825,672     | 757,139     | 776,067     |
| JUSTICE                   | 6,044,981   | 6,202,653   | 6,204,890   | 6,360,012   | 6,519,012   |
| MODIFIED (FY85-HB203)     | 1,743,376   | 1,919,341   | 1,080,812   | 1,101,077   | 1,137,913   |
| PAYPLAN @2 1/2%           | 0           | 621,631     | 1,368,183   | 0           | 0           |
| TOTAL EXPENDITURE         | 99,374,455  | 144,110,353 | 164,878,702 | 160,097,594 | 162,260,764 |
| ENDING CASH BALANCE       | 65,562,606  | 49,196,265  | 16,383,407  | -16,556,042 | -49,674,290 |

\*\*\* ASSUME MINERAL ROYALTIES CONTINUE FOR ALL YEARS.  
 ASSUME GASOHOL REDUCTION OF \$ 800,000 IN FY86,  
 \$1,200,000 IN FY87,  
 \$1,800,000 THEREAFTER.  
 ASSUME COAL TAX BEGINS IN FY86 AT OLD RATES.  
 ASSUME NO GAS OR DIESEL TAX INCREASE.  
 ASSUME 10.83% INTEREST RATE FOR FY86 & 10.97% THEREAFTER.

#2 CURRENT LAW  
 NO FUEL TAX INCREASE  
 NO HB19 (COAL SEVERANCE)

STATE OF MONTANA  
 DEPARTMENT OF HIGHWAYS  
 COMBINED RTF & EARMARK CASH FLOW  
 03/20/85

|                              | FY85        | FY86        | FY87        | FY88        | FY89        |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| BEGINNING CASH BALANCE       | 51,940,233  | 65,562,606  | 42,623,492  | 2,220,700   | -30,718,749 |
| REVENUE                      |             |             |             |             |             |
| G.V.W.                       | 23,157,280  | 23,388,853  | 23,622,742  | 23,858,969  | 24,097,559  |
| GAS TAX                      | 61,916,500  | 61,664,500  | 61,289,500  | 61,001,948  | 61,315,958  |
| DIESEL TAX                   | 18,737,000  | 18,925,000  | 19,114,000  | 19,305,140  | 19,498,191  |
| ACCOUNT RECEIVABLE           | 686,048     | 681,048     | 681,048     | 681,048     | 681,048     |
| MINERAL ROYALTIES            | 8,500,000   | 7,564,000   | 7,598,000   | 7,632,000   | 7,667,000   |
| COAL TAX REVENUE             | 0           | 0           | 6,722,000   | 14,129,040  | 15,332,760  |
| INTEREST INCOME              | 0           | 5,574,838   | 2,372,620   | 0           | 0           |
| MODIFIED                     | 0           | 400,000     | 550,000     | 550,000     | 550,000     |
| ACI CONVERSION               | 0           | 2,973,000   | 2,526,000   |             |             |
| TOTAL REVENUE                | 112,996,828 | 121,171,239 | 124,475,910 | 127,158,145 | 129,142,516 |
| AVAILABLE FUNDS              | 164,937,061 | 186,733,845 | 167,099,402 | 129,378,845 | 98,423,767  |
| EXPENDITURE                  |             |             |             |             |             |
| G.V.W.                       | 3,207,546   | 3,113,357   | 3,195,827   | 3,342,445   | 3,439,628   |
| GENERAL OPERATIONS           | 4,903,896   | 5,060,459   | 5,090,959   | 4,887,083   | 5,037,925   |
| CONSTRUCTION                 | 4,328,367   | 4,199,657   | 26,130,929  | 23,607,899  | 23,661,240  |
| MAINTENANCE                  | 41,729,404  | 40,211,558  | 40,201,981  | 43,156,732  | 44,601,979  |
| PRECONSTRUCTION              | 3,482,615   | 3,407,288   | 2,935,908   | 3,142,721   | 3,240,211   |
| EQUIPMENT                    | 2,568,000   | 2,788,210   | 2,555,637   | 2,647,828   | 2,743,839   |
| HDQTRS. BLDG.                | 587,245     | 646,106     | 588,505     | 596,085     | 602,845     |
| A & E                        | 500,000     | 762,100     | 762,100     | 375,000     | 375,000     |
| LOCAL GOVERNMENT             | 14,150,000  | 14,150,000  | 14,150,000  | 14,150,000  | 14,150,000  |
| BOND INTEREST & PRINCIPAL    | 4,898,063   | 14,127,230  | 15,975,094  | 15,973,573  | 15,975,105  |
| RECONSTRUCTION TRUST         | 10,473,003  | 46,054,864  | 43,812,205  | 40,000,000  | 40,000,000  |
| REVENUE                      | 757,959     | 845,899     | 825,672     | 757,139     | 776,067     |
| JUSTICE                      | 6,044,981   | 6,202,653   | 6,204,890   | 6,360,012   | 6,519,012   |
| MODIFIED (FY85-HB203)        | 1,743,376   | 1,919,341   | 1,080,812   | 1,101,077   | 1,137,913   |
| PAYPLAN @2 1/2%              | 0           | 621,631     | 1,368,183   | 0           | 0           |
| TOTAL EXPENDITURE            | 99,374,455  | 144,110,353 | 164,878,702 | 160,097,594 | 162,260,764 |
| ENDING CASH BALANCE SUBTOTAL | 65,562,606  | 42,623,492  | 2,220,700   | -30,718,749 | -63,836,997 |
| DEPT.OF JUSTICE MODIFICATION |             |             | 1,453,238   |             | 1,150,269   |
| ENDING CASH BALANCE TOTAL    | 65,562,606  | 42,623,492  | 767,462     | -32,171,987 | -66,440,504 |

\*\*\* ASSUME MINERAL ROYALTIES CONTINUE FOR ALL YEARS.  
 ASSUME GASOHOL REDUCTION OF \$ 800,000 IN FY86,  
 \$1,200,000 IN FY87,  
 \$1,800,000 THEREAFTER.  
 ASSUME NO GAS OR DIESEL TAX INCREASES.  
 ASSUME COAL TAX BEGINS IN FY87.  
 ASSUME 10.83% INTEREST RATE IN FY86 & 10.97% THEREAFTER.

## #3 WORST CASE

NO MINERAL ROYALTIES  
 NO HB19 (COAL SEVERANCE)  
 NO FUEL TAX INCREASE

STATE OF MONTANA  
 DEPARTMENT OF HIGHWAYS  
 COMBINED RTF & EARMARK CASH FLOW  
 03/20/85

|                              | FY85        | FY86        | FY87        | FY88        | FY89        |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| BEGINNING CASH BALANCE       | 51,940,233  | 65,562,606  | 34,631,463  | -14,705,859 | -55,277,308 |
| REVENUE                      |             |             |             |             |             |
| G.V.W.                       | 23,157,280  | 23,388,853  | 23,622,742  | 23,858,969  | 24,097,559  |
| GAS TAX                      | 61,916,500  | 61,664,500  | 61,289,500  | 61,001,948  | 61,315,958  |
| DIESEL TAX                   | 18,737,000  | 18,925,000  | 19,114,000  | 19,305,140  | 19,498,191  |
| ACCOUNT RECEIVABLE           | 686,048     | 681,048     | 681,048     | 681,048     | 681,048     |
| MINERAL ROYALTIES            | 8,500,000   |             |             |             |             |
| COAL TAX REVENUE             | 0           | 0           | 6,722,000   | 14,129,040  | 15,332,760  |
| INTEREST INCOME              | 0           | 5,146,809   | 1,036,090   | 0           | 0           |
| MODIFIED                     | 0           | 400,000     | 550,000     | 550,000     | 550,000     |
| ACI CONVERSION               | 0           | 2,973,000   | 2,526,000   |             |             |
| TOTAL REVENUE                | 112,996,828 | 113,179,210 | 115,541,380 | 119,526,145 | 121,475,516 |
| AVAILABLE FUNDS              | 164,937,061 | 178,741,816 | 150,172,843 | 104,820,286 | 66,198,208  |
| EXPENDITURE                  |             |             |             |             |             |
| G.V.W.                       | 3,207,546   | 3,113,357   | 3,195,827   | 3,342,445   | 3,439,628   |
| GENERAL OPERATIONS           | 4,903,896   | 5,060,459   | 5,090,959   | 4,887,083   | 5,037,925   |
| CONSTRUCTION                 | 4,328,367   | 4,199,657   | 26,130,929  | 23,607,899  | 23,661,240  |
| MAINTENANCE                  | 41,729,404  | 40,211,558  | 40,201,981  | 43,156,732  | 44,601,979  |
| PRECONSTRUCTION              | 3,482,615   | 3,407,288   | 2,935,908   | 3,142,721   | 3,240,211   |
| EQUIPMENT                    | 2,568,000   | 2,788,210   | 2,555,637   | 2,647,828   | 2,743,839   |
| HDQTRS. BLDG.                | 587,245     | 646,106     | 588,505     | 596,085     | 602,845     |
| A & E                        | 500,000     | 762,100     | 762,100     | 375,000     | 375,000     |
| LOCAL GOVERNMENT             | 14,150,000  | 14,150,000  | 14,150,000  | 14,150,000  | 14,150,000  |
| BOND INTEREST & PRINCIPAL    | 4,898,063   | 14,127,230  | 15,975,094  | 15,973,573  | 15,975,105  |
| RECONSTRUCTION TRUST         | 10,473,003  | 46,054,864  | 43,812,205  | 40,000,000  | 40,000,000  |
| REVENUE                      | 757,959     | 845,899     | 825,672     | 757,139     | 776,067     |
| JUSTICE                      | 6,044,981   | 6,202,653   | 6,204,890   | 6,360,012   | 6,519,012   |
| MODIFIED (FY85-HB203)        | 1,743,376   | 1,919,341   | 1,080,812   | 1,101,077   | 1,137,913   |
| PAYPLAN @2 1/2%              | 0           | 621,631     | 1,368,183   | 0           | 0           |
| TOTAL EXPENDITURE            | 99,374,455  | 144,110,353 | 164,878,702 | 160,097,594 | 162,260,764 |
| ENDING CASH BALANCE SUBTOTAL | 65,562,606  | 34,631,463  | -14,705,859 | -55,277,308 | -96,062,556 |
| DEPT.OF JUSTICE MODIFICATION |             |             | 1,453,238   |             | 1,150,269   |
| ENDING CASH BALANCE TOTAL    | 65,562,606  | 34,631,463  | -16,159,097 | -56,730,546 | -98,666,063 |

\*\*\* ASSUME NO MINERAL ROYALTIES AFTER FY85.

ASSUME GASOHOL REDUCTION OF \$ 800,000 IN FY86,  
 \$1,200,000 IN FY87,  
 \$1,800,000 THEREAFTER.

ASSUME NO GAS OR DIESEL TAX INCREASE.

ASSUME COAL TAX BEGINS IN FY87.

ASSUME 10.83% INTEREST IN FY86 & 10.97% THEREAFTER.

#4 GOVERNOR'S CURRENT PROPOSAL  
 HB735 (3¢ FUEL TAX INCREASE & NO  
 MINERAL ROYALTIES)  
 HB919 (APPROX \$9M ADDITIONAL COAL  
 TAX DISTRIBUTION)

STATE OF MONTANA  
 DEPARTMENT OF HIGHWAYS  
 COMBINED RTF & EARMARK CASH FLOW

03/20/85

|                               | FY85        | FY86        | FY87        | FY88        | FY89        |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|
| BEGINNING CASH BALANCE        | 51,940,233  | 65,562,606  | 52,975,338  | 24,029,622  | 2,516,558   |
| REVENUE                       |             |             |             |             |             |
| G.V.W.                        | 23,157,280  | 23,388,853  | 23,622,742  | 23,858,969  | 24,097,559  |
| GAS TAX                       | 61,916,500  | 73,460,974  | 73,085,974  | 72,798,422  | 73,112,432  |
| DIESEL TAX                    | 18,737,000  | 22,451,725  | 22,640,725  | 22,831,865  | 23,024,916  |
| ACCOUNT RECEIVABLE            | 686,048     | 681,048     | 681,048     | 681,048     | 681,048     |
| MINERAL ROYALTIES             | 8,500,000   |             |             |             |             |
| COAL TAX REVENUE              | 0           | 2,078,380   | 8,822,400   | 16,483,880  | 17,888,220  |
| INTEREST INCOME               | 0           | 6,089,105   | 4,004,097   | 1,380,346   | 0           |
| MODIFIED                      | 0           | 400,000     | 550,000     | 550,000     | 550,000     |
| ACI CONVERSION                | 0           | 2,973,000   | 2,526,000   |             |             |
| TOTAL REVENUE                 | 112,996,828 | 131,523,085 | 135,932,986 | 138,584,530 | 139,354,175 |
| AVAILABLE FUNDS               | 164,937,061 | 197,085,691 | 188,908,324 | 162,614,152 | 141,870,733 |
| EXPENDITURE                   |             |             |             |             |             |
| G.V.W.                        | 3,207,546   | 3,113,357   | 3,195,827   | 3,342,445   | 3,439,628   |
| GENERAL OPERATIONS            | 4,903,896   | 5,060,459   | 5,090,959   | 4,887,083   | 5,037,925   |
| CONSTRUCTION                  | 4,328,367   | 4,199,657   | 26,130,929  | 23,607,899  | 23,661,240  |
| MAINTENANCE                   | 41,729,404  | 40,211,558  | 40,201,981  | 43,156,732  | 44,601,979  |
| PRECONSTRUCTION               | 3,482,615   | 3,407,288   | 2,935,908   | 3,142,721   | 3,240,211   |
| EQUIPMENT                     | 2,568,000   | 2,788,210   | 2,555,637   | 2,647,828   | 2,743,839   |
| HDQTRS. BLDG.                 | 587,245     | 646,106     | 588,505     | 596,085     | 602,845     |
| A & E                         | 500,000     | 762,100     | 762,100     | 375,000     | 375,000     |
| LOCAL GOVERNMENT              | 14,150,000  | 14,150,000  | 14,150,000  | 14,150,000  | 14,150,000  |
| BOND INTEREST & PRINCIPAL     | 4,898,063   | 14,127,230  | 15,975,094  | 15,973,573  | 15,975,105  |
| RECONSTRUCTION TRUST          | 10,473,003  | 46,054,864  | 43,812,205  | 40,000,000  | 40,000,000  |
| REVENUE                       | 757,959     | 845,899     | 825,672     | 757,139     | 776,067     |
| JUSTICE                       | 6,044,981   | 6,202,653   | 6,204,890   | 6,360,012   | 6,519,012   |
| MODIFIED (FY85-HB203)         | 1,743,376   | 1,919,341   | 1,080,812   | 1,101,077   | 1,137,913   |
| PAYPLAN @2 1/2%               | 0           | 621,631     | 1,368,183   | 0           | 0           |
| TOTAL EXPENDITURE             | 99,374,455  | 144,110,353 | 164,878,702 | 160,097,594 | 162,260,764 |
| ENDING CASH BALANCE SUBTOTAL  | 65,562,606  | 52,975,338  | 24,029,622  | 2,516,558   | -20,390,031 |
| DEPT. OF JUSTICE MODIFICATION |             |             | 1,453,238   |             | 1,150,269   |
| ENDING CASH BALANCE TOTAL     | 65,562,606  | 52,975,338  | 22,576,384  | 1,063,320   | -22,993,538 |

\*\*\* ASSUME NO MINERAL ROYALTIES.

ASSUME GASOHOL REDUCTION OF \$ 800,000 IN FY86,  
 \$1,200,000 IN FY87,  
 \$1,800,000 THEREAFTER.

ASSUME COAL TAX BEGINS IN FY86 AT NEW RATES 2% IN FY86 8% IN FY87 & 14% THEREAFTER.

ASSUME A 3¢ GAS & DIESEL INCREASE FOR ALL YEARS.

ASSUME 10.83% INTEREST RATE IN FY86 & 10.97 THEREAFTER.

#5 FUNDING THRU FY89

4¢ FUEL TAX INCREASE

HB919 (APPROX.\$9,000,000

ADDITIONAL COAL TAX DISTRIBUTION)

STATE OF MONTANA  
DEPARTMENT OF HIGHWAYS  
COMBINED RTF & EARMARK CASH FLOW

03/20/85

|                              | FY85        | FY86        | FY87        | FY88        | FY89        |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| BEGINNING CASH BALANCE       | 51,940,233  | 65,562,606  | 58,359,654  | 35,392,490  | 20,513,825  |
| REVENUE                      |             |             |             |             |             |
| G.V.W.                       | 23,157,280  | 23,388,853  | 23,622,742  | 23,858,969  | 24,097,559  |
| GAS TAX                      | 61,916,500  | 77,393,132  | 77,018,132  | 76,730,580  | 77,044,590  |
| DIESEL TAX                   | 18,737,000  | 23,627,300  | 23,816,300  | 24,007,440  | 24,200,491  |
| ACCOUNT RECEIVABLE           | 686,048     | 681,048     | 681,048     | 681,048     | 681,048     |
| MINERAL ROYALTIES            | 8,500,000   |             |             |             |             |
| COAL TAX REVENUE             | 0           | 2,078,380   | 8,822,400   | 16,483,880  | 17,888,220  |
| INTEREST INCOME              | 0           | 6,365,688   | 4,874,916   | 2,907,012   | 1,274,099   |
| MODIFIED                     | 0           | 400,000     | 550,000     | 550,000     | 550,000     |
| ACI CONVERSION               | 0           | 2,973,000   | 2,526,000   |             |             |
| TOTAL REVENUE                | 112,996,828 | 136,907,401 | 141,911,538 | 145,218,929 | 145,736,007 |
| AVAILABLE FUNDS              | 164,937,061 | 202,470,007 | 200,271,192 | 180,611,419 | 166,249,832 |
| EXPENDITURE                  |             |             |             |             |             |
| G.V.W.                       | 3,207,546   | 3,113,357   | 3,195,827   | 3,342,445   | 3,439,628   |
| GENERAL OPERATIONS           | 4,903,896   | 5,060,459   | 5,090,959   | 4,887,083   | 5,037,925   |
| CONSTRUCTION                 | 4,328,367   | 4,199,657   | 26,130,929  | 23,607,899  | 23,661,240  |
| MAINTENANCE                  | 41,729,404  | 40,211,558  | 40,201,981  | 43,156,732  | 44,601,979  |
| PRECONSTRUCTION              | 3,482,615   | 3,407,288   | 2,935,908   | 3,142,721   | 3,240,211   |
| EQUIPMENT                    | 2,568,000   | 2,788,210   | 2,555,637   | 2,647,828   | 2,743,839   |
| HDQTRS. BLDG.                | 587,245     | 646,106     | 588,505     | 596,085     | 602,845     |
| A & E                        | 500,000     | 762,100     | 762,100     | 375,000     | 375,000     |
| LOCAL GOVERNMENT             | 14,150,000  | 14,150,000  | 14,150,000  | 14,150,000  | 14,150,000  |
| BOND INTEREST & PRINCIPAL    | 4,898,063   | 14,127,230  | 15,975,094  | 15,973,573  | 15,975,105  |
| RECONSTRUCTION TRUST         | 10,473,003  | 46,054,864  | 43,812,205  | 40,000,000  | 40,000,000  |
| REVENUE                      | 757,959     | 845,899     | 825,672     | 757,139     | 776,067     |
| JUSTICE                      | 6,044,981   | 6,202,653   | 6,204,890   | 6,360,012   | 6,519,012   |
| MODIFIED (FY85-HB203)        | 1,743,376   | 1,919,341   | 1,080,812   | 1,101,077   | 1,137,913   |
| PAYPLAN @2 1/2%              | 0           | 621,631     | 1,368,183   | 0           | 0           |
| REVENUE                      |             |             |             |             |             |
| TOTAL EXPENDITURE            | 99,374,455  | 144,110,353 | 164,878,702 | 160,097,594 | 162,260,764 |
| ENDING CASH BALANCE SUBTOTAL | 65,562,606  | 58,359,654  | 35,392,490  | 20,513,825  | 3,989,068   |
| DEPT.OF JUSTICE MODIFICATION |             |             | 1,453,238   |             | 1,150,269   |
| ENDING CASH BALANCE TOTAL    | 65,562,606  | 58,359,654  | 33,939,252  | 19,060,587  | 1,385,561   |

\*\*\*ASSUME GASOHOL REDUCTION OF \$ 800,000 IN FY86,

\$1,200,000 IN FY87,

\$1,800,000 THEREAFTER.

ASSUME COAL TAX BEGINS IN FY86 AT NEW RATES 2% IN FY86, 8% IN FY87 & 14% THEREAFTER.

ASSUME 10.83% INTEREST RATE IN FY86 & 10.97 THEREAFTER.

ASSUME 4¢ GAS & DIESEL TAX INCREASE IN FY86 & CONTINUING.

ASSUME NO MINERAL ROYALTIES AFTER FY85.



#6 FUNDING THRU FY89  
 5¢ FUEL TAX INCREASE  
 NO CHANGE IN COAL TAX  
 DISTRIBUTION

STATE OF MONTANA  
 DEPARTMENT OF HIGHWAYS  
 COMBINED RTF & EARMARK CASH FLOW

03/20/85

|                               | FY85        | FY86        | FY87        | FY88        | FY89        |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|
| BEGINNING CASH BALANCE        | 51,940,233  | 65,562,606  | 61,553,047  | 42,108,483  | 30,870,451  |
| REVENUE                       |             |             |             |             |             |
| G.V.W.                        | 23,157,280  | 23,388,853  | 23,622,742  | 23,858,969  | 24,097,559  |
| GAS TAX                       | 61,916,500  | 81,325,290  | 80,950,290  | 80,662,738  | 80,976,748  |
| DIESEL TAX                    | 18,737,000  | 24,802,875  | 24,991,875  | 25,183,015  | 25,376,066  |
| ACCOUNT RECEIVABLE            | 686,048     | 681,048     | 681,048     | 681,048     | 681,048     |
| MINERAL ROYALTIES             | 8,500,000   | 0           | 0           | 0           | 0           |
| COAL TAX REVENUE              | 0           | 0           | 6,722,000   | 14,129,040  | 15,332,760  |
| INTEREST INCOME               | 0           | 6,529,728   | 5,390,183   | 3,794,752   | 2,550,213   |
| MODIFIED                      | 0           | 400,000     | 550,000     | 550,000     | 550,000     |
| ACI CONVERSION                | 0           | 2,973,000   | 2,526,000   |             |             |
| TOTAL REVENUE                 | 112,996,828 | 140,100,794 | 145,434,138 | 148,859,562 | 149,564,394 |
| AVAILABLE FUNDS               | 164,937,061 | 205,663,400 | 206,987,185 | 190,968,045 | 180,434,845 |
| EXPENDITURE                   |             |             |             |             |             |
| G.V.W.                        | 3,207,546   | 3,113,357   | 3,195,827   | 3,342,445   | 3,439,628   |
| GENERAL OPERATIONS            | 4,903,896   | 5,060,459   | 5,090,959   | 4,887,083   | 5,037,925   |
| CONSTRUCTION                  | 4,328,367   | 4,199,657   | 26,130,929  | 23,607,899  | 23,661,240  |
| MAINTENANCE                   | 41,729,404  | 40,211,558  | 40,201,981  | 43,156,732  | 44,601,979  |
| PRECONSTRUCTION               | 3,482,615   | 3,407,288   | 2,935,908   | 3,142,721   | 3,240,211   |
| EQUIPMENT                     | 2,568,000   | 2,788,210   | 2,555,637   | 2,647,828   | 2,743,839   |
| HDQTRS. BLDG.                 | 587,245     | 646,106     | 588,505     | 596,085     | 602,845     |
| A & E                         | 500,000     | 762,100     | 762,100     | 375,000     | 375,000     |
| LOCAL GOVERNMENT              | 14,150,000  | 14,150,000  | 14,150,000  | 14,150,000  | 14,150,000  |
| BOND INTEREST & PRINCIPAL     | 4,898,063   | 14,127,230  | 15,975,094  | 15,973,573  | 15,975,105  |
| RECONSTRUCTION TRUST          | 10,473,003  | 46,054,864  | 43,812,205  | 40,000,000  | 40,000,000  |
| REVENUE                       | 757,959     | 845,899     | 825,672     | 757,139     | 776,067     |
| JUSTICE                       | 6,044,981   | 6,202,653   | 6,204,890   | 6,360,012   | 6,519,012   |
| MODIFIED (FY85-HB203)         | 1,743,376   | 1,919,341   | 1,080,812   | 1,101,077   | 1,137,913   |
| PAYPLAN @2 1/2%               | 0           | 621,631     | 1,368,183   | 0           | 0           |
| TOTAL EXPENDITURE             | 99,374,455  | 144,110,353 | 164,878,702 | 160,097,594 | 162,260,764 |
| ENDING CASH BALANCE SUBTOTAL  | 65,562,606  | 61,553,047  | 42,108,483  | 30,870,451  | 18,174,081  |
| DEPT. OF JUSTICE MODIFICATION |             |             | 1,453,238   |             | 1,150,269   |
| ENDING CASH BALANCE TOTAL     | 65,562,606  | 61,553,047  | 40,655,245  | 29,417,213  | 15,570,574  |

\*\*\* ASSUME NO MINERAL ROYALTIES.

ASSUME GASOHOL REDUCTION OF \$ 800,000 IN FY86,  
 \$1,200,000 IN FY87,  
 \$1,800,000 THEREAFTER.

ASSUME A 5¢ A GALLON INCREASE IN GAS AND DIESEL TAX FOR ALL YEARS.

ASSUME COAL TAX BEGINS IN FY87.

ASSUME 10.83% INTEREST RATE IN FY86 & 10.97% THEREAFTER.