

HOUSE BILL NO. 600

INTRODUCED BY MCBRIDE, HARRINGTON, MENAHAN, KADAS,
HANSEN, J. HAMMOND, PISTORIA, KEENAN, ROUSH, SPAETH,
ADDY, DOZIER, DAILY, PAVLOVICH, MANUEL, HARPER,
KENNERLY, WILLIAMS, D. BROWN, VINCENT, NISBET,
DARKO, JACOBSON, ECK, HAFFEY, CONOVER, DANIELS,
BLAYLOCK, FULLER, STIMATZ, REGAN, LYNCH, YARDLEY,
MAZUREK, NORMAN, VAN VALKENBURG

BY REQUEST OF THE GOVERNOR'S OFFICE

IN THE HOUSE

February 5, 1983	Introduced and referred to Committee on Local Government.
February 7, 1983	On motion by chief sponsor Representative Harrington, Menahan, et al., added as sponsors to the bill.
February 15, 1983	Committee recommend bill do pass. Report adopted.
February 16, 1983	Bill printed and placed on members' desks.
February 17, 1983	Motion pass consideration.
February 18, 1983	Motion pass consideration.
February 19, 1983	On motion taken from second reading and referred to Committee on Appropriations.
March 23, 1983	Committee recommend bill do pass. Report adopted.
March 24, 1983	Bill printed and placed on members' desks. Second reading, do pass as amended.
March 25, 1983	Correctly engrossed.

March 25, 1983

Third reading, passed.
Transmitted to Senate.

IN THE SENATE

March 26, 1983

Introduced and referred to
Committee on Finance and
Claims.

April 13, 1983

Committee recommend bill be
concurrent in as amended.
Report adopted.

April 14, 1983

Second reading, concurred in.

April 15, 1983

Third reading, concurred in.
Ayes, 47; Noes, 2.

IN THE HOUSE

April 16, 1983

Returned to House with
amendments.

April 18, 1983

Second reading, amendments
concurrent in.

Third reading, amendments
concurrent in.

Sent to enrolling.

Reported correctly enrolled.

1 House BILL NO. 600
2 INTRODUCED BY McBride
3 BY REQUEST OF THE GOVERNOR'S OFFICE
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A LOCAL
6 GOVERNMENT BLOCK GRANT PROGRAM PROVIDING FINANCIAL
7 ASSISTANCE TO MUNICIPALITIES AND COUNTIES IN MONTANA;
8 PROVIDING A METHOD FOR DISTRIBUTION OF THE FUNDS;
9 DESIGNATING THE DEPARTMENT OF COMMERCE AS THE ADMINISTERING
10 AGENCY; AMENDING SECTION 61-3-536, MCA; AND PROVIDING AN
11 EFFECTIVE DATE."
12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
14 NEW SECTION. Section 1. Definitions. As used in
15 [sections 1 through 9], the following definitions apply:
16 (1) "County" means any county government, excluding
17 those classified as consolidated governments.
18 (2) "Incorporated population" means the number of
19 persons residing within the boundaries of a municipality.
20 (3) "Jurisdiction" means all city, town, county, and
21 consolidated governments; all other municipal taxing
22 districts; school districts; and the state.
23 (4) "Mill value" means the amount of revenue that can
24 be raised within a jurisdiction by levying 1 mill. It is
25 determined by multiplying a jurisdiction's taxable valuation

1 by .001.

2 (5) "Municipality" means an incorporated city, town,
3 or city-county consolidated government.

4 (6) "Unincorporated population" means the number of
5 persons not residing within a municipality.

6 NEW SECTION. Section 2. Local government block grant
7 account created — source of funds. (1) There is a local
8 government block grant account within the earmarked revenue
9 fund.

10 (2) Funds in this account must be used to provide
11 payments from the local government block grant program to
12 eligible jurisdictions.

13 (3) Thirty-three and one-third percent of the oil
14 severance tax collected under the provisions of 15-36-101
15 and all funds appropriated to the account must be deposited
16 in the account.

17 NEW SECTION. Section 3. Local government block grant
18 program. (1) The department of commerce shall administer the
19 local government block grant program and distribute funds
20 from the local government block grant account.

21 (2) The local government block grant program is
22 comprised of three parts:

23 (a) a general purpose block grant for municipalities,
24 counties, school districts, and other jurisdictions;

25 (b) a general services block grant for counties; and

(c) a general services block grant for municipalities.

NEW SECTION. Section 4. Division of block grant funds. The division of funds within the local government block grant account is as follows:

(1) Except as provided in [section 9(1)], the general purpose block grant for municipalities, counties, school districts, and other jurisdictions must be funded, before any other distributions are made from the account, in an amount sufficient to cover the reimbursements required by 61-3-536.

(2) (a) The general services block grant for counties must be funded from a percentage of the remaining funds deposited in the account equal to the ratio of the unincorporated population to the state population.

(b) The general services block grant for municipalities must be funded from a percentage of the remaining funds deposited in the account equal to the ratio of the incorporated population to the total state population.

NEW SECTION. Section 5. Distribution of general purpose block grant funds. The general purpose block grant for municipalities, counties, school districts, and other jurisdictions must be distributed by the state to counties pursuant to 61-3-536 and by counties to other jurisdictions pursuant to 61-3-509.

NEW SECTION. Section 6. Distribution of general services block grant funds to counties. Funds in the general services block grant for counties must be distributed as follows:

(1) One-half of each county's share is determined by the ratio of the county's population to the total county population in the state.

(2) The remaining one-half is distributed according to the following formula where CMV = average mill value per capita of all counties; IMV = individual county mill value per capita; ICP = individual county population; CG = 1/2 total county grant:

CMV

___ X ICP = county tax base factor (TBF)

IMV

individual county TBF

CG X $\frac{\text{individual county TBF}}{\text{sum of all county TBFs}}$ = 1/2 individual county share

NEW SECTION. Section 7. Distribution of general services block grant funds to municipalities. (1) The general services block grant for municipalities is divided into the city/town category and the consolidated category.

(2) The consolidated category shall receive a percentage of the total municipal grant as determined by the following formula where PCG = population of consolidated

1 governments; UP = unincorporated population; TSP = total
 2 state population; and TSMP = total state municipal
 3 population:

4 $PCG + (PCG \times UP/TSP)$
 5 _____ = consolidated category percentage
 6 TSMP

7 (3) The city/town category shall receive the remainder
 8 of the general services grant for municipalities.

9 (4) Funds for both the city/town and consolidated
 10 categories must be distributed as follows:

11 (a) One-half of each municipality's share is
 12 determined by the ratio of the municipality's population to
 13 the total municipal population of that category.

14 (b) The remaining one-half is distributed according to
 15 the following formula where MVPC = average mill value per
 16 capita for all municipalities within each category; IVC =
 17 individual municipal mill value per capita; IMP = individual
 18 municipal population; CG = 1/2 total grant for each
 19 category:

20 MVPC
 21 _____ X IMP = municipal tax base factor (TBF)
 22 IVC
 23 individual municipal TBF
 24 CG X _____ = 1/2 individual
 25 sum of all municipal TBFs municipality's share

1 NEW SECTION. Section 8. Population and taxable
 2 valuation figures to be used. (1) Population figures used in
 3 [sections 4, 6, and 7] must be the most recent figures as
 4 determined by the department of commerce.

5 (2) Mill values used in [sections 4, 6, and 7] are the
 6 most recent taxable valuation figures as determined by the
 7 department of revenue for the fiscal year in which payments
 8 will be made.

9 NEW SECTION. Section 9. Disposition and use of funds.
 10 Disbursements from the local government block grant account
 11 shall be made as follows:

12 (1) On October 1, 1983, a disbursement must be made
 13 from the general services block grant that is the lesser of:

14 (a) \$2 million; or

15 (b) one-third of the total general fund appropriation
 16 to the account for the biennium ending June 30, 1985.

17 (2) On March 1, 1984, and March 1 of each succeeding
 18 year the reimbursement required by 61-3-536 must be
 19 distributed.

20 (3) On June 30, 1984, a disbursement must be made from
 21 the general services block grants for municipalities and
 22 counties that equals the amount which is the lesser of the
 23 difference between the account balance on that date and:

24 (a) \$3 million dollars; or

25 (b) one-half of the total general fund appropriation

to the account for the biennium ending June 30, 1985.

(4) On June 30, 1985, and June 30 of each succeeding year, all funds remaining in the account must be distributed.

(5) The funds distributed by [this act] may be used for any purpose authorized by law.

Section 10. Section 61-3-536, MCA, is amended to read:

"61-3-536. State aid for local government. (1) Each county treasurer shall compute:

(a) the total amount received during the period from January 1, 1981, to December 31, 1981, for property taxes on automobiles and trucks having a rated capacity of three-quarters of a ton or less, denoted CT;

(b) the total amount that would have been received during the same period if the license fee system had been in effect, denoted CF; and

(c) the number of light vehicles registered in the county on December 31, 1981, denoted NC.

(2) The three quantities, CT, CF, and NC, shall be certified to the department of revenue by February 1, 1982. The department shall compute for each county a quantity called county revenue loss, denoted CRL, and county loss per vehicle, denoted CLV, and defined as follows:

(a) $CRL = \text{larger of:}$

(i) 0; or

(ii) $CT - CF$;

(b) $CLV = CRL/NC$.

(3) Prior to February 1 of year denoted Y, the county treasurer shall determine and certify to the department the number of light vehicles registered in the county on December 31 of the prior year, denoted $NC(Y)$. Prior to March 1 of year Y, the department of revenue shall transmit to the department of commerce the amount of $CLV \times NC(Y)$ for each county.

(4) On March 1 of year Y, the department of commerce shall transmit to each county treasurer a warrant in the amount of $CLV \times NC(Y)$.

(5) Upon receipt of the payment provided for in subsection (4), the county treasurer shall credit the payment to a motor vehicle suspense fund and, at some time between March 15 and March 30, shall distribute the payment in the same manner as funds are distributed to the taxing jurisdictions as provided in 61-3-509."

NEW SECTION. Section 11. Effective date. This act is effective July 1, 1983.

-End-

STATE OF MONTANA

REQUEST NO. 320-83

FISCAL NOTE

Form BD-15

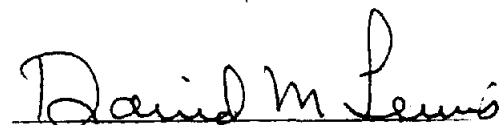
In compliance with a written request received February 7,, 19 83, there is hereby submitted a Fiscal Note for House Bill 600 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 600 establishes a local government block grant program providing financial assistance to municipalities and counties in Montana; provides a method for distribution of the funds; designates the Department of Commerce as the administering agency; and provides an effective date.

ASSUMPTIONS:

- 1) Section 2 of the bill provides that 33 1/3% of total oil severance tax collection will be deposited in the local government block grant account. Currently, these revenue are deposited in the general fund.
- 2) The Executive Budget recommendation contains \$47.6 million for the local government block grant program for the FY84 - 85 biennium. This amount includes \$6.0 million in general fund and the oil severance tax portion, originally estimated at \$41.6 million. The latest revenue projections by the Office of Budget and Program Planning (2/3/83) indicate this estimate should be revised to \$37.422 million.
- 3) The bill continues funding for the Motor Vehicle Reimbursement Program through the General Purpose Grant. It does not alter the existing distribution mechanism.
- 4) The Department of Revenue annually devotes about 0.1 FTE to collecting the data required in Section 10. Continuation of this function was anticipated in the 84-85 budget and no additional expenses will be incurred in transmitting the information to the Department of Commerce. Distribution to counties was \$15,048,616 in 1982. The 1983 distribution data is not yet complete but it appears that approximately \$15.3 million will be sent to counties this year. (Copy of 1982 distribution attached, Table III.)

Continued

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-9-83

FISCAL IMPACT:

	<u>FY82</u>	<u>FY83</u>	<u>FY84</u>	<u>FY85</u>
General Fund				
Appropriation For Motor				
Vehicle Reimbursement	\$15.04M	\$15.302M	0	0
Local Government Block				
Grant Account	<u>0</u>	<u>0</u>	<u>\$21.189M</u>	<u>\$22.233M</u>
 Total Cost to General				
Fund	<u>\$(15.048)</u>	<u>\$(15.302)</u>	<u>\$(21.189)</u>	<u>\$(22.233)</u>

The estimated distribution of the general services block grant to municipalities and consolidated governments is shown in Table 1.

The estimated distribution of the general services block grant to counties is shown in Table II.

Table III shows the 1982 distribution of motor vehicle reimbursement funds. The distribution of the general purposes block grant would be similar to this distribution.

FISCAL NOTE 11:W/2

TABLE I

**ESTIMATED BLOCK GRANT DISTRIBUTION
MUNICIPALITIES
REVISED: 2/4/83**

CITIES/TOWNS	BY POPULATION	BY VALUATION	TOTAL
DILLON	15039.91	18164.82	33204.74
LIMA	1026.96	1789.71	2816.68
HARDIN	12487.21	13498.93	25986.15
LODGE GRASS	2905.07	12031.42	14936.49
CHINOOK	6280.92	8268.28	14549.21
HARLEM	3858.83	5781.05	9639.89
TOWNSEND	6001.75	6837.37	12839.13
BEARCREEK	220.32	425.54	645.86
BRIDGER	2729.24	3418.68	6147.93
FROMBERG	1761.12	2993.14	4754.27
JOLIET	2186.69	2934.30	5120.99
RED LODGE	7175.12	6764.17	13939.30
EKALAKA	2333.09	3932.49	6265.59
BELT	3111.03	6118.33	9229.37
CASCADE	2920.14	4915.61	7835.76
GREAT FALLS	214716.23	209009.26	423725.49
NEIHART	337.29	278.43	615.73
BIG SANDY	3154.81	4064.53	7219.35
FORT BENTON	6397.90	6823.02	13220.92
GERALDINE	1144.66	1452.43	2597.10
ISMAY	102.62	190.88	293.50
MILES CITY	36346.40	37957.90	74304.31
FLAXVILLE	528.19	703.97	1232.16
SCOBAY	5223.81	7219.14	12442.96
GLENDIVE	22626.26	19176.65	41802.91
RICHEY	1570.23	2362.36	3932.59
BAKER	8906.82	10285.48	19192.31
PLEVNA	719.09	1158.93	1878.02
DENTON	1335.55	1613.90	2949.45
GRASS RANGE	513.84	983.12	1496.96
LEWISTOWN	26881.96	38148.07	65030.03
MOORE	865.49	1467.50	2333.00
WINIFRED	571.97	983.12	1555.09
COLUMBIA FALLS	11768.12	10695.95	22464.08
KALISPELL	40293.51	27965.92	68259.44
WHITEFISH	14012.95	12706.69	26719.64
BELGRADE	8833.62	8979.43	17813.06
BOZEMAN	81921.87	83926.48	165848.36
MANHATTAN	3726.78	4959.39	8686.18
THREE FORKS	4709.97	6147.75	10857.73
W. YELLOWSTONE	2773.02	1408.66	4181.68
JORDAN	1834.32	2376.71	4211.04
BROWNING	4636.77	14041.44	18678.22
CUT BANK	13954.10	15200.38	29154.49
LAVINA	616.46	924.27	1540.74
RYEGATE	1026.96	1393.59	2420.56
DRUMMOND	1555.16	2112.63	3667.80
PHILIPSBURG	4299.47	8920.59	13220.07
HAVRE	41217.85	46159.45	87377.31

CITIES/TOWNS	BY POPULATION	BY VALUATION	TOTAL
HINGHAM	689.66	689.62	1379.28
BOULDER	5444.13	11591.53	17035.67
WHITEHALL	3888.26	5076.36	8964.62
HOBSON	983.18	1599.54	2582.73
STANFORD	2244.82	2758.48	5003.31
POLSON	10579.68	10754.80	21334.48
RONAN	5781.43	5971.93	11753.37
ST. IGNATIUS	3316.28	8304.88	11621.17
EAST HELENA	6221.36	4210.92	10432.28
HELENA	90608.38	76619.79	167228.17
CHESTER	3643.53	3330.42	6973.96
EUREKA	4226.27	5913.09	10139.37
LIBBY	10388.78	7483.22	17872.01
REXFORD	484.41	205.23	689.65
TROY	4108.58	6236.01	10344.60
CIRCLE	3521.53	4254.70	7776.24
ENNIS	2494.57	2538.18	5032.75
SHERIDAN	2435.72	2890.52	5326.25
TWIN BRIDGES	1643.43	1584.47	3227.91
VIRGINIA CITY	719.09	807.30	1526.40
WHITE SULPHUR S	4915.94	8216.61	13132.56
ALBERTON	1379.33	2890.52	4269.86
SUPERIOR	3976.53	5267.24	9243.77
MISSOULA	126382.10	88577.30	214959.41
MELSTONE	894.91	1349.82	2244.73
ROUNDUP	8011.91	10681.60	18693.51
CLYDE PARK	1071.46	1863.62	2935.09
LIVINGSTON	26470.74	26043.45	52514.19
WINNETT	777.93	1525.63	2303.57
DODSON	587.04	836.01	1423.05
MALTA	8950.60	8421.85	17372.46
SACO	953.76	1217.78	2171.54
CONRAD	11621.00	11767.34	23388.35
VALIER	2421.37	2787.90	5209.28
BROADUS	2685.46	2963.72	5649.19
DEER LODGE	15216.46	21113.48	36329.94
TERRY	3507.18	5062.01	8569.19
DARBY	2186.69	3550.72	5737.42
HAMILTON	10065.84	8671.58	18737.42
STEVENSVILLE	4563.57	6177.17	10740.75
FAIRVIEW	5164.97	9698.48	14863.45
SIDNEY	21672.49	19939.47	41611.96
BAINVILLE	924.34	3022.56	3946.90
BROCKTON	1408.75	11781.69	13190.45
CULBERTSON	3345.71	6470.67	9816.38
FROID	1217.86	2230.32	3448.19
POPLAR	3756.21	7365.53	11121.74
WOLF POINT	11621.00	17709.86	29330.86
FORSYTH	9655.34	12207.24	21862.58
HOT SPRINGS	2274.25	4167.15	6441.40
PLAINS	4211.20	5076.36	9287.56
THOMPSON FALLS	5590.54	7702.81	13293.35
MEDICINE LAKE	1540.80	2551.81	4092.62

CITIES/TOWNS	BY POPULATION BY VALUATION		TOTAL
OUTLOOK	454.99	601.35	1056.35
PLENTYWOOD	9361.82	8847.39	18209.22
WESTBY	1100.16	2303.52	3403.69
COLUMBUS	5444.13	5428.70	10872.84
BIG TIMBER	6382.83	7570.77	13953.60
CHOTEAU	6794.05	8685.93	15479.98
DUTTON	1349.91	1951.17	3301.08
FAIRFIELD	2450.79	2626.44	5077.24
KEVIN	777.93	1496.93	2274.87
SHELBY	11885.81	15127.19	27013.01
SUNBURST	1789.83	3168.95	4958.79
HYSHAM	1687.20	2435.56	4122.77
GLASGOW	16859.89	17371.87	34231.76
NASHUA	1863.75	3066.34	4930.09
OPHEIM	792.29	1115.16	1907.45
HARLOWTON	4460.95	7351.18	11812.13
JUDITH GAP	792.29	2171.48	2963.77
WIBAUX	2949.56	3946.84	6896.41
BILLINGS	253013.95	158726.42	411740.37
BROADVIEW	439.92	337.27	777.19
LAUREL	20733.80	21759.32	42493.13
WALKERVILLE	3345.71	8847.39	12193.10
TOTAL CITIES/TOWNS	1466340.00	1466339.99	2932680.00

CONSOLIDATED GOVERNMENTS

BUTTE-SILVER BOW	215488.00	202125.00	417613.00
ANACONDA-DEER LODGE	72503.00	85866.00	158369.00
TOTAL CONSOLIDATED	287991.00	287991.00	575982.00

TABLE II

**ESTIMATED BLOCK GRANT DISTRIBUTION
COUNTIES
REVISED: 2/4/83**

COUNTY	BY POPULATION	BY VALUATION	TOTAL
BEAVERHEAD	15583.89	14530.03	30113.92
BIG HORN	21123.72	3305.65	24429.38
BLAINE	13324.16	4849.89	18174.06
BROADWATER	6219.46	4980.09	11199.56
CARBON	15418.26	7988.33	23406.60
CARTER	3424.80	1652.10	5076.90
CASCADE	153622.96	242143.59	395766.55
CHOUTEAU	11597.49	4305.12	15902.61
CUSTER	24955.92	31209.01	56164.93
DANIELS	5397.05	3328.20	8725.26
DAWSON	22473.46	15432.98	37906.45
FALLON	7163.71	398.18	7561.89
FERGUS	24893.10	25604.44	50497.55
FLATHEAD	98928.95	112173.61	211102.57
GALLATIN	81603.15	107361.30	188964.46
GARFIELD	3152.56	1399.25	4551.82
GLACIER	20232.78	8359.05	28591.84
GOLDEN VALLEY	1953.22	825.10	2778.32
GRANITE	5140.05	4569.68	9709.74
HILL	34238.48	24054.45	58292.94
JEFFERSON	13381.28	15113.60	28494.88
JUDITH BASIN	5037.25	2384.86	7422.12
LAKE	36277.37	45989.68	82267.06
LEWIS & CLARK	81934.40	112629.58	194563.98
LIBERTY	4433.77	838.66	5272.43
LINCOLN	33794.92	32169.69	65964.61
MCCONE	5143.86	2109.40	7253.26
MADISON	10371.49	6950.74	17322.23
MEAGHER	4100.62	2693.24	6793.86
MINERAL	6996.18	9678.45	16674.64
MISSOULA	144713.53	154609.74	299323.27
MUSSELSHELL	8429.69	2226.27	10655.96
PARK	24499.03	30910.17	55409.20
PETROLEUM	1246.93	495.31	1742.25
PHILLIPS	10217.29	2913.46	13130.75
PONDERA	12813.97	6361.17	19175.14
POWDER RIVER	4797.38	289.11	5086.50
POWELL	13246.11	14038.03	27284.14
PRAIRIE	3495.23	1800.88	5296.12
RAVALLI	42820.47	77216.20	120036.68
RICHLAND	23307.30	3447.46	26754.76
ROOSEVELT	19926.28	5399.02	25325.30
ROSEBUD	18844.97	1992.44	20837.41
SANDERS	16514.81	12935.73	29450.54
SHERIDAN	10306.76	1055.57	11362.33
STILLWATER	10657.05	7465.39	18122.44
SWEET GRASS	6122.37	4708.94	10831.32
TETON	12357.07	7837.90	20194.98

COUNTY	BY POPULATION	BY VALUATION	TOTAL
TOOLE	10582.80	2271.89	12854.69
TREASURE	1867.55	727.40	2594.96
VALLEY	19513.17	11894.68	31407.86
WHEATLAND	4490.88	3252.97	7743.86
WIBAUX	2809.89	250.26	3060.16
YELLOWSTONE	205668.89	198039.81	403708.71
TOTAL COUNTIES	1401167.99	1401168.00	2802336.00

TABLE III
1982 Distribution of Motor Vehicle
Reimbursement General Purpose
Grant

<u>COUNTY</u>	<u>NUMBER</u>	<u>TOTAL</u>	<u>AVG/VEHICLE</u>
Beaverhead	6640	92,176.51	13.88
Big Horn	6781	-0-	-0-
Blaine	4347	-0-	-0-
Broadwater	3022	37,150.87	12.29
Carbon	7492	137,327.65	18.33
Carter	1715	25,443.04	14.84
Cascade	55684	1,564,285.58	28.09
Chouteau	6768	34,521.16	5.10
Custer	9434	299,707.36	31.77
Daniels	2844	27,699.22	9.74
Dawson	12034	308,054.40	25.60
Deer Lodge	8031	365,385.69	45.50
Fallon	3676	-0-	-0-
Fergus	10724	268,050.38	25.00
Flathead	46336	1,092,641.70	23.58
Gallatin	30669	1,032,250.77	33.66
Garfield	1773	21,449.20	12.10
Glacier	5502	80,347.06	14.59
Golden Valley	616	3,615.66	5.87
Granite	3320	39,294.70	11.84
Hill	13429	221,621.54	16.50
Jefferson	5485	166,373.29	30.33
Judith Basin	2844	18,922.38	6.65
Lake	13356	172,887.60	12.94
Lewis & Clark	32570	983,886.89	30.21
Liberty	2411	735.24	.30
Lincoln	13374	174,241.69	13.03
Madison	5576	60,831.44	10.91
McCone	1372	10,448.25	7.62
Meagher	2120	45,236.31	21.34
Mineral	2834	99,568.80	35.13
Missoula	51149	2,219,968.20	43.40
Musselshell	4114	34,326.63	8.34
Park	11713	226,943.30	19.38
Petroleum	696	-0-	-0-
Phillips	4486	10,163.46	2.26
Pondera	6072	80,962.09	13.33
Powder River	2597	-0-	-0-
Powell	4862	113,086.06	23.26
Prairie	1786	21,069.35	11.80
Ravalli	17541	200,650.82	11.44
Richland	9675	-0-	-0-
Roosevelt	6563	59,536.03	9.07
Rosebud	8317	-0-	-0-
Sanders	7056	132,815.36	18.85
Sheridan	6355	-0-	-0-
Silver Bow	25336	1,197,364.38	47.26
Stillwater	5434	63,078.02	11.61
Sweet Grass	3147	56,296.07	17.89
Teton	6509	116,766.25	17.94

Toole	6405	50,004.10	7.81
Treasure	1041	7,950.98	7.64
Valley	7996	267,062.21	33.40
Wheatland	1970	45,499.14	23.10
Wibaux	1671	7,783.08	4.66
Yellowstone	<u>77393</u>	<u>2,745,835.51</u>	<u>35.48</u>
	602,663	\$15,048,616.48	24.97

Rereferred and

Approved by Comm.
on Appropriations

HOUSE BILL NO. 600

INTRODUCED BY MCBRIDE, HARRINGTON, MENAHAN, KADAS,
HANSEN, J. HAMMOND, PISTORIA, KEENAN, ROUSH, SPAETH,

ADDY, DOZIER, DAILY, PAVLOVICH, MANUEL, HARPER,

KENNERLY, WILLIAMS, D. BROWN, VINCENT, NISBET,

DARKO, JACOBSON, ECK, HAFFEY, CONOVER, DANIELS,

BLAYLOCK, FULLER, STIMATZ, REGAN, LYNCH, YARDLEY,

MAZUREK, NORMAN, VAN VALKENBURG

BY REQUEST OF THE GOVERNOR'S OFFICE

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A LOCAL
GOVERNMENT BLOCK GRANT PROGRAM PROVIDING FINANCIAL
ASSISTANCE TO MUNICIPALITIES AND COUNTIES IN MONTANA;
PROVIDING A METHOD FOR DISTRIBUTION OF THE FUNDS;
DESIGNATING THE DEPARTMENT OF COMMERCE AS THE ADMINISTERING
AGENCY; AMENDING SECTION 61-3-536, MCA; AND PROVIDING AN
EFFECTIVE DATE."

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

NEW SECTION. Section 1. Definitions. As used in
[sections 1 through 9], the following definitions apply:

(1) "County" means any county government, excluding
those classified as consolidated governments.

(2) "Incorporated population" means the number of
persons residing within the boundaries of a municipality.

(3) "Jurisdiction" means all city, town, county, and
consolidated governments; all other municipal taxing
districts; school districts; and the state.

(4) "Mill value" means the amount of revenue that can
be raised within a jurisdiction by levying 1 mill. It is
determined by multiplying a jurisdiction's taxable valuation
by .001.

(5) "Municipality" means an incorporated city, town,
or city-county consolidated government.

(6) "Unincorporated population" means the number of
persons not residing within a municipality.

NEW SECTION. Section 2. Local government block grant
account created -- source of funds. (1) There is a local
government block grant account within the earmarked revenue
fund.

(2) Funds in this account must be used to provide
payments from the local government block grant program to
eligible jurisdictions.

(3) Thirty-three and one-third percent of the oil
severance tax collected under the provisions of 15-36-101
and all funds appropriated to the account must be deposited
in the account.

NEW SECTION. Section 3. Local government block grant
program. (1) The department of commerce shall administer the
local government block grant program and distribute funds

SECOND READING

-2- SECOND PRINTING HB 600

1 from the local government block grant account.

2 (2) The local government block grant program is
3 comprised of three parts:

4 (a) a general purpose block grant for municipalities,
5 counties, school districts, and other jurisdictions;

6 (b) a general services block grant for counties; and

7 (c) a general services block grant for municipalities.

8 ~~NEW_SECTION.~~ Section 4. Division of block grant
9 funds. The division of funds within the local government
10 block grant account is as follows:

11 (1) Except as provided in [section 9(1)], the general
12 purpose block grant for municipalities, counties, school
13 districts, and other jurisdictions must be funded, before
14 any other distributions are made from the account, in an
15 amount sufficient to cover the reimbursements required by
16 61-3-536.

17 (2) (a) The general services block grant for counties
18 must be funded from a percentage of the remaining funds
19 deposited in the account equal to the ratio of the
20 unincorporated population to the state population.

21 (b) The general services block grant for
22 municipalities must be funded from a percentage of the
23 remaining funds deposited in the account equal to the ratio
24 of the incorporated population to the total state
25 population.

1 ~~NEW_SECTION.~~ Section 5. Distribution of general
2 purpose block grant funds. The general purpose block grant
3 for municipalities, counties, school districts, and other
4 jurisdictions must be distributed by the state to counties
5 pursuant to 61-3-536 and by counties to other jurisdictions
6 pursuant to 61-3-509.

7 ~~NEW_SECTION.~~ Section 6. Distribution of general
8 services block grant funds to counties. Funds in the general
9 services block grant for counties must be distributed as
10 follows:

11 (1) One-half of each county's share is determined by
12 the ratio of the county's population to the total county
13 population in the state.

14 (2) The remaining one-half is distributed according to
15 the following formula where CMV = average mill value per
16 capita of all counties; IMV = individual county mill value
17 per capita; ICP = individual county population; CG = 1/2
18 total county grant:

19 CMV

20 --- X ICP = county tax base factor (TBF)

21 IMV

22 individual county TBF

23 CG X ----- = 1/2 individual county share
24 sum of all county TBFs

25 ~~NEW_SECTION.~~ Section 7. Distribution of general

1 services block grant funds to municipalities. (1) The
2 general services block grant for municipalities is divided
3 into the city/town category and the consolidated category.

4 (2) The consolidated category shall receive a
5 percentage of the total municipal grant as determined by the
6 following formula where PCG = population of consolidated
7 governments; UP = unincorporated population; TSP = total
8 state population; and TSMP = total state municipal
9 population:

10 $PCG + (PCG \times UP/TSP)$

11 ----- = consolidated category percentage

12 TSMP

13 (3) The city/town category shall receive the remainder
14 of the general services grant for municipalities.

15 (4) Funds for both the city/town and consolidated
16 categories must be distributed as follows:

17 (a) One-half of each municipality's share is
18 determined by the ratio of the municipality's population to
19 the total municipal population of that category.

20 (b) The remaining one-half is distributed according to
21 the following formula where MVPC = average mill value per
22 capita for all municipalities within each category; IVC =
23 individual municipal mill value per capita; IMP = individual
24 municipal population; CG = 1/2 total grant for each
25 category:

1 MVPC

2 ---- X IMP = municipal tax base factor (TBF)

3 IVC

4 Individual municipal TBF

5 CG X ----- = 1/2 individual

6 sum of all municipal TBFs municipality's share

7 ~~NEW SECTION.~~ Section 8. Population and taxable
8 valuation figures to be used. (1) Population figures used in
9 [sections 4, 6, and 7] must be the most recent figures as
10 determined by the department of commerce.

11 (2) Mill values used in [sections 4, 6, and 7] are the
12 most recent taxable valuation figures as determined by the
13 department of revenue for the fiscal year in which payments
14 will be made.

15 ~~NEW SECTION.~~ Section 9. Disposition and use of funds.
16 Disbursements from the local government block grant account
17 shall be made as follows:

18 (1) On October 1, 1983, a disbursement must be made
19 from the general services block grant that is the lesser of:

20 (a) \$2 million; or

21 (b) one-third of the total general fund appropriation
22 to the account for the biennium ending June 30, 1985.

23 (2) On March 1, 1984, and March 1 of each succeeding
24 year the reimbursement required by 61-3-536 must be
25 distributed.

1 (3) On June 30, 1984, a disbursement must be made from
2 the general services block grants for municipalities and
3 counties that equals the amount which is the lesser of the
4 difference between the account balance on that date and:

- 5 (a) \$3 million dollars; or
6 (b) one-half of the total general fund appropriation
7 to the account for the biennium ending June 30, 1985.

8 (4) On June 30, 1985, and June 30 of each succeeding
9 year, all funds remaining in the account must be
10 distributed.

11 (5) The funds distributed by [this act] may be used
12 for any purpose authorized by law.

13 Section 10. Section 61-3-536, MCA, is amended to read:
14 "61-3-536. State aid for local government. (1) Each
15 county treasurer shall compute:

16 (a) the total amount received during the period from
17 January 1, 1981, to December 31, 1981, for property taxes on
18 automobiles and trucks having a rated capacity of
19 three-quarters of a ton or less, denoted CT;

20 (b) the total amount that would have been received
21 during the same period if the license fee system had been in
22 effect, denoted CF; and

23 (c) the number of light vehicles registered in the
24 county on December 31, 1981, denoted NC.

25 (2) The three quantities, CT, CF, and NC, shall be

1 certified to the department of revenue by February 1, 1982.
2 The department shall compute for each county a quantity
3 called county revenue loss, denoted CRL, and county loss per
4 vehicle, denoted CLV, and defined as follows:

5 (a) CRL = larger of:

6 (i) 0; or

7 (ii) $CT - CF$;

8 (b) $CLV = CRL/NC$.

9 (3) Prior to February 1 of year denoted Y, the county
10 treasurer shall determine and certify to the department the
11 number of light vehicles registered in the county on
12 December 31 of the prior year, denoted $NC(Y)$. ~~Prior to~~
13 ~~March 1 of year Y, the department of revenue shall transmit~~
14 ~~to the department of commerce the amount of $CLV \times NC(Y)$ for~~
15 ~~each county.~~

16 (4) On March 1 of year Y, the department of commerce
17 shall transmit to each county treasurer a warrant in the
18 amount of $CLV \times NC(Y)$.

19 (5) Upon receipt of the payment provided for in
20 subsection (4), the county treasurer shall credit the
21 payment to a motor vehicle suspense fund and, at some time
22 between March 15 and March 30, shall distribute the payment
23 in the same manner as funds are distributed to the taxing
24 jurisdictions as provided in 61-3-509."

25 ~~NEW SECTION.~~ Section 11. Effective date. This act is

HB 0600/02

1 effective July 1, 1983.

-End-

HOUSE BILL NO. 600

INTRODUCED BY MCBRIDE, HARRINGTON, MENAHAN, KADAS,
HANSEN, J. HAMMOND, PISTORIA, KEENAN, ROUSH, SPAETH,
ADDY, DOZIER, DAILY, PAYLOVICH, MANUEL, HARPER,
KENNERLY, WILLIAMS, D. BROWN, VINCENT, NISBET,
DARKO, JACOBSON, ECK, HAFFEY, CONOVER, DANIELS,
BLAYLOCK, FULLER, STIMATZ, REGAN, LYNCH, YARDLEY,
MAZUREK, NORMAN, VAN VALKENBURG
BY REQUEST OF THE GOVERNOR'S OFFICE

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A LOCAL
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ASSISTANCE TO MUNICIPALITIES AND COUNTIES IN MONTANA;
PROVIDING A METHOD FOR DISTRIBUTION OF THE FUNDS;
DESIGNATING THE DEPARTMENT OF COMMERCE AS THE ADMINISTERING
AGENCY; ~~APPROPRIATING MONEY TO THE LOCAL GOVERNMENT BLOCK~~
~~GRANT ACCOUNT~~; AMENDING SECTION 61-3-536, MCA; AND PROVIDING
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consolidated governments; all other municipal taxing
districts; school districts; and the state.

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be raised within a jurisdiction by levying 1 mill. It is
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(5) "Municipality" means an incorporated city, town,
or city-county consolidated government.

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persons not residing within a municipality.

NEW SECTION. Section 2. Local government block grant
account created — source of funds. (1) There is a local
government block grant account within the earmarked revenue
fund.

(2) Funds in this account must be used to provide
payments from the local government block grant program to
eligible jurisdictions.

(3) Thirty-three and one-third percent of the oil
severance tax collected under the provisions of 15-36-101
and all funds appropriated to the account must be deposited
in the account.

NEW SECTION. Section 3. Local government block grant
program. (1) The department of commerce shall administer the

1 local government block grant program and distribute funds
2 from the local government block grant account.

3 (2) The local government block grant program is
4 comprised of three parts:

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6 counties, school districts, and other jurisdictions;

7 (b) a general services block grant for counties; and

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10 funds. The division of funds within the local government
11 block grant account is as follows:

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13 purpose block grant for municipalities, counties, school
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16 amount sufficient to cover the reimbursements required by
17 61-3-536.

18 (2) (a) The general services block grant for counties
19 must be funded from a percentage of the remaining funds
20 deposited in the account equal to the ratio of the
21 unincorporated population to the state population.

22 (b) The general services block grant for
23 municipalities must be funded from a percentage of the
24 remaining funds deposited in the account equal to the ratio
25 of the unincorporated population to the total state

1 population.

2 NEW SECTION. Section 5. Distribution of general
3 purpose block grant funds. The general purpose block grant
4 for municipalities, counties, school districts, and other
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13 the ratio of the county's population to the total county
14 population in the state.

15 (2) The remaining one-half is distributed according to
16 the following formula where CMV = average mill value per
17 capita of all counties; IMV = individual county mill value
18 per capita; ICP = individual county population; CG = 1/2
19 total county grants:

20 CMV
21 $\frac{IMV}{CMV} \times ICP$ = county tax base factor (TBF)
22 IMV
23 individual county TBF
24 $CG \times \frac{\text{individual county TBF}}{\text{sum of all county TBFs}}$ = 1/2 individual county share
25

1 **NEW SECTION.** Section 7. Distribution of general
2 services block grant funds to municipalities. (1) The
3 general services block grant for municipalities is divided
4 into the city/town category and the consolidated category.

5 (2) The consolidated category shall receive a
6 percentage of the total municipal grant as determined by the
7 following formula where PCG = population of consolidated
8 governments; UP = unincorporated population; TSP = total
9 state population; and TSMP = total state municipal
10 population:

11
$$\frac{PCG + (PCG \times UP/TSP)}{TSMP} = \text{consolidated category percentage}$$

12
13
14 (3) The city/town category shall receive the remainder
15 of the general services grant for municipalities.

16 (+) Funds for both the city/town and consolidated
17 categories must be distributed as follows:

18 (a) One-half of each municipality's share is
19 determined by the ratio of the municipality's population to
20 the total municipal population of that category.

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22 the following formula where MVPC = average mill value per
23 capita for all municipalities within each category; IVC =
24 individual municipal mill value per capita; IMP = individual
25 municipal population; CG = 1/2 total grant for each

1 category:

2 MVPC

3
$$\frac{CG}{IMP} \times IMP = \text{municipal tax base factor (TBF)}$$

4 IVC

5 Individual municipal TBF

6
$$CG \times \frac{1}{\text{sum of all municipal TBFs}} = \frac{1}{2} \text{ individual}$$

7 municipality's share

8 **NEW SECTION.** Section 8. Population and taxable
9 valuation figures to be used. (1) Population figures used in
10 [sections 4, 6, and 7] must be the most recent figures as
11 determined by the department of commerce.

12 (2) Mill values used in [sections 4, 6, and 7] are the
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15 will be made.

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20 from the general services block grant that is the lesser of:

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22 (b) one-third of the total general fund appropriation
23 to the account for the biennium ending June 30, 1985.

24 (2) On March 1, 1984, and March 1 of each succeeding
25 year the reimbursement required by 61-3-536 must be

1 distributed.

2 (3) On June 30, 1984, a disbursement must be made from
3 the general services block grants for municipalities and
4 counties that equals the amount which is the lesser of the
5 difference between the account balance on that date and:

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8 to the account for the biennium ending June 30, 1985.

9 (4) On June 30, 1985, and June 30 of each succeeding
10 year, all funds remaining in the account must be
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13 for any purpose authorized by law.

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19 automobiles and trucks having a rated capacity of
20 three-quarters of a ton or less, denoted CT;

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22 during the same period if the license fee system had been in
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25 county on December 31, 1981, denoted NC.

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16 ~~each county.~~

17 (4) On March 1 of year Y, the department ~~of commerce~~
18 shall transmit to each county treasurer a warrant in the
19 amount of $CLV \times NC(Y)$.

20 (5) Upon receipt of the payment provided for in
21 subsection (4), the county treasurer shall credit the
22 payment to a motor vehicle suspense fund and, at some time
23 between March 15 and March 30, shall distribute the payment
24 in the same manner as funds are distributed to the taxing
25 jurisdictions as provided in 61-3-509."

1 ~~SECTION 11. APPROPRIATION. THERE IS APPROPRIATED~~
2 ~~FROM THE GENERAL FUND TO THE LOCAL GOVERNMENT BLOCK GRANT~~
3 ~~ACCOUNT \$6 MILLION FOR THE BIENNium ENDING JUNE 30, 1985.~~
4 ~~NEW SECTION.~~ Section 12. Effective date. This act is
5 effective July 1, 1983.

-End-

April 13, 1983

SENATE STANDING COMMITTEE REPORT
(Finance & Claims)

That House Bill No. 600 be amended as follows:

1. Page 9, line 3
Strike: "\$6 million"
Insert: "\$3 million"

REFERENCE BILL

MISSING