

1 H BILL NO. 521  
 2 INTRODUCED BY Bradley Vincent Lynch  
 3 Ed Williams  
 4 BY REQUEST OF THE GOVERNOR

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH THE  
 6 MONTANA STATE-LOCAL REVENUE SHARING PROGRAM; TO PROVIDE FOR  
 7 THE ALLOCATION OF MONEYS TO MUNICIPALITIES AND COUNTIES; TO  
 8 PROVIDE FOR THE DISTRIBUTION OF MONEYS APPROPRIATED FOR THE  
 9 STATE-LOCAL REVENUE SHARING PROGRAM BY THE DEPARTMENT OF  
 10 COMMUNITY AFFAIRS; AND TO PROVIDE FOR THE USE BY  
 11 MUNICIPALITIES AND COUNTY GOVERNMENTS OF MONEYS RECEIVED  
 12 FROM THE STATE-LOCAL REVENUE SHARING PROGRAM."

13  
 14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 15 Section 1. Short title. This act may be cited as "The  
 16 Montana State-Local Revenue Sharing Act of 1977".

17 Section 2. Purpose. The purpose of this act is to  
 18 share with municipalities and counties a portion of the  
 19 moneys derived by the state government from broad-based  
 20 state revenue sources other than property taxes, so that no  
 21 particular group should bear a disproportionate share of the  
 22 responsibility for municipal and county government finance;  
 23 to lessen disparities between financial resources and  
 24 service needs of neighboring municipalities and counties;  
 25 and to stabilize the local property tax.

INTRODUCED BILL

1 Section 3. Definitions. As used in this act, the  
 2 following definitions apply:

3 (1) "Municipality" means an entity that incorporates  
 4 or was incorporated as a city or town in Montana under the  
 5 provisions of any law.

6 (2) "County" means an entity recognized as such by  
 7 Article XI, section 2, of the Montana constitution.

8 (3) "Department" means the department of community  
 9 affairs provided for in Title 82A, chapter 9.

10 (4) "Population" means the number of residents of a  
 11 local government as determined by the latest federal census  
 12 figures, including census bureau interim population  
 13 estimates as of July 1 of each year, if the estimate is made  
 14 for all counties and municipalities.

15 Section 4. Allocation. Moneys appropriated for the  
 16 state-local revenue sharing program shall be allocated among  
 17 all municipalities and counties on the following basis:

18 (1) 60% of the moneys shall be distributed among  
 19 municipalities and counties on the basis of the following  
 20 elements. The distribution shall be calculated using these  
 21 elements in the same manner as in the federal revenue  
 22 sharing program:

- 23 (a) population;
- 24 (b) general tax effort; and
- 25 (c) relative income.

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1           (2) The remainder of the available moneys shall be  
2 distributed among municipalities and counties in the same  
3 proportion that their populations bear to the total state  
4 population. The population of the county shall include only  
5 those residents not residing in a municipality within the  
6 county boundaries.

7           (3) The minimum allocation to any local government  
8 shall be at least \$200 a year.

9           Section 5. Distribution. The department shall make the  
10 necessary calculations for the allocation of the moneys  
11 appropriated for the state-local revenue sharing program.  
12 Beginning October 31, 1977, the department shall distribute  
13 the moneys allocated on a quarterly basis.

14           Section 6. Uses. The municipalities and counties may  
15 use the moneys received from the state-local revenue sharing  
16 program in the best interests of the municipality or county  
17 as determined by the governing body of the municipality or  
18 county.

19           Section 7. Severability. If a part of this act is  
20 invalid, all valid parts that are severable from the invalid  
21 part remain in effect. If a part of this act is invalid in  
22 one or more of its applications, the part remains in effect  
23 in all valid applications that are severable from the  
24 invalid applications.

-End-

STATE OF MONTANA

REQUEST NO. 241-77

FISCAL NOTE

Form BD-15

In compliance with a written request received January 26, 19 77, there is hereby submitted a Fiscal Note for House Bill 521 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

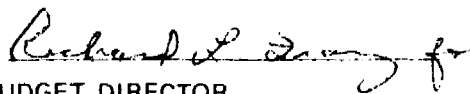
Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 521 is an act to establish the Montana state-local revenue sharing program; to provide for the allocation of moneys to municipalities and counties; to provide for the distribution of moneys appropriated for the program by the Department of Community Affairs; and to provide for the use of such moneys by municipal and county governments.

FISCAL IMPACT:

No additional administrative costs will arise due to the proposed legislation. A bill appropriating approximately \$3.5 million dollars per year for distribution to local government has also been introduced.

  
BUDGET DIRECTOR  
Office of Budget and Program Planning  
Date: 2-1-77



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 2 INTRODUCED BY Bradley Vincent Lynch & Associates  
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-End-

April 7, 1977

SENATE  
STANDING COMMITTEE REPORT  
Committee on Local Government

That House Bill No. 521, third reading, be amended as follows:

1. Amend page 1, title, line 10.

Following: "AFFAIRS"

Insert: "TO APPROPRIATE MONIES;"

2. Amend page 2, section 4, line 15.

Following: "Allocation."

Strike: lines 15, 16 and 17 in their entirety.

Insert: "Monies appropriated for the state-local revenue sharing program shall be allocated 50% among all municipalities, and 50% among all counties on the following basis:"

3. Amend page 3, section 7, line 19.

Following: line 18

Insert: "Section 7. Appropriation. There is appropriated from the general fund the sum of \$3,000,000 to be used to implement this act for the fiscal year ending June 30, 1979."



## 1 HOUSE BILL NO. 521

2 INTRODUCED BY BRADLEY, VINCENT, LYNCH, DUSSAULT,

3 WILLIAMS, TEAGUE

4 BY REQUEST OF THE GOVERNOR

5  
6 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH THE  
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11 COMMUNITY AFFAIRS ~~TO APPROPRIATE MONEYS~~; AND TO PROVIDE FOR  
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20 ~~PROGRAM SHALL BE ALLOCATED 50% AMONG ALL MUNICIPALITIES, AND~~  
21 ~~50% AMONG ALL COUNTIES ON THE FOLLOWING BASIS: MONEYS~~  
22 ~~APPROPRIATED FOR THE STATE-LOCAL REVENUE SHARING PROGRAM~~  
23 ~~SHALL BE ALLOCATED AMONG ALL MUNICIPALITIES AND COUNTIES ON~~  
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 22 use the moneys received from the state-local revenue sharing  
 23 program in the best interests of the municipality or county  
 24 as determined by the governing body of the municipality or  
 25 county.

1 ~~SECTION 7. APPROPRIATION. THERE IS APPROPRIATED FROM~~  
 2 ~~THE GENERAL FUND THE SUM OF \$3,000,000 TO BE USED TO~~  
 3 ~~IMPLEMENT THIS ACT FOR THE FISCAL YEAR ENDING JUNE 30, 1979.~~

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