

HOUSE BILL NO. 730

INTRODUCED BY SHONTZ, ABRAMS, SPAETH,
TVEIT, LYNCH, DEVLIN, MAZUREK

BY REQUEST OF THE GOVERNOR'S OFFICE

IN THE HOUSE

February 11, 1983	Introduced and referred to Committee on Taxation. On motion, Representative Harp removed his name as sponsor of bill.
February 21, 1983	Committee recommend bill do pass. Report adopted.
February 22, 1983	Bill printed and placed on members' desks. Second reading, do pass.
February 23, 1983	Considered correctly engrossed. Third reading, passed. Transmitted to Senate.

IN THE SENATE

March 1, 1983	Introduced and referred to Committee on Taxation.
March 17, 1983	Committee recommend bill be concurrent in as amended. Report adopted.
March 19, 1983	Second reading, pass consideration.
March 21, 1983	Second reading, concurred in.

March 23, 1983

Third reading, concurred in.
Ayes, 50; Noes, 0.

IN THE HOUSE

March 23, 1983

Returned to House with
amendments.

March 31, 1983

Second reading, amendments
concurred in.

April 1, 1983

Third reading, amendments
concurred in.

Sent to enrolling.

Reported correctly enrolled.

1 *House* BILL NO. *730*
 2 INTRODUCED BY *Barbara HARR*
 3 BY REQUEST OF THE GOVERNOR'S OFFICE *Lynch*
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A 10-YEAR
 6 HIGHWAY RECONSTRUCTION TRUST FUND ACCOUNT; ALLOCATING
 7 PORTIONS OF THE COAL SEVERANCE, GASOLINE LICENSE, AND
 8 SPECIAL FUELS TAXES TO THE ACCOUNT; ALLOCATING TO THE
 9 ACCOUNT ALL FUNDS RECEIVED BY THE DEPARTMENT OF HIGHWAYS
 10 PURSUANT TO SECTION 17-3-201, MCA; DIRECTING THE DEPARTMENT
 11 OF HIGHWAYS TO DEVELOP A PROGRAM FOR THE RECONSTRUCTION AND
 12 PRESERVATION OF HIGHWAYS BASED ON NEED; CHANGING THE
 13 PERCENTAGE ALLOCATION OF COAL SEVERANCE TAX PROCEEDS;
 14 AMENDING SECTIONS 15-35-108 AND 17-3-201, MCA; AND PROVIDING
 15 AN EFFECTIVE DATE AND A TERMINATION DATE."
 16

17 WHEREAS, the highways on the primary and secondary
 18 systems of Montana are deteriorating more quickly than
 19 existing program and funding levels permit their
 20 construction and reconstruction at safe and acceptable
 21 standards, and part of this deterioration results from the
 22 impact of mineral development; and

23 WHEREAS, a safe and reliable highway system is
 24 essential to the free and efficient movement of people and
 25 goods throughout the state and to an effective state

1 transportation system; and

2 WHEREAS, reconstruction, repair, and pavement
 3 preservation on Montana's federal-aid highway system will
 4 cost less now than in the future, and implementation of
 5 these essential activities requires a 10-year reconstruction
 6 and pavement preservation program to be financed by funds
 7 allocated to a highway reconstruction trust fund account.
 8

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

10 NEW SECTION. Section 1. Highway reconstruction trust
 11 account. (1) There is a highway reconstruction trust account
 12 created in the earmarked revenue fund.

13 (2) The highway reconstruction trust fund account
 14 consists of the following allocations:

15 (a) from the taxes collected pursuant to 15-35-103 for
 16 each fiscal year beginning on or after July 1, 1986, and
 17 ending on or before June 30, 1993, the amounts allocated to
 18 the account pursuant to 15-35-108;

19 (b) for each fiscal year beginning on or after July 1,
 20 1983, and ending on or before June 30, 1993, all money
 21 received from the state treasurer pursuant to 17-3-201; and

22 (c) from the taxes collected pursuant to 15-70-204 and
 23 15-70-321, for each fiscal year beginning on or after July
 24 1, 1983, and ending on or before June 30, 1993, an amount
 25 that, when added to the amount received pursuant to

INTRODUCED BILL
 -2-
 AB 730

1 subsection (2)(b), will equal appropriated expenditures.

2 ~~NEW SECTION.~~ Section 2. Expenditures. The department
3 shall expend the money of the highway reconstruction trust
4 fund account on the federal-aid interstate, primary, and
5 secondary highway systems. If needed, these funds may be
6 apportioned to the various federal-aid systems to match the
7 federal-aid funds available for obligation.

8 ~~NEW SECTION.~~ Section 3. Reconstruction trust program.
9 Subject to [section 2], the department shall administer a
10 program to initiate, plan, design, and carry out
11 reconstruction projects on the primary and secondary systems
12 to straighten, widen, repair, or preserve existing pavement
13 or make major improvements to existing highways. Funds
14 expended under [section 2] may be used for pavement
15 preservation projects on the interstate and primary systems
16 but may not be used for routine repairs. The department
17 shall expend these funds throughout the state according to
18 need, without regard to 60-3-203. Priority must be given to
19 those projects necessitated in whole or in part by the
20 impact of mineral development.

21 Section 4. Section 17-3-201, MCA, is amended to read:

22 "17-3-201. Deposit of gas and oil royalties from
23 federal government in highway account. ~~It shall be the duty~~
24 ~~of For each fiscal year beginning on or after July 1, 1983,~~
25 ~~and ending on or before June 30, 1993,~~ the state treasurer

1 to shall pay 37 1/2% of the moneys received from the
2 treasurer of the United States as the state's share of gas,
3 oil, and other mineral royalties under the federal Mineral
4 Lands Leasing Act, as amended, to the state highway
5 ~~reconstruction trust fund~~ account in the earmarked revenue
6 fund."

7 Section 5. Section 15-35-108, MCA, is amended to read:

8 "15-35-108. Disposal of severance taxes. Severance
9 taxes collected under the provisions of this chapter are
10 allocated as follows:

11 (1) To the trust fund created by Article IX, section
12 5, of the Montana constitution, 25% of total collections a
13 year. After December 31, 1979, 50% of coal severance tax
14 collections are allocated to this trust fund. The trust fund
15 moneys shall be deposited in the fund established under
16 17-6-203(5) and invested by the board of investments as
17 provided by law.

18 ~~(2) Starting July 1, 1986, and ending June 30, 1987,~~
19 ~~6% of coal severance tax collections are allocated to the~~
20 ~~highway reconstruction trust fund account in the earmarked~~
21 ~~revenue funds. Starting July 1, 1987, and ending June 30,~~
22 ~~1993, 12% of coal severance tax collections are allocated to~~
23 ~~the highway reconstruction trust fund account in the~~
24 ~~earmarked revenue funds.~~

25 ~~(2)(3) Coal severance tax collections remaining after~~

1 ~~the allocation allocations to the trust fund under~~
 2 ~~subsection (1) provided by subsections (1) and (2) are~~
 3 allocated in the following percentages of the remaining
 4 balances:

5 (a) to the county in which coal is mined, 2% of the
 6 severance tax paid on the coal mined in that county until
 7 January 1, 1980, for such purposes as the governing body of
 8 the county may determine;

9 (b) 2 1/2% until December 31, 1979, and thereafter
 10 4 1/2% to the earmarked revenue fund to the credit of the
 11 alternative energy research development and demonstration
 12 account;

13 (c) 26 1/2% until July 1, 1979, and thereafter 37 1/2%
 14 to the earmarked revenue fund to the credit of the local
 15 impact and education trust fund account;

16 (d) for each of the 2 fiscal years following June 30,
 17 1977, 13% to the earmarked revenue fund to the credit of the
 18 coal area highway improvement account;

19 (e) 10% to the earmarked revenue fund for state
 20 equalization aid to public schools of the state;

21 (f) 1% to the earmarked revenue fund to the credit of
 22 the county land planning account;

23 (g) 1 1/4% to the sinking fund to the credit of the
 24 renewable resource development bond account;

25 (h) 5% to the earmarked revenue fund to the credit of

1 a trust fund for the purpose of parks acquisition or
 2 management, protection of works of art in the state capitol,
 3 and other cultural and aesthetic projects. Income from this
 4 trust fund shall be appropriated as follows:

5 (i) 1/3 for protection of works of art in the state
 6 capitol and other cultural and aesthetic projects; and

7 (ii) 2/3 for the acquisition of sites and areas
 8 described in 23-1-102 and the operation and maintenance of
 9 sites so acquired;

10 (i) 1% to the earmarked revenue fund to the credit of
 11 the state library commission for the purposes of providing
 12 basic library services for the residents of all counties
 13 through library federations and for payment of the costs of
 14 participating in regional and national networking;

15 (j) 1/2 of 1% to the earmarked revenue fund for
 16 conservation districts;

17 (k) 1 1/4% to the sinking fund to the credit of the
 18 water development sinking account;

19 (l) all other revenues from severance taxes collected
 20 under the provisions of this chapter to the credit of the
 21 general fund of the state."

22 ~~NEW SECTION.~~ Section 6. Codification Instruction.
 23 Sections 1 through 3 are intended to be codified as an
 24 integral part of Title 60, chapter 3, part 2, and the
 25 provisions of Title 60 apply to sections 1 through 3.

1 NEW SECTION. Section 7. Effective date -- termination
2 date. Sections 1 through 5 are effective July 1, 1983, and
3 terminate July 1, 1993.

-End-

Approved by committee
On Taxation

HOUSE BILL NO. 730

INTRODUCED BY SHONTZ, ABRAMS, SPAETH,

TVEIT, LYNCH, DEVLIN, MAZUREK

BY REQUEST OF THE GOVERNOR'S OFFICE

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A 10-YEAR
HIGHWAY RECONSTRUCTION TRUST FUND ACCOUNT; ALLOCATING
PORTIONS OF THE COAL SEVERANCE, GASOLINE LICENSE, AND
SPECIAL FUELS TAXES TO THE ACCOUNT; ALLOCATING TO THE
ACCOUNT ALL FUNDS RECEIVED BY THE DEPARTMENT OF HIGHWAYS
PURSUANT TO SECTION 17-3-201, MCA; DIRECTING THE DEPARTMENT
OF HIGHWAYS TO DEVELOP A PROGRAM FOR THE RECONSTRUCTION AND
PRESERVATION OF HIGHWAYS BASED ON NEED; CHANGING THE
PERCENTAGE ALLOCATION OF COAL SEVERANCE TAX PROCEEDS;
AMENDING SECTIONS 15-35-108 AND 17-3-201, MCA; AND PROVIDING
AN EFFECTIVE DATE AND A TERMINATION DATE."

WHEREAS, the highways on the primary and secondary
systems of Montana are deteriorating more quickly than
existing program and funding levels permit their
construction and reconstruction at safe and acceptable
standards, and part of this deterioration results from the
impact of mineral development; and

WHEREAS, a safe and reliable highway system is
essential to the free and efficient movement of people and

goods throughout the state and to an effective state
transportation system; and

WHEREAS, reconstruction, repair, and pavement
preservation on Montana's federal-aid highway system will
cost less now than in the future, and implementation of
these essential activities requires a 10-year reconstruction
and pavement preservation program to be financed by funds
allocated to a highway reconstruction trust fund account.

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

NEW SECTION. Section 1. Highway reconstruction trust
account. (1) There is a highway reconstruction trust account
created in the earmarked revenue fund.

(2) The highway reconstruction trust fund account
consists of the following allocations:

(a) from the taxes collected pursuant to 15-35-103 for
each fiscal year beginning on or after July 1, 1986, and
ending on or before June 30, 1993, the amounts allocated to
the account pursuant to 15-35-108;

(b) for each fiscal year beginning on or after July 1,
1983, and ending on or before June 30, 1993, all money
received from the state treasurer pursuant to 17-3-201; and

(c) from the taxes collected pursuant to 15-70-204 and
15-70-321, for each fiscal year beginning on or after July
1, 1983, and ending on or before June 30, 1993, an amount

that, when added to the amount received pursuant to subsection (2)(b), will equal appropriated expenditures.

NEW SECTION. Section 2. Expenditures. The department shall expend the money of the highway reconstruction trust fund account on the federal-aid interstate, primary, and secondary highway systems. If needed, these funds may be apportioned to the various federal-aid systems to match the federal-aid funds available for obligation.

NEW SECTION. Section 3. Reconstruction trust program. Subject to [section 2], the department shall administer a program to initiate, plan, design, and carry out reconstruction projects on the primary and secondary systems to straighten, widen, repair, or preserve existing pavement or make major improvements to existing highways. Funds expended under [section 2] may be used for pavement preservation projects on the interstate and primary systems but may not be used for routine repairs. The department shall expend these funds throughout the state according to need, without regard to 60-3-203. Priority must be given to those projects necessitated in whole or in part by the impact of mineral development.

Section 4. Section 17-3-201, MCA, is amended to read:

"17-3-201. Deposit of gas and oil royalties from federal government in highway account. ~~It shall be the duty of the department to deposit the gas and oil royalties from the federal government in the highway account.~~ It shall be the duty of the department to deposit the gas and oil royalties from the federal government in the highway account.

~~and ending on or before June 30, 1993, the state treasurer shall pay 37 1/2% of the moneys received from the state treasurer of the United States as the state's share of gas, oil, and other mineral royalties under the federal Mineral Lands Leasing Act, as amended, to the state highway reconstruction trust fund account in the earmarked revenue fund."~~

Section 5. Section 15-35-108, MCA, is amended to read:

"15-35-108. Disposal of severance taxes. Severance taxes collected under the provisions of this chapter are allocated as follows:

(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 25% of total collections a year. After December 31, 1979, 50% of coal severance tax collections are allocated to this trust fund. The trust fund moneys shall be deposited in the fund established under 17-6-203(5) and invested by the board of investments as provided by law.

~~(2) Starting July 1, 1986, and ending June 30, 1987, 62% of coal severance tax collections are allocated to the highway reconstruction trust fund account in the earmarked revenue fund. Starting July 1, 1987, and ending June 30, 1993, 12% of coal severance tax collections are allocated to the highway reconstruction trust fund account in the earmarked revenue fund.~~

1 ~~(2)(1)~~ Coal severance tax collections remaining after
2 the allocation allocations to--the---trust---fund---under
3 subsection--(1) provided by subsections (1) and (2) are
4 allocated in the following percentages of the remaining
5 balance:

6 (a) to the county in which coal is mined, 2% of the
7 severance tax paid on the coal mined in that county until
8 January 1, 1980, for such purposes as the governing body of
9 the county may determine;

10 (b) 2 1/2% until December 31, 1979, and thereafter
11 4 1/2% to the earmarked revenue fund to the credit of the
12 alternative energy research development and demonstration
13 account;

14 (c) 26 1/2% until July 1, 1979, and thereafter 37 1/2%
15 to the earmarked revenue fund to the credit of the local
16 impact and education trust fund account;

17 (d) for each of the 2 fiscal years following June 30,
18 1977, 13% to the earmarked revenue fund to the credit of the
19 coal area highway improvement account;

20 (e) 10% to the earmarked revenue fund for state
21 equalization aid to public schools of the state;

22 (f) 1% to the earmarked revenue fund to the credit of
23 the county land planning account;

24 (g) 1 1/4% to the sinking fund to the credit of the
25 renewable resource development bond account;

1 (h) 5% to the earmarked revenue fund to the credit of
2 a trust fund for the purpose of parks acquisition or
3 management, protection of works of art in the state capitol,
4 and other cultural and aesthetic projects. Income from this
5 trust fund shall be appropriated as follows:

6 (i) 1/3 for protection of works of art in the state
7 capitol and other cultural and aesthetic projects; and

8 (ii) 2/3 for the acquisition of sites and areas
9 described in 23-1-102 and the operation and maintenance of
10 sites so acquired;

11 (i) 1% to the earmarked revenue fund to the credit of
12 the state library commission for the purposes of providing
13 basic library services for the residents of all counties
14 through library federations and for payment of the costs of
15 participating in regional and national networking;

16 (j) 1/2 of 1% to the earmarked revenue fund for
17 conservation districts;

18 (k) 1 1/4% to the sinking fund to the credit of the
19 water development sinking account;

20 (l) all other revenues from severance taxes collected
21 under the provisions of this chapter to the credit of the
22 general fund of the state."

23 NEW SECTION. Section 6. Codification instruction.
24 Sections 1 through 3 are intended to be codified as an
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- 1 provisions of Title 60 apply to sections 1 through 3.
- 2 NEW_SECTION. Section 7. Effective date -- termination
- 3 date. Sections 1 through 5 are effective July 1, 1983, and
- 4 terminate July 1, 1993.

-End-

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11 PURSUANT TO SECTION 17-3-201, MCA; DIRECTING THE DEPARTMENT
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13 PRESERVATION OF HIGHWAYS BASED ON NEED; CHANGING THE
14 PERCENTAGE ALLOCATION OF COAL SEVERANCE TAX PROCEEDS;
15 AMENDING SECTIONS 15-35-108 AND 17-3-201, MCA; AND PROVIDING
16 AN EFFECTIVE DATE AND A TERMINATION DATE."

17
18 WHEREAS, the highways on the primary and secondary
19 systems of Montana are deteriorating more quickly than
20 existing program and funding levels permit their
21 construction and reconstruction at safe and acceptable
22 standards, and part of this deterioration results from the
23 impact of mineral development; and

24 WHEREAS, a safe and reliable highway system is
25 essential to the free and efficient movement of people and

1 goods throughout the state and to an effective state
2 transportation system; and

3 WHEREAS, reconstruction, repair, and pavement
4 preservation on Montana's federal-aid highway system will
5 cost less now than in the future, and implementation of
6 these essential activities requires a 10-year reconstruction
7 and pavement preservation program to be financed by funds
8 allocated to a highway reconstruction trust fund account.

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13 created in the earmarked revenue fund.

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15 consists of the following allocations:

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17 each fiscal year beginning on or after July 1, 1986, and
18 ending on or before June 30, 1993, the amounts allocated to
19 the account pursuant to 15-35-108;

20 (b) for each fiscal year beginning on or after July 1,
21 1983, and ending on or before June 30, 1993, all money
22 received from the state treasurer pursuant to 17-3-201; and

23 (c) from the taxes collected pursuant to 15-70-204 and
24 15-70-321, for each fiscal year beginning on or after July
25 1, 1983, and ending on or before June 30, 1993, an amount

1 that, when added to the amount received pursuant to
2 subsection (2)(b), will equal appropriated expenditures.

3 ~~NEW SECTION.~~ Section 2. Expenditures. The department
4 shall expend the money of the highway reconstruction trust
5 fund account on the federal-aid interstate, primary, and
6 secondary highway systems. If needed, these funds may be
7 apportioned to the various federal-aid systems to match the
8 federal-aid funds available for obligation.

9 ~~NEW SECTION.~~ Section 3. Reconstruction trust program.
10 Subject to [section 2], the department shall administer a
11 program to initiate, plan, design, and carry out
12 reconstruction projects on the primary and secondary systems
13 to straighten, widen, repair, or preserve existing pavement
14 or make major improvements to existing highways. Funds
15 expended under [section 2] may be used for pavement
16 preservation projects on the interstate and primary systems
17 but may not be used for routine repairs. The department
18 shall expend these funds throughout the state according to
19 need, without regard to 60-3-203. Priority must be given to
20 those projects necessitated in whole or in part by the
21 impact of mineral development.

22 Section 4. Section 17-3-201, MCA, is amended to read:

23 "17-3-201. Deposit of gas and oil royalties from
24 federal government in highway account. ~~It shall be the duty~~
25 ~~of~~ ~~For each fiscal year beginning on or after July 1, 1983,~~

1 ~~and ending on or before June 30, 1993,~~ the state treasurer
2 ~~to~~ shall pay 37 1/2% of the moneys received from the
3 treasurer of the United States as the state's share of gas,
4 oil, and other mineral royalties under the federal Mineral
5 Lands Leasing Act, as amended, to the state highway
6 ~~reconstruction trust fund~~ account in the earmarked revenue
7 fund."

8 Section 5. Section 15-35-108, MCA, is amended to read:

9 "15-35-108. Disposal of severance taxes. Severance
10 taxes collected under the provisions of this chapter are
11 allocated as follows:

12 (1) To the trust fund created by Article IX, section
13 5, of the Montana constitution, 25% of total collections a
14 year. After December 31, 1979, 50% of coal severance tax
15 collections are allocated to this trust fund. The trust fund
16 moneys shall be deposited in the fund established under
17 17-6-203(5) and invested by the board of investments as
18 provided by law.

19 ~~(2) Starting July 1, 1986, and ending June 30, 1987,~~
20 ~~6% of coal severance tax collections are allocated to the~~
21 ~~highway reconstruction trust fund account in the earmarked~~
22 ~~revenue fund. Starting July 1, 1987, and ending June 30,~~
23 ~~1993, 12% of coal severance tax collections are allocated to~~
24 ~~the highway reconstruction trust fund account in the~~
25 ~~earmarked revenue fund.~~

~~127~~(13) Coal severance tax collections remaining after the allocation allocations to the trust fund under subsection ~~(11)~~ provided by subsections (11) and (12) are allocated in the following percentages of the remaining balance:

(a) to the county in which coal is mined, 2% of the severance tax paid on the coal mined in that county until January 1, 1980, for such purposes as the governing body of the county may determine;

(b) 2 1/2% until December 31, 1979, and thereafter 4 1/2% to the earmarked revenue fund to the credit of the alternative energy research development and demonstration account;

(c) 26 1/2% until July 1, 1979, and thereafter 37 1/2% to the earmarked revenue fund to the credit of the local impact and education trust fund account;

(d) for each of the 2 fiscal years following June 30, 1977, 13% to the earmarked revenue fund to the credit of the coal area highway improvement account;

(e) 10% to the earmarked revenue fund for state equalization aid to public schools of the state;

(f) 1% to the earmarked revenue fund to the credit of the county land planning account;

(g) 1 1/4% to the sinking fund to the credit of the renewable resource development bond account;

(h) 5% to the earmarked revenue fund to the credit of a trust fund for the purpose of parks acquisition or management, protection of works of art in the state capitol, and other cultural and aesthetic projects. Income from this trust fund shall be appropriated as follows:

(i) 1/3 for protection of works of art in the state capitol and other cultural and aesthetic projects; and

(ii) 2/3 for the acquisition of sites and areas described in 23-1-102 and the operation and maintenance of sites so acquired;

(i) 1% to the earmarked revenue fund to the credit of the state library commission for the purposes of providing basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking;

(j) 1/2 of 1% to the earmarked revenue fund for conservation districts;

(k) 1 1/4% to the sinking fund to the credit of the water development sinking account;

(l) all other revenues from severance taxes collected under the provisions of this chapter to the credit of the general fund of the state."

NEW SECTION. Section 6. Codification instruction. Sections 1 through 3 are intended to be codified as an integral part of Title 60, chapter 3, part 2, and the

- 1 provisions of Title 60 apply to sections 1 through 3.
- 2 ~~NEW SECTION.~~ Section 7. Effective date -- termination
- 3 date. Sections 1 through 5 are effective July 1, 1983, and
- 4 terminate July 1, 1993.

-End-

March 17, 1983

SENATE STANDING COMMITTEE REPORT
(Taxation)

That House Bill No. 730 be amended as follows:

1. Page 3, line 2.

Strike: "subsection"

Insert: "subsections (2)(a) and"

2. Page 3, line 10.

Following: line 9

Insert: "(1)"

3. Page 3.

Following: line 21

Insert: "(2) In order to accommodate changes in the financial district structure and implementation of the reconstruction program, the department may suspend the 25% overrun limitation on the allocation of federal aid primary funds for fiscal years 1984 and 1985."

1 HOUSE BILL NO. 730

2 INTRODUCED BY SHONTZ, ABRAMS, SPAETH,

3 TYEIT, LYNCH, DEVLIN, MAZUREK

4 BY REQUEST OF THE GOVERNOR'S OFFICE

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6 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A 10-YEAR
7 HIGHWAY RECONSTRUCTION TRUST FUND ACCOUNT; ALLOCATING
8 PORTIONS OF THE COAL SEVERANCE, GASOLINE LICENSE, AND
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10 ACCOUNT ALL FUNDS RECEIVED BY THE DEPARTMENT OF HIGHWAYS
11 PURSUANT TO SECTION 17-3-201, MCA; DIRECTING THE DEPARTMENT
12 OF HIGHWAYS TO DEVELOP A PROGRAM FOR THE RECONSTRUCTION AND
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14 PERCENTAGE ALLOCATION OF COAL SEVERANCE TAX PROCEEDS;
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18 WHEREAS, the highways on the primary and secondary
19 systems of Montana are deteriorating more quickly than
20 existing program and funding levels permit their
21 construction and reconstruction at safe and acceptable
22 standards, and part of this deterioration results from the
23 impact of mineral development; and

24 WHEREAS, a safe and reliable highway system is
25 essential to the free and efficient movement of people and

1 goods throughout the state and to an effective state
2 transportation system; and

3 WHEREAS, reconstruction, repair, and pavement
4 preservation on Montana's federal-aid highway system will
5 cost less now than in the future, and implementation of
6 these essential activities requires a 10-year reconstruction
7 and pavement preservation program to be financed by funds
8 allocated to a highway reconstruction trust fund account.

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

11 ~~NEW SECTION.~~ Section 1. Highway reconstruction trust
12 account. (1) There is a highway reconstruction trust account
13 created in the earmarked revenue fund.

14 (2) The highway reconstruction trust fund account
15 consists of the following allocations:

16 (a) from the taxes collected pursuant to 15-35-103 for
17 each fiscal year beginning on or after July 1, 1986, and
18 ending on or before June 30, 1993, the amounts allocated to
19 the account pursuant to 15-35-108;

20 (b) for each fiscal year beginning on or after July 1,
21 1983, and ending on or before June 30, 1993, all money
22 received from the state treasurer pursuant to 17-3-201; and

23 (c) from the taxes collected pursuant to 15-70-204 and
24 15-70-321, for each fiscal year beginning on or after July
25 1, 1983, and ending on or before June 30, 1993, an amount

that, when added to the amount received pursuant to subsection ~~SUBSECTIONS (2)(A) AND (2)(b)~~, will equal appropriated expenditures.

~~NEW SECTION.~~ Section 2. Expenditures. The department shall expend the money of the highway reconstruction trust fund account on the federal-aid interstate, primary, and secondary highway systems. If needed, these funds may be apportioned to the various federal-aid systems to match the federal-aid funds available for obligation.

~~NEW SECTION.~~ Section 3. Reconstruction trust program. (1) Subject to [section 2], the department shall administer a program to initiate, plan, design, and carry out reconstruction projects on the primary and secondary systems to straighten, widen, repair, or preserve existing pavement or make major improvements to existing highways. Funds expended under [section 2] may be used for pavement preservation projects on the interstate and primary systems but may not be used for routine repairs. The department shall expend these funds throughout the state according to need, without regard to 60-3-203. Priority must be given to those projects necessitated in whole or in part by the impact of mineral development.

~~(2) IN ORDER TO ACCOMMODATE CHANGES IN THE FINANCIAL DISTRICT STRUCTURE AND IMPLEMENTATION OF THE RECONSTRUCTION PROGRAM, THE DEPARTMENT MAY SUSPEND THE 25% OVERRUN~~

~~LIMITATION ON THE ALLOCATION OF FEDERAL-AID PRIMARY FUNDS FOR FISCAL YEARS 1984 AND 1985.~~

Section 4. Section 17-3-201, MCA, is amended to read: "17-3-201. Deposit of gas and oil royalties from federal government in highway account. ~~It shall be the duty of for each fiscal year beginning on or after July 1, 1983, and ending on or before June 30, 1983,~~ the state treasurer to shall pay 37 1/2% of the moneys received from the treasurer of the United States as the state's share of gas, oil, and other mineral royalties under the federal Mineral Lands Leasing Act, as amended, to the state highway ~~reconstruction trust fund~~ account in the earmarked revenue fund."

Section 5. Section 15-35-108, MCA, is amended to read: "15-35-108. Disposal of severance taxes. Severance taxes collected under the provisions of this chapter are allocated as follows:

(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 25% of total collections a year. After December 31, 1979, 50% of coal severance tax collections are allocated to this trust fund. The trust fund moneys shall be deposited in the fund established under 17-6-203(5) and invested by the board of investments as provided by law.

~~(2) Starting July 1, 1986, and ending June 30, 1987,~~

1 ~~6% of coal severance tax collections are allocated to the~~
 2 ~~highway reconstruction trust fund account in the earmarked~~
 3 ~~revenue funds. Starting July 1, 1987, and ending June 30,~~
 4 ~~1993, 12% of coal severance tax collections are allocated to~~
 5 ~~the highway reconstruction trust fund account in the~~
 6 ~~earmarked revenue funds.~~

7 ~~(2)(13)~~ Coal severance tax collections remaining after
 8 ~~the allocation allocations to the trust fund under~~
 9 ~~subsection (11) provided by subsections (11) and (12)~~ are
 10 allocated in the following percentages of the remaining
 11 balance:

12 (a) to the county in which coal is mined, 2% of the
 13 severance tax paid on the coal mined in that county until
 14 January 1, 1980, for such purposes as the governing body of
 15 the county may determine;

16 (b) 2 1/2% until December 31, 1979, and thereafter
 17 4 1/2% to the earmarked revenue fund to the credit of the
 18 alternative energy research development and demonstration
 19 account;

20 (c) 26 1/2% until July 1, 1979, and thereafter 37 1/2%
 21 to the earmarked revenue fund to the credit of the local
 22 impact and education trust fund account;

23 (d) for each of the 2 fiscal years following June 30,
 24 1977, 13% to the earmarked revenue fund to the credit of the
 25 coal area highway improvement account;

1 (e) 10% to the earmarked revenue fund for state
 2 equalization aid to public schools of the state;

3 (f) 1% to the earmarked revenue fund to the credit of
 4 the county land planning account;

5 (g) 1 1/4% to the sinking fund to the credit of the
 6 renewable resource development bond account;

7 (h) 5% to the earmarked revenue fund to the credit of
 8 a trust fund for the purpose of parks acquisition or
 9 management, protection of works of art in the state capitol,
 10 and other cultural and aesthetic projects. Income from this
 11 trust fund shall be appropriated as follows:

12 (i) 1/3 for protection of works of art in the state
 13 capitol and other cultural and aesthetic projects; and

14 (ii) 2/3 for the acquisition of sites and areas
 15 described in 23-1-102 and the operation and maintenance of
 16 sites so acquired;

17 (i) 1% to the earmarked revenue fund to the credit of
 18 the state library commission for the purposes of providing
 19 basic library services for the residents of all counties
 20 through library federations and for payment of the costs of
 21 participating in regional and national networking;

22 (j) 1/2 of 1% to the earmarked revenue fund for
 23 conservation districts;

24 (k) 1 1/4% to the sinking fund to the credit of the
 25 water development sinking account;

1 (1) all other revenues from severance taxes collected
2 under the provisions of this chapter to the credit of the
3 general fund of the state."

4 NEW SECTION. Section 6. Codification instruction.
5 Sections 1 through 3 are intended to be codified as an
6 integral part of Title 60, chapter 3, part 2, and the
7 provisions of Title 60 apply to sections 1 through 3.

8 NEW SECTION. Section 7. Effective date -- termination
9 date. Sections 1 through 5 are effective July 1, 1983, and
10 terminate July 1, 1993.

-End-