

1 House BILL NO. 632
 2 INTRODUCED BY W. Baeth S. Felder
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO DESIGNATE A STATE
 5 HIGHWAY SYSTEM AND PROVIDE FOR MAINTENANCE RESPONSIBILITY;
 6 ALLOWING MUNICIPALITIES TO ASSUME MAINTENANCE RESPONSIBILITY
 7 ON STATE HIGHWAYS WITHIN THEIR JURISDICTION; PROVIDING FOR A
 8 TRANSMISSION OF FUNDS FROM THE DEPARTMENT OF HIGHWAYS TO
 9 HELP DEFRAY COSTS; AMENDING SECTION 32-2407, R.C.M. 1947."
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11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 12 Section 1. Section 32-2407, R.C.M. 1947, is amended to
 13 read as follows:

14 *32-2407. Commission to designate highways -- rules of
 15 department. (1) The commission shall designate such public
 16 highways in the state as shall be classed as the federal-aid
 17 primary system.

18 (2) The commission shall in co-operation with the
 19 board of county commissioners, select such public highways
 20 in the state as shall be classed as the federal-aid
 21 secondary system, taking into consideration the traffic
 22 count on those highways, the continuity of the highways in
 23 relation to the state highway systems as they may connect or
 24 tie into a unified system of federal-aid highways, and the
 25 taxable valuations which are affected by those public

1 highways.
 2 (3) The commission shall, in co-operation with
 3 adjoining states, select the routes of the federal-aid
 4 interstate system.

5 (4) The commission shall designate such public
 6 highways in the state as shall be classed as state highways,
 7 and the department shall adopt necessary rules and be
 8 responsible for the construction, repair, maintenance, and
 9 marking of state highways and bridges and designated
 10 frontage roads.

11 (5) In addition to any specific routes named by the
 12 commission as state highways, the state highway system
 13 consists of the following highways within the state of
 14 Montana:

15 (a) the interstate system;
 16 (b) the federal-aid primary system, including the
 17 extensions of the federal-aid primary system within
 18 municipalities; and

19 (c) such federal-aid secondary routes and extensions
 20 of those routes that are in municipalities and that were the
 21 responsibility of the department of highways for maintenance
 22 as of July 1, 1976.

23 (6) (a) A municipality may enter into an agreement
 24 with the department of highways to assume maintenance
 25 responsibility over portions of state highways within its

1 boundaries
2 (b) If a transfer of maintenance responsibility is
3 agreed upon, the department of highways shall transmit to
4 the municipal treasurer or other appropriate official a sum
5 of money equal to the amount spent during the next previous
6 fiscal year by the department of highways for maintenance on
7 the portion of the highway to be transferred. The transfer
8 shall take place on the following July 1.
9 (c) A sum equal to the amount required in subsection
10 (b) shall be transferred to the municipal treasurer or other
11 appropriate official each year the highway is the
12 responsibility of the municipality. Payments shall be made
13 on July 1 of each year to cover the period from the date of
14 payment to June 30 of the following year.
15 (d) At intervals of 2 years, the municipality may
16 request that the amount required in subsection (b) be
17 renegotiated to reflect rising maintenance costs.
18 (e) The agreement may be terminated at any time upon
19 agreement of both parties.
20 (f) Upon termination, the municipality shall return to
21 the department of highways all unspent funds transmitted to
22 the municipality in accordance with the maintenance
23 agreement.*

STATE OF MONTANA

REQUEST NO. 339-77

FISCAL NOTE

Form BD-15

In compliance with a written request received February 1, 19 77, there is hereby submitted a Fiscal Note for House Bill 632 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:

An act to designate a state highway system and provide for maintenance responsibility; allowing municipalities to assume maintenance responsibility on state highways within their jurisdiction; providing for a transmission of funds from the Department of Highways to help defray costs.

ASSUMPTIONS:

1. The word municipality means local governments.
2. Local governments may enter into an agreement with the Highway Commission to assume responsibility for maintenance of portions of state highways and be reimbursed by the Highway Commission for expenses incurred while performing such duties.
3. The Highway Commission will assume the responsibility for maintaining 334 miles of state highways that are currently being maintained by the units of local government.

FISCAL IMPACT:

	<u>FY 78</u>	<u>FY 79</u>
Personal services	\$435,348	\$443,613
Operating expenses	425,533	460,312
Buildings	317,500	0
Equipment	<u>752,000</u>	<u>0</u>
Total expenditures	<u>\$1,930,381</u>	<u>\$903,925</u>

TECHNICAL NOTE:

The revenue required to support the fiscal impact created by this legislation will be provided for in another bill requesting that the gasoline and special fuels tax be increased by 1/4¢ per gallon.

The description of the bill is: "An act to designate a state maintenance systems for public highways and to provide additional funding therefore by increasing the tax on gasoline and special fuels by 1/4 cent per gallon."

Richard L. Drury for

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-11-77