HD 0576/01

44th Legislature BE 0576/01

HOUSE BILL NO. 576

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2	INTRODUCED BY DRISCOLL
3	(BY REQUEST, OFFICE OF BUDGET & PROGRAM PLANNING)
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO THE ISSUE
6	AND SALE BY THE STATE BOARD OF EXAMINERS OF GENERAL
7	OBLIGATION HIGHWAY BONDS IN A SUM NOT EXCEEDING SEVEN
8	MILLION FOUR HUNDRED THOUSAND DOLLARS (\$7,400,000) FOR THE
9	PURPOSE OF ACQUIRING A NECESSARY SITE FOR AND ERECTING AND
10	EQUIPPING A DEPARTMENT OF HIGHWAYS HEADQUARTERS BUILDING AND
11	COMPLEX; PLEDGING AND APPROPRIATING A PORTION OF NET
12	PROCEEDS FROM GASOLINE TAXATION TO A SPECIAL SINKING FUND
13	ACCOUNT FOR THE PAYMENT AND SECURITY OF SUCH BONDS;
14	RESERVING TO THE STATE THE POWER OF ISSUING ADDITIONAL
15	HIGHWAY BONDS PAYABLE FROM THE SINKING FUND ACCOUNT WHEN
16	AUTHORIZED BY LAW, OR OF REFUNDING SUCH BONDS; AMENDING
17	SECTION 32-2601, R.C.M. 1947, AND REPEALING CHAPTER 377,
18	LAWS OF MONTANA 1969, AND SECTIONS 1 THROUGH 5, CHAPTER 356,
19	LAWS OF MONTANA 1971; AND PROVIDING FOR AN EFFECTIVE DATE."
20	
21	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA;
22	Section 1. The state board of examiners is authorized
23	to issue and sell general obligation highway bonds of the
24	state of Montana for the purpose of acquiring a suitable
25	site for and erecting and equipping a department of highways

INTRODUCED BILL

headquarters building and complex at or near Helena,

Montana, to replace the present laboratory and

administration buildings which are declared to be inadequate

for such purpose. The full faith and credit and taxing

powers of the state of Montana shall be pledged for the

payment of all bonds issued pursuant to this chapter.

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Section 2. Upon the sale of the bonds, the department of administration, acting under the supervision and with the approval of the board of examiners, as provided in chapter 33 of Title 82 of the Revised Codes of Montana, 1947, is empowered and directed to acquire a site for and to proceed with the erection and equipping of a building of suitable construction and design for use as a headquarters building and necessary supporting structures for laboratories and storage for the Montana department of highways.

16 Section 3. The aggregate amount of highway bonds 17 authorized by this act for the purpose expressed in section 18 1, shall not exceed the sum of seven million four hundred 19 thousand dollars (\$7,400,000). The state reserves the 20 privilege of issuing additional highway bonds, when and if 21 authorized by law, for this purpose and for any other 22 purpose for which money derived from the sources described 23 in section 6, article VIII of the constitution is authorized 24 by that section to be expended. The state board of examiners is also authorized to issue additional highway 25

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bonds for the purpose of refunding bonds issued pursuant to 1 or as contemplated in this chapter, in amounts not exceeding the principal amount of the bonds refunded, when the board determines that the refunding of any outstanding bonds is in 5 the best interests of the state. All bonds issued for the 6 purposes contemplated in this section shall be payable from 7 the same sinking fund account on a parity as to both principal and interest with the bonds authorized in section 9 1, provided that in the issuance of each series of such 10 bonds the amount, maturities and interest rates thereof 11 shall be fixed in such manner that the maximum amount of 12 principal and interest to become due in any subsequent 13 fiscal year on such bonds then outstanding (except bonds 14 refunded) and on the series so to be issued will not exceed twenty-five percent (25%) of the amount collected during the 15 16 then next preceding fiscal year from the tax or taxes pledged by law to the sinking fund account at the time of 17 18 such issuance. The provisions of this section shall not 19 constitute a covenant with the holders of any bonds issued 20 hereunder. 21 Section 4. Such bonds shall be issued by the board,

upon request of the department of administration, in such

denominations and form, whether payable to bearer or

registered as to principal or both principal and interest,

with such provisions for conversion or exchange and for the

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1 issuance of notes in anticipation of the execution and
2 delivery of definitive bonds, bearing interest, maturing at
3 such times not exceeding twenty (20) years from date of
4 issue, subject to redemption at such earlier times and
5 prices and upon such notice, and payable at the office of
6 such fiscal agent of the state of Nontana, as the board
7 shall determine, subject to the limitations contained
8 herein.

9 Section 5. In all other respects, the board if 10 authorized to prescribe the form and terms of the bonds, and 11 shall do whatever is lawful and necessary for their issuance 12 and payment. The board if authorized to employ a fiscal 13 agent to assist it in the performance of its duties hereunder. Such bonds and any interest coupons appurtenant 14 15 thereto shall be signed by the members of the state board of 16 examiners, and the bonds shall be issued under the great 17 seal of the state of Montana. The bonds and coupons may be executed with facsimile signatures and seal in the manner and subject to the limitations prescribed by law. The state 19 treasurer shall keep a record of all such bonds issued and 20 21 sold.

Section 6. All proceeds of bonds issued hereunder shall be deposited in a separate highway subfund which is created within the bond and insurance clearance fund established by section 79-410, R.C.M. 1947, referred to

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herein as the "clearance fund account", and shall be 1 segregated by the treasurer from all other money in that or 2 any other fund in the state treasury. The proceeds of the 3 bonds authorized in section 1 shall be used only to pay 5 costs of acquiring land for and erecting and equipping the buildings herein referred to, upon order of the department 6 of administration acting within the limits of the authority 7 8 conferred upon it by the legislature and said proceeds are appropriated for the purpose of the capital items herein 9 described. The proceeds of any additional bonds authorized 10 11 as contempleted in section 3, except refunding bonds, shall 12 be used only for purposes authorized under the provisions of section 6, article VIII of the constitution, upon order of 13 the department acting within the limits of the authority 14 conferred upon it by the legislature. 15

Section 7. (a) The state pledges and appropriates and directs to be credited as received to the sinking fund account, as herein defined, that portion of the net proceeds from the collection of gasoline taxes which may from time to time be needed to comply with the principal and interest and reserve requirements stated in subsection (b) of this section. The pledge and appropriation herein made shall be and remain at all times a first and prior charge upon all money received as net proceeds from the collection of gasoline taxation. The term "net proceeds", as used herein,

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means all funds on hand in the treasury of the state as of any date, derived from the collection of the license tax imposed on gasoline distributors by section 84-1847, R.C.M. 1947, enacted by section 3, chapter 369, Laws of 1969, as amended by section 1, chapter 202, and by section 2, chapter 204, Laws of 1971, and by section 90, chapter 516, Laws of 1973, or by any subsequent enactment, less the amount of all refunds of such taxes for which applications have been made pursuant to law but which have not yet been paid or 10 rejected. The term "sinking fund account", as used herein, means a separate highway subfund which is created within the 11 12 sinking fund established by section 79-410, R.C.M. 1947, 13 and shall be segregated by the treasurer from all other 14 money in that or any other fund in the treasury and used 15 only to pay highway bonds and interest thereon when due, so 16 long as any such bonds or interest remain unpaid.

(b) Money in the sinking fund account shall be used first, to pay interest and principal when due on highway bonds; second, to accumulate a reserve in the amount required below, for the further security of such payments; and third, to maintain this reserve in an amount at least equal, after each interest and principal payment, to the maximum amount of interest and principal which will become due on all such bonds which are then outstanding in any subsequent fiscal year.

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(c) Money at any time received in the sinking fund account in excess of the principal, interest and reserve requirements stated in subsection (b) shall be transferred by the treasurer to the earmarked revenue fund — highway account. If the balance at any time on hand in the sinking fund account is not sufficient for compliance with subsection (b), the treasurer shall credit to said account an amount sufficient to restore said balance from the next receipts of net proceeds from the collection of gasoline taxes.

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Section 8. Section 32-2601, R.C.M. 1947, is amended to read as follows:

"32-2601. Distribution and use of proceeds of gasoline dealers' license tax. (I) All money received in payment of license taxes under the Distributor's Gasoline License Tax Act, except those amounts paid out of the department of revenue's suspense account for gasoline tax refund, shall be used and expended as provided in this section. So much of that money on hand at any time as may be needed to pay highway bonds and interest thereon when due and to accumulate and maintain a reserve therefor, as provided in laws and in resolutions of the state board of examiners authorizing such bonds, shall be deposited in the highway bond account in the sinking fund established by section 79-410. The-legislative-assembly-hereby-finds-as-a-fact-that

т	cue-biresper-aud-interest-aud-reserve-redatements-of-pouds
2	so-authorized-arc-a-necessarycostofadministeringlaws
3	underwhichgaseline-license-taxes-are-derived,payment-of
4	highwayobligations,andcostofconstruction,
5	reconstruction; maintenance and -repair - of -public - highways;
6	**** Subject to that provision,
7	six-tenths of one per cent (.6%) of all money shall be
8	deposited in the state park account in the earmarked revenue
99	fund. All of the remainder of the money shall be used and
10	expended by the department of highways on the federal-aid
11	highways in this state selected and designated under the
12	Federal-Aid Act, approved July 11, 1916, and the Federal
13	Highway Act, approved November 9, 1921, and all amendments
14	thereto, and on highways leading from each county seat in
15	the state to the federal highway system of federal-aid roads
16	where the county seat is not on the system, and on the other
17	roads which have been or may be authorized by the laws of
18	Montana, and for collection of the license taxes and the
19	enforcement of the Montana highway code, under article VIII,
20	section 6 of the constitution of this state. The department
21	shall, in expending this money, carry forward construction
22	from year to year, using the money expended through the
23	matching up of federal-aid allotments to Montana upon the
24	federal highway system in the various parts of the state in
25	accordance with sections 32-2605 through 32-2607; nothing in

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this act conflicts with those federal-aid highway acts and
the rules by which they are administered. The department may
enter into co-operative cooperative agreements with the
national park service and the federal highway administration
for the purpose of maintaining national park approach roads

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17 18 in Montana.

(2) Money credited to the state park account in the earmarked revenue fund shall be used only for the creation, improvement, and maintenance of state parks where motor boating is allowed, except for the payment of refunds under section 84-1855. The legislature hereby finds as a fact that of all the fuel sold in the state for consumption in internal combustion engines, not less than six-tenths of one per cent (.6%) is used for propelling boats on waterways of this state."

Section 9. Chapter 377, Laws of Montana 1969, and sections 1 through 5, chapter 356, Laws of Montana 1971, are repealed.

19 Section 10. This act is effective upon its passage and 20 approval.

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HB 576

Approved by Committee on Appropriations

1	HOUSE BILL NO. 570
2	INTRODUCED BY DRISCOLL
3	(BY REQUEST, OFFICE OF BUDGET & PROGRAM PLANNING)
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO THE ISSUE
6	AND SALE BY THE STATE BOARD OF EXAMINERS OF GENERAL
7	OBLIGATION HIGHWAY BONDS IN A SUM NOT EXCEEDING SEVEN
8	MILLION FOUR HUNDRED THOUSAND DOLLARS (\$7,400,000) FOR THE
9	PURPOSE OF ACQUIRING A NECESSARY SITE FOR AND ERECTING AND
10	EQUIPPING A DEPARTMENT OF HIGHWAYS HEADQUARTERS BUILDING AND
11	COMPLEX; PLEDGING AND APPROPRIATING A PORTION OF NET
12	PROCEEDS FROM GASOLINE TAXATION TO A SPECIAL SINKING FUND
13	ACCOUNT FOR THE PAYMENT AND SECURITY OF SUCH BONDS;
14	RESERVING TO THE STATE THE POWER OF ISSUING ADDITIONAL
15	HIGHMAY BONDS PAYABLE FROM THE SINKING FUND ACCOUNT WHEN
16	AUTHORIZED BY LAW, OR OF REFUNDING SUCH BONDS; AMENDING
17	SECTION 32-2601, R.C.M. 1947, AND REPEALING CHAPTER 377,
13	LAWS OF MONTANA 1969, AND SECTIONS 1 THROUGH 5, CHAPTER 356,
19	LAWS OF MONTANA 1971; AND PROVIDING FOR AN EFFECTIVE DATE."
20	
21	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
22	Section 1. The state board of examiners is authorized
23	to issue and sell general obligation highway bonds of the
24	state of Montana for the purpose of acquiring a suitable
25	site for and erecting and equipping a department of highways

1	headquarters building and complex at or near Relena,
2	Montana, to replace the present laboratory and
3	administration buildings which are declared to be inadequate
4	for such purpose. The full faith and credit and taxing
5	powers of the state of Montana shall be pledged for the
6	payment of all bonds issued pursuant to this chapter.
7	Section 2. Upon the sale of the bonds, the department
8	of administration, acting under the supervision and with the
9	approval of the board of examiners, as provided in chapter
10	33 of Title 82 of the Revised Codes of Montana, 1947, is
11	empowered and directed to acquire a site for and to proceed
12	with the erection and equipping of a building of suitable
13	construction and design for use as a headquarters building
14	and necessary supporting structures for laboratories and
15	storage for the Montana department of highways.
16	Section 3. The aggregate amount of highway bonds
17	authorized by this act for the purpose expressed in section
18	1, shall not exceed the sum of seven million four hundred
19	thousand dollars (\$7,400,000). The state reserves the
20	privilege of issuing additional highway bonds, when and if
21	authorized by law, for this purpose and for any other
22	purpose for which money derived from the sources described
23	in section 6, article VIII of the constitution is authorized
24	by that section to be expended. The state board of
25	examiners is also authorized to issue additional highway

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1. bonds for the purpose of refunding bonds issued pursuant to 2 or as contemplated in this chapter, in amounts not exceeding 3 the principal amount of the bonds refunded, when the board determines that the refunding of any outstanding bonds is in 4 5 the best interests of the state. All bonds issued for the 6 purposes contemplated in this section shall be payable from 7 the same sinking fund account on a parity as to both principal and interest with the bonds authorized in section 9 1, provided that in the issuance of each series of such bonds the amount, maturities and interest rates thereof 10 11 shall be fixed in such manner that the maximum amount of principal and interest to become due in any subsequent 12 13 fiscal year on such bonds then outstanding (except bonds 14 refunded) and on the series so to be issued will not exceed 15 twenty-five percent (25%) of the amount collected during the 16 then next preceding fiscal year from the tax or taxes 17 pledged by law to the sinking fund account at the time of such issuance. The provisions of this section shall not 18 constitute a covenant with the holders of any bonds issued 19 hereunder. 20 21

section 4. Such bonds shall be issued by the board, upon request of the department of administration, in such denominations and form, whether payable to bearer or registered as to principal or both principal and interest, with such provisions for conversion or exchange and for the

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issuance of notes in anticipation of the execution and delivery of definitive bonds, bearing interest, maturing at such times not exceeding twenty (20) years from date of issue, subject to redemption at such earlier times and prices and upon such notice, and payable at the office of such fiscal agent of the state of Nontana, as the board shall determine, subject to the limitations contained

Section 5. In all other respects, the board if authorized to prescribe the form and terms of the bonds, and shall do whatever is lawful and necessary for their issuance and payment. The board if authorized to employ a fiscal agent to assist it in the performance of its duties hereunder. Such bonds and any interest coupons appurtenant thereto shall be signed by the members of the state board of examiners, and the bonds shall be issued under the great seal of the state of Montana. The bonds and coupons may be executed with facsimile signatures and seal in the manner and subject to the limitations prescribed by law. The state treasurer shall keep a record of all such bonds issued and sold.

Section 6. All proceeds of bonds issued hereunder shall be deposited in a separate highway subfund which is created within the bond and insurance clearance fund established by section 79-410, R.C.N. 1947, referred to

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herein as the "clearance fund account", and shall be segregated by the treasurer from all other money in that or any other fund in the state treasury. The proceeds of the bonds authorized in section 1 shall be used only to pay costs of acquiring land for and erecting and equipping the buildings herein referred to, upon order of the department of administration acting within the limits of the authority conferred upon it by the legislature and said proceeds are appropriated for the purpose of the capital items herein described. The proceeds of any additional bonds authorized as contempleted in section 3, except refunding bonds, shall be used only for purposes authorized under the provisions of section 6, article VIII of the constitution, upon order of the department acting within the limits of the authority conferred upon it by the legislature.

Section 7. (a) The state pledges and appropriates and directs to be credited as received to the sinking fund account, as herein defined, that portion of the net proceeds from the collection of gasoline taxes which may from time to time be needed to comply with the principal and interest and reserve requirements stated in subsection (b) of this section. The pledge and appropriation herein made shall be and remain at all times a first and prior charge upon all money received as net proceeds from the collection of gasoline taxation. The term "net proceeds", as used herein,

means all funds on hand in the treasury of the state as of any date, derived from the collection of the license tax imposed on gasoline distributors by section 84-1847, R.C.M. 1947, enacted by section 3, chapter 369, Laws of 1969, as amended by section 1, chapter 202, and by section 2, chapter 204, Laws of 1971, and by section 90, chapter 516, Laws of 1973, or by any subsequent enactment, less the amount of all refunds of such taxes for which applications have been made pursuant to law but which have not yet been paid or rejected. The term "sinking fund account", as used herein, means a separate highway subfund which is created within the sinking fund established by section 79-410, R.C.M. 1947, and shall be segregated by the treasurer from all other money in that or any other fund in the treasury and used only to pay highway bonds and interest thereon when due, so long as any such bonds or interest remain unpaid.

(b) Money in the sinking fund account shall be used first, to pay interest and principal when due on highway bonds; second, to accumulate a reserve in the amount required below, for the further security of such payments; and third, to maintain this reserve in an amount at least equal, after each interest and principal payment, to the maximum amount of interest and principal which will become due on all such bonds which are then outstanding in any subsequent fiscal year.

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(c) Money at any time received in the sinking fund account in excess of the principal, interest and reserve requirements stated in subsection (b) shall be transferred by the treasurer to the earmarked revenue fund -- highway account. If the balance at any time on hand in the sinking fund account is not sufficient for compliance with subsection (b), the treasurer shall credit to said account an amount sufficient to restore said balance from the next receipts of net proceeds from the collection of gasoline taxes.

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11 Section 8. Section 32-2601, R.C.M. 1947, is amended to read as follows:

"32-2601. Distribution and use of proceeds of gasoline dealers' license tax. (1) All money received in payment of license taxes under the Distributor's Gasoline License Tax Act, except those amounts paid out of the department of revenue's suspense account for gasoline tax refund, shall be used and expended as provided in this section. So much of that money on hand at any time as may be needed to pay highway bonds and interest thereon when due and to accumulate and maintain a reserve therefor, as provided in laws and in resolutions of the state board of examiners authorizing such bonds, shall be deposited in the highway bond account in the sinking fund established by section 79-410. The-legislative-assembly-hereby-finds-as-a-fact-that

the-principal-and-interest-and-reserve-requirements-of-bonds 2 so-authorized-ere-a-necessary--cost--of--administering--levs under--which--quseline-license-taxes-are-derivedy-payment-of 3 4 highway---obligations,----and----cost----of----construction, 5 reconstruction, -- maintenance -- and repair - of -public - highways, 6 reads,-streets,-and--bridges. Subject to that provision, 7 six-tenths of one per cent (.6%) of all money shall be deposited in the state park account in the earmarked revenue 99 fund. All of the remainder of the money shall be used and 10 expended by the department of highways on the federal-aid 11 highways in this state selected and designated under the 12 Federal-Aid Act, approved July 11, 1916, and the Federal 13 Highway Act, approved November 9, 1921, and all amendments 14 thereto, and on highways leading from each county seat in 15 the state to the federal highway system of federal-aid roads 16 where the county seat is not on the system, and on the other 17 roads which have been or may be authorized by the laws of 18 Montana, and for collection of the license taxes and the enforcement of the Montana highway code, under article VIII. 19 20 section 6 of the constitution of this state. The department 21 shall, in expending this money, carry forward construction from year to year, using the money expended through the 22 23 matching up of federal-aid allotments to Montana upon the federal highway system in the various parts of the state in 24 accordance with sections 32-2605 through 32-2607; nothing in 25

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- 1 this act conflicts with those federal-aid highway acts and
- 2 the rules by which they are administered. The department may
- 3 enter into co-operative cooperative agreements with the
- 4 national park service and the federal highway administration
- 5 for the purpose of maintaining national park approach roads
- 6 in Montana.
- 7 (2) Money credited to the state park account in the
- 8 earmarked revenue fund shall be used only for the creation,
- 9 improvement, and maintenance of state parks where motor
- 10 boating is allowed, except for the payment of refunds under
- 11 section 84-1855. The legislature hereby finds as a fact that
- 12 of all the fuel sold in the state for consumption in
- internal combustion engines, not less than six-tenths of one
- 14 per cent (.6%) is used for propelling boats on waterways of
- 15 this state."
- 16 Section 9. Chapter 377, Laws of Montana 1969, and
- 17 sections 1 through 5, chapter 356, Laws of Montana 1971, are
- 18 repealed.
- 19 Section 10. This act is effective upon its passage and
- 20 approval.

-End-

_	1005E BILL 10. 376
2	INTRODUCED BY DRISCOLL
3	(BY REQUEST, OFFICE OF BUDGET & PROGRAM PLANNING)
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO THE ISSUE
6	AND SALE BY THE STATE BOARD OF EXAMINERS OF GENERAL
7	OBLIGATION HIGHWAY BONDS IN A SUM NOT EXCEEDING SEVEN
8	MILLION FOUR HUNDRED THOUSAND DOLLARS (\$7,400,000) FOR THE
9	PURPOSE OF ACQUIRING A NECESSARY SITE FOR AND ERECTING AND
10	EQUIPPING A DEPARTMENT OF HIGHWAYS HEADQUARTERS BUILDING AND
11	COMPLEX; PLEDGING AND APPROPRIATING A PORTION OF NET
12	PROCEEDS FROM GASOLINE TAXATION TO A SPECIAL SINKING FUND
13	ACCOUNT FOR THE PAYMENT AND SECURITY OF SUCH BONDS;
14	RESERVING TO THE STATE THE POWER OF ISSUING ADDITIONAL
15	HIGHWAY BONDS PAYABLE FROM THE SINKING FUND ACCOUNT WHEN
16	AUTHORIZED BY LAW, OR OF REFUNDING SUCH BONDS; AMENDING
17	SECTION 32-2601, R.C.M. 1947, AND REPEALING CHAPTER 377,
18	LAWS OF MONTANA 1969, AND SECTIONS 1 THROUGH 5, CHAPTER 356,
19	LAWS OF MONTANA 1971; AND PROVIDING FOR AN EFFECTIVE DATE."
20	
21	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
22	Section 1. The state board of examiners is authorized
23	to issue and sell general obligation highway bonds of the
24	state of Montana for the purpose of acquiring a suitable
25	site for and erecting and equipping a department of highways

1	headquarters building and complex at or near Helena
2	Montana, to replace the present laboratory and
3	administration buildings which are declared to be inadequate
4	for such purpose. The full faith and credit and taxin
5	powers of the state of 'Montana shall be pledged for the
6	payment of all bonds issued pursuant to this chapter.
7	Section 2. Upon the sale of the bonds, the department
8	of administration, acting under the supervision and with th
9	approval of the board of examiners, as provided in chapte
10	33 of Title 82 of the Revised Codes of Montana, 1947, i
11	empowered and directed to acquire a site for and to procee
.12	with the erection and equipping of a building of suitabl
13	construction and design for use as a headquarters building
14	and necessary supporting structures for laboratories an
15	storage for the Montana department of highways.
16	Section 3. The aggregate amount of highway bond
17	authorized by this act for the purpose expressed in section
18	1, shall not exceed the sum of seven million four hundre
19	thousand dollars (\$7,400,000). The state reserves th
20	privilege of issuing additional highway bonds, when and i
21	authorized by law, for this purpose and for any othe
22	purpose for which money derived from the sources describe
23	in section 6, article VIII of the constitution is authorized
24	by that section to be expended. The state board o
25	examiners is also authorized to issue additional highway

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herein.

bonds for the purpose of refunding bonds issued pursuant to or as contemplated in this chapter, in amounts not exceeding the principal amount of the bonds refunded, when the board determines that the refunding of any outstanding bonds is in the best interests of the state. All bonds issued for the purposes contemplated in this section shall be payable from the same sinking fund account on a parity as to both principal and interest with the bonds authorized in section 1, provided that in the issuance of each series of such bonds the amount, maturities and interest rates thereof shall be fixed in such manner that the maximum amount of principal and interest to become due in any subsequent fiscal year on such bonds then outstanding (except bonds refunded) and on the series so to be issued will not exceed twenty-five percent (25%) of the amount collected during the then next preceding fiscal year from the tax or taxes pledged by law to the sinking fund account at the time of such issuance. The provisions of this section shall not constitute a covenant with the holders of any bonds issued hereunder.

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Section 4. Such bonds shall be issued by the board, upon request of the department of administration, in such denominations and form, whether payable to bearer or registered as to principal or both principal and interest, with such provisions for conversion or exchange and for the

issuance of notes in anticipation of the execution and delivery of definitive bonds, bearing interest, maturing at such times not exceeding twenty (20) years from date of issue, subject to redemption at such earlier times and prices and upon such notice, and payable at the office of such fiscal agent of the state of Montana, as the board shall determine, subject to the limitations contained

9 Section 5. In all other respects, the board if authorized to prescribe the form and terms of the bonds, and 10 11 shall do whatever is lawful and necessary for their issuance 12 and payment. The board if authorized to employ a fiscal 13 agent to assist it in the performance of its duties 14 hereunder. Such bonds and any interest coupons appurtenant 1.5 thereto shall be signed by the members of the state board of 16 examiners, and the bonds shall be issued under the great seal of the state of Montana. The bonds and coupons may be 17 executed with facsimile signatures and seal in the manner 19 and subject to the limitations prescribed by law. The state 20 treasurer shall keep a record of all such bonds issued and 21 sold.

Section 6. All proceeds of bonds issued hereunder
shall be deposited in a separate highway subfund which is
created within the bond and insurance clearance fund

established by section 79-410, R.C.M. 1947, referred to

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1 herein as the "clearance fund account", and shall be 2 segregated by the treasurer from all other money in that or 3 any other fund in the state treasury. The proceeds of the 4 bonds authorized in section 1 shall be used only to pay costs of acquiring land for and erecting and equipping the 5 6 buildings herein referred to, upon order of the department 7 of administration acting within the limits of the authority 8 conferred upon it by the legislature and said proceeds are 9 appropriated for the purpose of the capital items herein 10 described. The proceeds of any additional bonds authorized 11 as contempleted in section 3, except refunding bonds, shall 12 be used only for purposes authorized under the provisions of section 6, article VIII of the constitution, upon order of 13 14 the department acting within the limits of the authority conferred upon it by the legislature. 15

Section 7. (a) The state pledges and appropriates and directs to be credited as received to the sinking fund account, as herein defined, that portion of the net proceeds from the collection of gasoline taxes which may from time to time be needed to comply with the principal and interest and reserve requirements stated in subsection (b) of this section. The pledge and appropriation herein made shall be and remain at all times a first and prior charge upon all money received as net proceeds from the collection of gasoline taxation. The term "net proceeds", as used herein,

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means all funds on hand in the treasury of the state as of any date, derived from the collection of the license tax 3 imposed on gasoline distributors by section 84-1847, R.C.M. 1947, enacted by section 3, chapter 369, Laws of 1969, as 5 amended by section 1, chapter 202, and by section 2, chapter 204, Laws of 1971, and by section 90, chapter 516, Laws of 1973, or by any subsequent enactment, less the amount of all refunds of such taxes for which applications have been made pursuant to law but which have not yet been paid or 3.0 rejected. The term "sinking fund account", as used herein, 11 means a separate highway subfund which is created within the .12 sinking fund established by section 79-410, R.C.M. 1947, and shall be segregated by the treasurer from all other 13 14 money in that or any other fund in the treasury and used 15 only to pay highway bonds and interest thereon when due, so 16 long as any such bonds or interest remain unpaid. 17

(b) Money in the sinking fund account shall be used first, to pay interest and principal when due on highway bonds; second, to accumulate a reserve in the amount required below, for the further security of such payments; and third, to maintain this reserve in an amount at least equal, after each interest and principal payment, to the maximum amount of interest and principal which will become due on all such bonds which are then outstanding in any

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subsequent fiscal year.

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(c) Money at any time received in the sinking fund account in excess of the principal, interest and reserve requirements stated in subsection (b) shall be transferred by the treasurer to the earmarked revenue fund -- highway account. If the balance at any time on hand in the sinking fund account is not sufficient for compliance with subsection (b), the treasurer shall credit to said account an amount sufficient to restore said balance from the next receipts of net proceeds from the collection of gasoline taxes.

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11 Section 8. Section 32-2601, R.C.M. 1947, is amended to read as follows:

"32-2601. Distribution and use of proceeds of gasoline dealers' license tax. (1) All money received in payment of license taxes under the Distributor's Gasoline License Tax Act, except those amounts paid out of the department of revenue's suspense account for gasoline tax refund, shall be used and expended as provided in this section. So much of that money on hand at any time as may be needed to pay highway bonds and interest thereon when due and to accumulate and maintain a reserve therefor, as provided in laws and in resolutions of the state board of examiners authorizing such bonds, shall be deposited in the highway bond account in the sinking fund established by section 79-410. The-legislative-assembly-hereby-finds-as-a-fact-that

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se--authorized--are--a--necessary-cost-of-administering-laws 2 under-which-quadine-license-taxes-are-derivedy--payment--of highway----obligations,----and----cost----of---construction, 5 reconstruction; -maintenance-and-repair-of--public--highways; 6 reads, -- streets, -- and -- bridges; Subject to that provision, 7 six-tenths of one per cent (.6%) of all money shall be 8 deposited in the state park account in the earmarked revenue fund. All of the remainder of the money shall be used and 9 expended by the department of highways on the federal-aid 10 highways in this state selected and designated under the 11 Federal-Aid Act, approved July 11, 1916, and the Federal 12 Highway Act. approved November 9, 1921, and all amendments 13 thereto, and on highways leading from each county seat in 1.4 15 the state to the federal highway system of federal-aid roads where the county seat is not on the system, and on the other 16 roads which have been or may be authorized by the laws of 17 18 Montana, and for collection of the license taxes and the 19 enforcement of the Montana highway code, under article VIII, section 6 of the constitution of this state. The department 20 21 shall, in expending this money, carry forward construction 22 from year to year, using the money expended through the 23 matching up of federal-aid allotments to Montana upon the 24 federal highway system in the various parts of the state in accordance with sections 32-2605 through 32-2607; nothing in 25

the-principal-and-interest-and-reserve-requirements-of-bonds

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- this act conflicts with those federal-aid highway acts and
- 2 the rules by which they are administered. The department may
- 3 enter into eo-operative cooperative agreements with the
- $4\,$ $\,$ $\,$ national park service and the federal highway administration
- 5 for the purpose of maintaining national park approach roads
- 6 in Montana.
- 7 (2) Money credited to the state park account in the
- 8 earmarked revenue fund shall be used only for the creation,
- 9 improvement, and maintenance of state parks where motor
- 10 boating is allowed, except for the payment of refunds under
- 11 section 84-1855. The legislature hereby finds as a fact that
- 12 of all the fuel sold in the state for consumption in
- 13 internal combustion engines, not less than six-tenths of one
- 14 per cent (.6%) is used for propelling boats on waterways of
- 15 this state."
- 16 Section 9. Chapter 377, Laws of Montana 1969, and
- 17 sections 1 through 5, chapter 356, Laws of Montana 1971, are
- 18 repealed.
- 19 Section 19. This act is effective upon its passage and
- 20 approval.

-End-

44th Legislature HB 0576/02 HB 0576/02

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1	HOUSE BILL NO. 576
2	INTRODUCED BY DRISCOLL
3	(BY REQUEST, OFFICE OF BUDGET & PROGRAM PLANNING)
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT RELATING. TO THE ISSUE
6	AND SALE BY THE STATE BOARD OF EXAMINERS OF GENERAL
7	OBLIGATION HIGHWAY BONDS IN A SUM NOT EXCEEDING SEVEN
8	MILLION FOUR HUNDRED THOUSAND DOLLARS (\$7,400,000) FOR THE
9	PURPOSE OF ACQUIRING A NECESSARY SITE FOR AND ERECTING AND
10	EQUIPPING A DEPARTMENT OF HIGHWAYS HEADQUARTERS BUILDING AND
11	COMPLEX; PLEDGING AND APPROPRIATING A PORTION OF NET
12	PROCEEDS FROM GASOLINE TAXATION TO A SPECIAL SINKING FUND
13	ACCOUNT FOR THE PAYMENT AND SECURITY OF SUCH BONDS;
14	RESERVING TO THE STATE THE POWER OF ISSUING ADDITIONAL
15	HIGHWAY BONDS PAYABLE FROM THE SINKING FUND ACCOUNT WHEN
16	AUTHORIZED BY LAW, OR OF REFUNDING SUCH BONDS; AMENDING
17	SECTION 32-2601, R.C.M. 1947, AND REPEALING CHAPTER 377,
18	LAWS OF MONTANA 1969, AND SECTIONS 1 THROUGH 5, CHAPTER 356,
19	LAWS OF MONTANA 1971; AND PROVIDING FOR AN EFFECTIVE DATE.*
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21	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
22	Section 1. The state board of examiners is authorized
23	to issue and sell general obligation highway bonds of the
24	state of Montana for the purpose of acquiring a suitable
25	site for and erecting and equipping a department of highways

headquarters building and complex at or near Helena,
Montana, to replace the present laboratory and
administration buildings which are declared to be inadequate
for such purpose. The full faith and credit and taxing
powers of the state of Montana shall be pledged for the
payment of all bonds issued pursuant to this chapter.

7 Section 2. Upon the sale of the bonds, the department of administration, acting under the supervision and with the 8 9 approval of the board of examiners, as provided in chapter 10 33 of Title 32 of the Revised Codes of Montana, 1947, is 11 empowered and directed to acquire a site for and to proceed 12 with the erection and equipping of a building of suitable 13 construction and design for use as a headquarters building 14 and necessary supporting structures for laboratories and 15 storage for the Montana department of highways.

Section 3. The aggregate amount of highway bonds authorized by this act for the purpose expressed in section 1, shall not exceed the sum of seven million four hundred thousand dollars (\$7,400,000). The state reserves the privilege of issuing additional highway bonds, when and if authorized by law, for this purpose and for any other purpose for which money derived from the sources described in section 6, Article VIII of the constitution is authorized by that section to be expended. The state board of examiners is also authorized to issue additional highway

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bonds for the purpose of refunding bonds issued pursuant to 1 or as contemplated in this chapter, in amounts not exceeding the principal amount of the bonds refunded, when the board 3 determines that the refunding of any outstanding bonds is in the best interests of the state. All bonds issued for the purposes contemplated in this section shall be payable from 7 the same sinking fund account on a parity as to both 8 principal and interest with the bonds authorized in section 9 1, provided that in the issuance of each series of such 10 bonds the amount, maturities and interest rates thereof 11 shall be fixed in such manner that the maximum amount of 12 principal and interest to become due in any subsequent 13 fiscal year on such bonds then outstanding (except bonds 14 refunded) and on the series so to be issued will not exceed 15 twenty-five percent (25%) of the amount collected during the 16 then next preceding fiscal year from the tax or taxes 17 pledged by law to the sinking fund account at the time of 18 such issuance. The provisions of this section shall not 19 constitute a covenant with the holders of any bonds issued 20 hereunder.

Section 4. Such bonds shall be issued by the board, upon request of the department of administration, in such denominations and form, whether payable to bearer or registered as to principal or both principal and interest, with such provisions for conversion or exchange and for the

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issuance of notes in anticipation of the execution and delivery of definitive bonds, bearing interest, maturing at such times not exceeding twenty (29) years from date of issue, subject to redemption at such earlier times and prices and upon such notice, and payable at the office of such fiscal agent of the state of Montana, as the board shall determine, subject to the limitations contained herein.

9 Section 5. In all other respects, the board is 10 authorized to prescribe the form and terms of the bonds, and 11 shall do whatever is lawful and necessary for their issuance and payment. The board is authorized to employ a fiscal 12 agent to assist it in the performance of its duties 13 hereunder. Such bonds and any interest coupons appurtenant 14 thereto shall be signed by the members of the state board of 15 16 examiners, and the bonds shall be issued under the great 17 seal of the state of Montana. The bonds and coupons may be executed with facsimile signatures and seal in the manner 18 19 and subject to the limitations prescribed by law. The state treasurer shall keep a record of all such bonds issued and 20 21 sold.

22 Section 6. All proceeds of bonds issued hereunder 23 shall be deposited in a separate highway subfund which is 24 created within the bond and insurance clearance fund 25 established by section 79-410, R.C.M. 1947, referred to HB 0576/02 HB 0576/02

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herein as the "clearance fund account", and shall be segregated by the treasurer from all other money in that or any other fund in the state treasury. The proceeds of the bonds authorized in section 1 shall be used only to pay costs of acquiring land for and erecting and .equipping the buildings herein referred to, upon order of the department of administration acting within the limits of the authority conferred upon it by the legislature and said proceeds are appropriated for the purpose of the capital items herein The proceeds of any additional bonds authorized as contemplated in section 3, except refunding bonds, shall be used only for purposes authorized under the provisions of section 6, Article VIII of the constitution, upon order of the department acting within the limits of the authority conferred upon it by the legislature.

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Section 7. (a) The state pledges and appropriates and directs to be credited as received to the sinking fund account, as herein defined, that portion of the net proceeds from the collection of gasoline taxes which may from time to time be needed to comply with the principal and interest and reserve requirements stated in subsection (b) of this section. The pledge and appropriation herein made shall be and remain at all times a first and prior charge upon all money received as net proceeds from the collection of gasoline taxation. The term "net proceeds", as used herein,

2 any date, derived from the collection of the license tax 3 imposed on gasoline distributors by section 84-1847, R.C.M. 1947, enacted by section 3, chapter 369, Laws of 1969, as amended by section 1, chapter 202, and by section 2, chapter 204, Laws of 1971, and by section 90, chapter 516, Laws of 1973, or by any subsequent enactment, less the amount of all refunds of such taxes for which applications have been made pursuant to law but which have not yet been paid or 10 rejected. The term "sinking fund account", as used herein, 11 means a separate highway subfund which is created within the 1.2 sinking fund established by section 79-410, R.C.M. 1947, 13 and shall be segregated by the treasurer from all other 14 money in that or any other fund in the treasury and used 15 only to pay highway bonds and interest thereon when due, so 16 long as any such bonds or interest remain unpaid.

means all funds on hand in the treasury of the state as of

first, to pay interest and principal when due on highway bonds; second, to accumulate a reserve in the amount 19 required below, for the further security of such payments; 20 21 and third, to maintain this reserve in an amount at least 22 equal, after each interest and principal payment, to the 23 maximum amount of interest and principal which will become due on all such bonds which are then outstanding in any 24 25 subsequent fiscal year.

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(b) Money in the sinking fund account shall be used

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(c) Money at any time received in the sinking fund account in excess of the principal, interest and reserve requirements stated in subsection (b) shall be transferred by the treasurer to the earmarked revenue fund -- highway account. If the balance at any time on hand in the sinking fund account is not sufficient for compliance with subsection (b), the treasurer shall credit to said account an amount sufficient to restore said balance from the next receipts of net proceeds from the collection of gasoline taxes.

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11 Section 8. Section 32-2601, R.C.M. 1947, is amended to 12 read as follows:

"32-2601. Distribution and use of proceeds of gasoline dealers' license tax. (1) All money received in payment of license taxes under the Distributor's Gasoline License Tax Act, except those amounts paid out of the department of revenue's suspense account for gasoline tax refund, shall be used and expended as provided in this section. So much of that money on hand at any time as may be needed to pay highway bonds and interest thereon when due and to accumulate and maintain a reserve therefor, as provided in laws and in resolutions of the state board of examiners authorizing such bonds, shall be deposited in the highway bond account in the sinking fund established by section 79-410. The-legislative-assembly-hereby-finds-as-a-fact-that

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the-principal-and-interest-and-reserve-requirements-of-bonds so--authorized--are--a--necessary-cost-of-administering-laws 2 3 under-which-qasoline-license-taxes-are-derivedy--payment--of highway----obligationsy----and----cost----of---constructiony 5 reconstruction,-maintenance-and-repair-of--public--highways, roads; -- streets; -- and -- bridges; Subject to that provision, six-tenths of one per cent (.6%) of all money shall be 7 deposited in the state park account in the earmarked revenue 3 fund. All of the remainder of the money shall be used and 9 expended by the department of highways on the federal-aid 10 highways in this state selected and designated under the 11 12 Federal-Aid Act, approved July 11, 1916, and the Federal Highway Act, approved November 9, 1921, and all amendments 13 thereto, and on highways leading from each county seat in 14 15 the state to the federal highway system of federal-aid roads where the county seat is not on the system, and on the other 16 roads which have been or may be authorized by the laws of 17 Montana, and for collection of the license taxes and the 13 19 enforcement of the Montana highway code, under Article VIII, section 6 of the constitution of this state. The department 20 21 shall, in expending this money, carry forward construction from year to year, using the money expended through the 22 matching up of federal-aid allotments to Montana upon the 23 24 federal highway system in the various parts of the state in

accordance with sections 32-2605 through 32-2607; nothing in

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this act conflicts with those federal-aid highway acts and
the rules by which they are administered. The department may
enter into co-operative cooperative agreements with the
national park service and the federal highway administration
for the purpose of maintaining national park approach roads

in Montana.

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- 7 (2) Money credited to the state park account in the earmarked revenue fund shall be used only for the creation, 8 9 improvement, and maintenance of state parks where motor boating is allowed, except for the payment of refunds under 10 section 84-1855. The legislature hereby finds as a fact that 11 of all the fuel sold in the state for consumption in 12 13 internal combustion engines, not less than six-tenths of one 14 per cent (.6%) is used for propelling boats on waterways of this state." 15
- 17 sections 1 through 5, chapter 356, Laws of Montana 1971, are
 18 repealed.
 19 Section 10. This act is effective upon its passage and
 20 approval.

-End-

Section 9. Chapter 377, Laws of Montana 1969, and

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