

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."

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 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

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
 4 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
 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.

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

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 Montana, 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
 14 hereunder. Such bonds and any interest coupons appurtenant
 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
 18 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.

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

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
 5 costs of acquiring land for and erecting and equipping the
 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 contemplated in section 3, except refunding bonds, shall
 12 be used only for purposes authorized under the provisions of
 13 section 6, article VIII of the constitution, upon order of
 14 the department acting within the limits of the authority
 15 conferred upon it by the legislature.

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

1 means all funds on hand in the treasury of the state as of
 2 any date, derived from the collection of the license tax
 3 imposed on gasoline distributors by section 84-1847, R.C.M.
 4 1947, enacted by section 3, chapter 369, Laws of 1969, as
 5 amended by section 1, chapter 202, and by section 2, chapter
 6 204, Laws of 1971, and by section 90, chapter 516, Laws of
 7 1973, or by any subsequent enactment, less the amount of all
 8 refunds of such taxes for which applications have been made
 9 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
 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.

17 (b) Money in the sinking fund account shall be used
 18 first, to pay interest and principal when due on highway
 19 bonds; second, to accumulate a reserve in the amount
 20 required below, for the further security of such payments;
 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
 24 due on all such bonds which are then outstanding in any
 25 subsequent fiscal year.

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

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

13 "32-2601. Distribution and use of proceeds of gasoline
 14 dealers' license tax. (1) All money received in payment of
 15 license taxes under the Distributor's Gasoline License Tax
 16 Act, except those amounts paid out of the department of
 17 revenue's suspense account for gasoline tax refund, shall be
 18 used and expended as provided in this section. So much of
 19 that money on hand at any time as may be needed to pay
 20 highway bonds and interest thereon when due and to
 21 accumulate and maintain a reserve therefor, as provided in
 22 laws and in resolutions of the state board of examiners
 23 authorizing such bonds, shall be deposited in the highway
 24 bond account in the sinking fund established by section
 25 79-410. ~~The legislative assembly hereby finds as a fact that~~

1 ~~the principal and interest and reserve requirements of bonds~~
 2 ~~so authorized are a necessary cost of administering laws~~
 3 ~~under which gasoline license taxes are derived, payment of~~
 4 ~~highway obligations, and cost of construction,~~
 5 ~~reconstruction, maintenance and repair of public highways,~~
 6 ~~roads, 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
 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

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

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Approved by Committee
on Appropriations

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

Section 1. The state board of examiners is authorized to issue and sell general obligation highway bonds of the state of Montana for the purpose of acquiring a suitable 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.

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.

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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 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
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 13 Highway Act, approved November 9, 1921, and all amendments
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 15 the state to the federal highway system of federal-aid roads
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 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
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 23 matching up of federal-aid allotments to Montana upon the
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 25 accordance with sections 32-2605 through 32-2607; nothing in

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THIRD READING

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 3 imposed on gasoline distributors by section 84-1847, R.C.M.
 4 1947, enacted by section 3, chapter 369, Laws of 1969, as
 5 amended by section 1, chapter 202, and by section 2, chapter
 6 204, Laws of 1971, and by section 90, chapter 516, Laws of
 7 1973, or by any subsequent enactment, less the amount of all
 8 refunds of such taxes for which applications have been made
 9 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
 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.

17 (b) Money in the sinking fund account shall be used
 18 first, to pay interest and principal when due on highway
 19 bonds; second, to accumulate a reserve in the amount
 20 required below, for the further security of such payments;
 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
 24 due on all such bonds which are then outstanding in any
 25 subsequent fiscal year.

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

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

13 "32-2601. Distribution and use of proceeds of gasoline
 14 dealers' license tax. (1) All money received in payment of
 15 license taxes under the Distributor's Gasoline License Tax
 16 Act, except those amounts paid out of the department of
 17 revenue's suspense account for gasoline tax refund, shall be
 18 used and expended as provided in this section. So much of
 19 that money on hand at any time as may be needed to pay
 20 highway bonds and interest thereon when due and to
 21 accumulate and maintain a reserve therefor, as provided in
 22 laws and in resolutions of the state board of examiners
 23 authorizing such bonds, shall be deposited in the highway
 24 bond account in the sinking fund established by section
 25 79-410. ~~The legislative assembly hereby finds as a fact that~~

1 ~~the principal and interest and reserve requirements of bonds~~
 2 ~~so authorized are a necessary cost of administering laws~~
 3 ~~under which gasoline license taxes are derived, payment of~~
 4 ~~highway obligations, and cost of construction,~~
 5 ~~reconstruction, maintenance and repair of public highways,~~
 6 ~~roads, 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
 9 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

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

-End-

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."

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 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 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.

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

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
 4 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
 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.

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

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 Montana, as the board
 7 shall determine, subject to the limitations contained
 8 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
 12 and payment. The board is 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
 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
 18 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.

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

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
 5 costs of acquiring land for and erecting and equipping the
 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 contemplated in section 3, except refunding bonds, shall
 12 be used only for purposes authorized under the provisions of
 13 section 6, Article VIII of the constitution, upon order of
 14 the department acting within the limits of the authority
 15 conferred upon it by the legislature.

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

1 means all funds on hand in the treasury of the state as of
 2 any date, derived from the collection of the license tax
 3 imposed on gasoline distributors by section 94-1847, R.C.M.
 4 1947, enacted by section 3, chapter 369, Laws of 1969, as
 5 amended by section 1, chapter 202, and by section 2, chapter
 6 204, Laws of 1971, and by section 90, chapter 516, Laws of
 7 1973, or by any subsequent enactment, less the amount of all
 8 refunds of such taxes for which applications have been made
 9 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
 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.

17 (b) Money in the sinking fund account shall be used
 18 first, to pay interest and principal when due on highway
 19 bonds; second, to accumulate a reserve in the amount
 20 required below, for the further security of such payments;
 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
 24 due on all such bonds which are then outstanding in any
 25 subsequent fiscal year.

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

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

13 "32-2601. Distribution and use of proceeds of gasoline
 14 dealers' license tax. (1) All money received in payment of
 15 license taxes under the Distributor's Gasoline License Tax
 16 Act, except those amounts paid out of the department of
 17 revenue's suspense account for gasoline tax refund, shall be
 18 used and expended as provided in this section. So much of
 19 that money on hand at any time as may be needed to pay
 20 highway bonds and interest thereon when due and to
 21 accumulate and maintain a reserve therefor, as provided in
 22 laws and in resolutions of the state board of examiners
 23 authorizing such bonds, shall be deposited in the highway
 24 bond account in the sinking fund established by section
 25 79-410. ~~The legislative assembly hereby finds as a fact that~~

1 ~~the principal and interest and reserve requirements of bonds~~
 2 ~~so authorized are a necessary cost of administering laws~~
 3 ~~under which gasoline license taxes are derived, payment of~~
 4 ~~highway obligations and cost of construction,~~
 5 ~~reconstruction, maintenance and repair of public highways,~~
 6 ~~roads, 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
 9 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

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

-End-