

1 *House* BILL NO. *646*
 2 INTRODUCED BY *Felix Palmer* *John Stussman* *John Holmes*
 3 *County* *John Ramirez* *John Ellis*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE FORMULA
 5 FOR DISTRIBUTING FUNDS IN AID OF PUBLIC TRANSPORTATION
 6 SYSTEMS BROADENING THE JURISDICTIONS THAT MAY RECEIVE PUBLIC
 7 TRANSPORTATION AID; APPROPRIATING \$300,000 FROM THE
 8 EARMARKED REVENUE FUND HIGHWAY ACCOUNT TO BE ALLOCATED FOR
 9 AID TO PUBLIC TRANSPORTATION; AMENDING SECTION 11-4513,
 10 R.C.M. 1947."

11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 13 Section 1. Section 11-4513, R.C.M. 1947, is amended to
 14 read as follows:

15 *11-4513. Aid for public transportation -- allocation
 16 formula -- highway purposes. (1) The department of
 17 ~~intergovernmental relations~~ community affairs shall allocate
 18 each year ~~one-half (1/2) of one-half~~ the funds appropriated
 19 for the purposes of this section among the cities, counties,
 20 and transit districts of the state which operate, or
 21 contract for the operation of, public bus or other public
 22 transportation system. A city, county, or transit district
 23 is eligible for an allocation based upon the amount of the
 24 ~~operating deficit of the system as follows: the proportion~~
 25 ~~of the operating deficits of all municipal public~~

1 transportation systems in the state represented by the
 2 operating deficit of the applicant city multiplied by the
 3 rate of system usage based on bus passengers per mile in the
 4 applicant city where full usage of the system would have a
 5 value of one (1) per capita maintenance and operation
 6 expenditures for a public transportation system under its
 7 jurisdiction compared to the aggregate per capita
 8 maintenance and operation expenditures of all public
 9 transportation systems in the state. Each applicant city,
 10 county, or transit district shall compute its operating
 11 ~~deficit and rate of usage~~ maintenance and operation
 12 expenditures of local revenues for a fiscal year immediately
 13 following the end of such year and shall apply allocations
 14 received against that ~~deficit~~ expenditure. To provide an
 15 incentive for the establishment of public transportation
 16 systems, a city, county, or transit district with no
 17 existing public transportation system may receive an
 18 apportionment of funds under this section if the expenditure
 19 of public moneys for maintenance and operational purposes is
 20 budgeted rather than incurred at the time that funds are
 21 allocated. ~~One-half (1/2) of the funds appropriated for the~~
 22 ~~purposes of section 11-4513 shall be paid by the state~~
 23 ~~treasurer to the counties of the state in the manner~~
 24 ~~provided in section 84-1846(1)(a).~~ ~~Monies distributed to~~
 25 ~~counties under section 11-4513 shall be used by the counties~~

INTRODUCED BILL

HB 646

1 ~~for highway or other transportation purposes.~~ The department
 2 of intergovernmental relations community affairs may make
 3 ~~rules for the keeping of~~ shall keep accounts for, and
 4 otherwise ~~implementing~~ implement, this section. (2) A city,
 5 county, or transit district may not receive more than fifty
 6 percent (50%) of any year's operating deficit expenditure of
 7 local revenues for public transportation maintenance and
 8 operational purposes as an allocation under this section."

9 Section 2. There is a new R.C.M. section that reads as
 10 follows:

11 Definitions. As used in 11-4513, the following
 12 definitions apply:

13 (1) "Maintenance and operation expenditures" include
 14 the portion of noncapital costs of a public transportation
 15 system which cannot be covered out of farebox, advertising,
 16 or other system revenues.

17 (2) "Public transportation system" means a publicly
 18 financed bus or other vehicular system open to use by the
 19 general public or the elderly and handicapped public.

20 (3) "Per capita expenditure" means the expense
 21 incurred each year, limited to direct labor, materials,
 22 overhead, and expenses, for contractual services directly
 23 incident to the management and operation of a public
 24 transportation system divided by the estimated population
 25 within the area served by such a system.

1 Section 3. Appropriation. There is appropriated
 2 \$300,000 from the earmarked revenue fund, highway account,
 3 for the biennium ending June 30, 1979, to be allocated for
 4 the purposes of 11-4513.

-End-

STATE OF MONTANA

REQUEST NO. 362-77

FISCAL NOTE

Form BD-15

In compliance with a written request received February 4, 19 77, there is hereby submitted a Fiscal Note for House Bill 646 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 revising the current formula used to distribute highway earmarked revenue funds in aid of local government transportation systems, broadening the local jurisdictions that may receive such public transportation aid, and appropriating \$300,000 from the highway earmarked revenue account to be allocated for such aid to public transportation.

ASSUMPTIONS:

1. Currently, aid for local public transportation is allocated in two ways: (1) The Department of Community Affairs is authorized to reimburse city governments a maximum of one-half of any operating deficit of a public transportation system. (2) The State Treasurer distributes highway funds to the 56 counties for local highway or other transportation purposes.
2. Total appropriated funds as aid for public transportation are distributed on a 50-50 basis between the two programs.
3. House Bill 646 rescinds the authority of the State Treasurer to distribute one-half of the transportation funds to the counties (see technical note).

FISCAL IMPACT:

	<u>FY 78</u>	<u>FY 79</u>
Expenditures under proposed law		
Department of Community Affairs	\$ 75,000	\$ 75,000
State Treasurer	<u>0</u>	<u>0</u>
Total expenditures under proposed law	75,000	75,000
Expenditures under current law	<u>150,000</u>	<u>150,000</u>
Decrease in expenditures due to proposed legislation	<u>\$ 75,000</u>	<u>\$ 75,000</u>

TECHNICAL NOTE:

1. House Bill 646 authorizes the Department of Community Affairs to distribute one-half of the \$300,000 appropriation, but rescinds the State Treasurer's authority to distribute one-half of the appropriated funds. This conflict in language will result in a biennial surplus of \$150,000 which cannot be distributed.
2. House Bill 646 appropriates an extra \$300,000 from the highway earmarked revenue fund for the 1979 biennium. The respective budgets of the Department of Community Affairs and the State Treasurer already include the \$300,000. See House Bill 145.

Richard L. Dray
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-10-77

Approved by Comm.
on Local Government

House BILL NO. *646*

INTRODUCED BY

FARLEY PALMER *James M. Munn* *John Holmes*
County Clerk Ramsey *John Ellis* *Folk*

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE FORMULA FOR DISTRIBUTING FUNDS IN AID OF PUBLIC TRANSPORTATION SYSTEMS BROADENING THE JURISDICTIONS THAT MAY RECEIVE PUBLIC TRANSPORTATION AID; APPROPRIATING \$300,000 FROM THE EARMARKED REVENUE FUND HIGHWAY ACCOUNT TO BE ALLOCATED FOR AID TO PUBLIC TRANSPORTATION; AMENDING SECTION 11-4513, R.C.M. 1947."

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

Section 1. Section 11-4513, R.C.M. 1947, is amended to read as follows:

"11-4513. Aid for public transportation -- allocation formula -- highway purposes. (1) The department of intergovernmental relations community affairs shall allocate each year ~~one-half (1/2) of one-half~~ the funds appropriated for the purposes of this section among the cities, counties, and transit districts of the state which operate, or contract for the operation of, public bus or other public transportation system. A city, county, or transit district is eligible for an allocation based upon the amount of the operating deficit of the system, as follows: the proportion of the operating deficits of all municipal public

~~transportation systems in the state represented by the operating deficit of the applicant city, multiplied by the rate of system usage based on bus passengers per mile in the applicant city, where full usage of the system would have a value of one (1) per capita maintenance and operation expenditures for a public transportation system under its jurisdiction compared to the aggregate per capita maintenance and operation expenditures of all public transportation systems in the state. Each applicant city, county, or transit district shall compute its operating deficit and rate of usage maintenance and operation expenditures of local revenues for a fiscal year immediately following the end of such year, and shall apply allocations received against that deficit expenditure. To provide an incentive for the establishment of public transportation systems, a city, county, or transit district with no existing public transportation system may receive an apportionment of funds under this section if the expenditure of public moneys for maintenance and operational purposes is budgeted rather than incurred at the time that funds are allocated. One-half (1/2) of the funds appropriated for the purposes of section 11-4513 shall be paid by the state treasurer to the counties of the state in the manner provided in section 84-1840(1)(a). Money distributed to counties under section 11-4513 shall be used by the counties~~

HB 646

1 ~~for highway or other transportation purposes.~~ The department
 2 ~~of intergovernmental relations community affairs may make~~
 3 ~~rules for the keeping of~~ shall keep accounts for, and
 4 otherwise ~~implementing~~ implement, this section. (2) A city,
 5 county, or transit district may not receive more than fifty
 6 percent (50%) of any year's operating deficit expenditure of
 7 local revenues for public transportation maintenance and
 8 operational purposes as an allocation under this section."

9 Section 2. There is a new R.C.M. section that reads as
 10 follows:

11 Definitions. As used in 11-4513, the following
 12 definitions apply:

13 (1) "Maintenance and operation expenditures" include
 14 the portion of noncapital costs of a public transportation
 15 system which cannot be covered out of farebox, advertising,
 16 or other system revenues.

17 (2) "Public transportation system" means a publicly
 18 financed bus or other vehicular system open to use by the
 19 general public or the elderly and handicapped public.

20 (3) "Per capita expenditure" means the expense
 21 incurred each year, limited to direct labor, materials,
 22 overhead, and expenses, for contractual services directly
 23 incident to the management and operation of a public
 24 transportation system divided by the estimated population
 25 within the area served by such a system.

1 Section 3. Appropriation. There is appropriated
 2 \$300,000 from the earmarked revenue fund, highway account,
 3 for the biennium ending June 30, 1979, to be allocated for
 4 the purposes of 11-4513.

-End-

1 HOUSE BILL NO. 646

2 INTRODUCED BY FAGG, PALMER, HARPER, DUSSAULT,
3 HOLMES, COONEY, GERKE, RAMIREZ, PORTER, ELLIS, GOULD

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE FORMULA
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22 contract for the operation of, public bus or other public
23 transportation system. A city, county, or transit district
24 is eligible for an allocation based upon the ~~amount of the~~
25 ~~operating deficit of the system as follows: the proportion~~

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2 ~~transportation systems in the state represented by the~~
3 ~~operating deficit of the applicant city, multiplied by the~~
4 ~~rate of system usage based on bus passengers per mile in the~~
5 ~~applicant city, where full usage of the system would have a~~
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23 ~~purposes of section 11-4513 shall be paid by the state~~
24 ~~treasurer to the counties of the state in the manner~~
25 ~~provided in section 64-1040(1)(a). ~~Moneys distributed to~~~~

THIRD READING

1 ~~counties under section 11-4513 shall be used by the counties~~
 2 ~~for highway or other transportation purposes.~~ The department
 3 of intergovernmental relations ~~community affairs~~ may ~~make~~
 4 ~~rules for the keeping of~~ shall keep accounts for, and
 5 otherwise ~~implementing~~ implement, this section. (2) A city,
 6 county, or transit district may not receive more than fifty
 7 percent ~~(50%)~~ of any year's operating deficit expenditure of
 8 local revenues for public transportation maintenance and
 9 operational purposes as an allocation under this section. UP
 10 TO 1/2 OF THE FUNDS APPROPRIATED FOR THIS SECTION SHALL BE
 11 DISTRIBUTED TO THE COUNTIES OF THE STATE WHICH OPERATE
 12 PUBLIC TRANSPORTATION SYSTEMS TO REIMBURSE 50% OF COUNTY
 13 EXPENDITURES OF LOCAL REVENUES FOR PUBLIC TRANSPORTATION."

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