HOUSE BILL NO. 159

INTRODUCED BY BRANDEWIE, SCHYE, GLASER

BY REQUEST OF THE DEPARTMENT OF COMMERCE

IN THE HOUSE

- JANUARY 13, 1987 INTRODUCED AND REFERRED TO COMMITTEE ON LOCAL GOVERNMENT.
- JANUARY 23, 1987 COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
- JANUARY 24, 1987 PRINTING REPORT.
- JANUARY 26, 1987 SECOND READING, DO PASS.
- JANUARY 27, 1987 ENGROSSING REPORT.

THIRD READING, PASSED.

TRANSMITTED TO SENATE.

ON LOCAL GOVERNMENT.

COMMITTEE RECOMMEND BILL BE

INTRODUCED AND REFERRED TO COMMITTEE

IN THE SENATE

- JANUARY 28, 1987
- FEBRUARY 6, 1987
 - CONCURRED IN. REPORT ADOPTED.
- FEBRUARY 10, 1987 SECOND READING, CONCURRED IN.
- FEBRUARY 12, 1987 THIRD READING, CONCURRED IN. AYES, 50; NOES, 0.

RETURNED TO HOUSE.

IN THE HOUSE

FEBRUARY 17, 1987

SENT TO ENROLLING.

RECEIVED FROM SENATE.

LC 0859/01

<u>HB</u> BILL NO. 159 INTRODUCED BY Samale mi 2 3 BY REQUEST OF THE DEPARTMENT OF COMMERCE 4 A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING THE 5 RESTRICTION THAT LOAN MONEY MAY BE USED ONLY AS A MATCH FOR 6 A FEDERAL AIRPORT IMPROVEMENT PROGRAM GRANT; EXTENDING 7 EXPIRATION FOR 2 YEARS: REQUIRING THAT EXCESS BOND PROCEEDS я 9 OF AN AIRPORT IMPROVEMENT PROGRAM BE RETAINED IN THE STATE 10 SPECIAL REVENUE FUND AND REQUIRING USE OF INCOME TO RETIRE 11 DEBT; AMENDING SECTION 67-1-301, MCA, AND SECTION 4, CHAPTER 12 676, LAWS OF 1985; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE." 13

14

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

16 Section 1. Section 67-1-301, MCA, is amended to read: "67-1-301. Money -- receipt and disbursement. (1) All 17 18 costs and expenses of administering this title, including 19 the salaries of employees of the department engaged in 20 functions pertaining to aeronautics, the expenses of members 21 of the board, and all other disbursements necessary to carry 22 out the purposes of this title, shall be paid out of the 23 following revenues:

24 (a) all gifts and all legislative appropriations to 25 the department for aeronautics;



1 (b) all moneys received from any branch or department of the federal government or from other sources for the 2 purposes mentioned in this title or for the furtherance of 3 4 aeronautics generally in this state.

5 (2) All such moneys shall be deposited in the state treasury to the credit of the department. 6

7 (3) (a) There shall be deposited in the state special 8 revenue fund to the credit of the department of 9 administration, to be used, upon recommendation of the 10 department of commerce, to provide loans to local and state 11 government agencies for airport improvement projects in amounts-not--to--exceed--the--required--sponsoris--share--of 12 13 projects--authorized--by--the--United--States-government-for funding-from-the-federal-Airport-and-Airway-Improvement--Act 14 of-1982: 15

(i) a portion, as provided in section 1, Chapter 676, 16 Laws of 1985, of the proceeds received from the sale of 17 18 long-range building program bonds upon the authorization and sale of the bonds by the state and notwithstanding the 19 20 provisions of Title 17, chapter 7, part 2; and

21 (ii) all repayments of loans, including interest, made 22 pursuant to subsections (3)(a) and (3)(b).

23 (b) All loans must:

(i) bear an interest rate that fully retires the 24 long-range building bonds issued under the authorization 25

INTRODUCED BILL HB 159 -2-

1 provided by the 49th legislature;

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(ii) mature not later than such bonds; and

3 (iii) include reimbursement of administrative costs as
4 required by subsection (3)(c).

5 (c) An amount equal to 1% of the loans provided under 6 subsection (3)(a) may be allocated from the state special 7 revenue fund for administrative purposes.

8 (4) When the airport loan program is terminated, any 9 balance of the bond proceeds that is not loaned must remain 10 in the state special revenue fund to be invested, and the 11 income must be used to retire the outstanding debt on the 12 remaining bond proceeds.

(4)(5) There shall be deposited in the state special 13 revenue fund to the credit of the department the proceeds of 14 1 cent per gallon out of the amount per gallon of gasoline 15 license tax imposed by the laws of this state upon purchases 16 of gasoline used for the operation of aircraft. Moneys so 17 deposited shall be spent by the department for the sole 18 purpose of carrying out its functions pertaining to 19 aeronautics. 20

21 (5)(6) No part of the 1 cent per gallon of gasoline
22 license tax imposed by the laws of this state on gasoline
23 purchased and used for the operation of airplanes or
24 aircraft may be refunded.

25 Section 2. Section 4, Chapter 676, Laws of 1985, is

1 amended to read:

2 "Section 4. Effective date -- termination date. This
3 act is effective on passage and approval. This act
4 terminates June 30, 1987 1989, except that a loan made prior
5 to June 30, 1987 1989, is subject to the provisions of this
6 act notwithstanding the duration of the loan."

7 <u>NEW SECTION.</u> Section 3. Effective date. This act is
8 effective on passage and approval.

-End-

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STATE OF MONTANA - FISCAL NOTE Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB159, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to remove use restrictions requiring that loan money be used only as match for an FAA Airport Improvement Program (AIP) grant; to extend the expiration of the loan program for two more years; and to require that excess bond proceeds from the Airport Improvement Program be retained in the state special revenue fund and requiring the use of the income from the investment of the fund to retire the outstanding debt on the remaining bond proceeds.

ASSUMPTIONS:

- 1. The entire remaining amount from the \$1.7 million authorized by the 1985 legislature (\$1.564 million) will be loaned out to communities in the 1988-89 biennium without the existing restrictions.
- 2. The loan program will continue to be administered without additional costs.
- 3. Approximately half of the available funds will be awarded each fiscal year of the biennium.

FISCAL IMPACT:	FY88				FY8	9	
· · · · · · · · · · · · · · · · · · ·	Curr		Pı	roposed Law	rent	Proposed Law	Biennium
<u>Expenditures</u> : N/A			••••••••••••••••••••••••••••••••••••••				<u> </u>
<u>Revenues</u> : Aeronautics Division, Department of Commerce (1% administrative fee)	\$	0	\$	7,823	\$ 0	\$ 7,823	\$ 15,646
Total Loan Amount Availab to local governments (non-appropriated) TOTAL)le <u>\$</u>	<u>0</u> 0	\$	774,453 782,276	\$ <u> </u>	<u>\$ 774,453</u> \$ 782,276	<u>\$1,548,906</u> \$1,564,552

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

Communities will have available \$1.5 million for airport improvement loans in the 1989 biennium. In some instances, the loan could be used by the community as their 10% sponsor's share to leverage a 90% federal grant. In other cases, the loan could constitute 100% of the cost of the airport improvement project.

DATE DAVID L. HUNTER. DIRECTOR

DAVID L. HUNTER, AUDGET DIRECTOR Office of Budget and Program Planning

-15-1 ND BRANDEWIE, PRIMARY SPONSOR

Fiscal Note for HB159, as introduced.

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Fiscal Note Impact, <u>HB159</u>, <u>as introduced</u>. Form BD-15 Page 2

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION: None

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION: None 50th Legislature

LC 0859/01

APPROVED BY COMM. ON LOCAL GOVERNMENT

1	<u>HB</u> BILL NO. <u>159</u>
2	INTRODUCED BY Dradcisie Selve polan
3	BY REQUEST OF THE DEPARTMENT OF COMMERCE
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5	A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING THE
6	RESTRICTION THAT LOAN MONEY MAY BE USED ONLY AS A MATCH FOR
7	A FEDERAL AIRPORT IMPROVEMENT PROGRAM GRANT; EXTENDING
8	EXPIRATION FOR 2 YEARS; REQUIRING THAT EXCESS BOND PROCEEDS
9	OF AN AIRPORT IMPROVEMENT PROGRAM BE RETAINED IN THE STATE
10	SPECIAL REVENUE FUND AND REQUIRING USE OF INCOME TO RETIRE
11	DEBT; AMENDING SECTION 67-1-301, MCA, AND SECTION 4, CHAPTER
12	676, LAWS OF 1985; AND PROVIDING AN IMMEDIATE EFFECTIVE
13	DATE."
14	
15	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
16	Section 1. Section 67-1-301, MCA, is amended to read:
17	"67-1-301. Money receipt and disbursement. (1) All
18	costs and expenses of administering this title, including
19	the salaries of employees of the department engaged in
20	functions pertaining to aeronautics, the expenses of members
21	of the board, and all other disbursements necessary to carry
22	out the purposes of this title, shall be paid out of the

23 following revenues:

24 (a) all gifts and all legislative appropriations to25 the department for aeronautics;

1 (b) all moneys received from any branch or department 2 of the federal government or from other sources for the 3 purposes mentioned in this title or for the furtherance of 4 aeronautics generally in this state.

5 (2) All such moneys shall be deposited in the state6 treasury to the credit of the department.

7 (3) (a) There shall be deposited in the state special 8 revenue fund to the credit of the department of 9 administration, to be used, upon recommendation of the 10 department of commerce, to provide loans to local and state 11 government agencies for airport improvement projects in 12 amounts-not--to--exceed--the--required--sponsoris-share--of 13 projects--authorized--by--the--United--States-government-for funding-from-the-federal-Airport-and-Airway-Improvement--Act 14 of-1982: 15

16 (i) a portion, as provided in section 1, Chapter 676, 17 Laws of 1985, of the proceeds received from the sale of 18 long-range building program bonds upon the authorization and 19 sale of the bonds by the state and notwithstanding the 20 provisions of Title 17, chapter 7, part 2; and

21 (ii) all repayments of loans, including interest, made 22 pursuant to subsections (3)(a) and (3)(b).

23 (b) All loans must:

24 (i) bear an interest rate that fully retires the25 long-range building bonds issued under the authorization

-2- SECOND READING HB-159



1 provided by the 49th legislature;

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2 (ii) mature not later than such bonds; and

3 (iii) include reimbursement of administrative costs as
4 required by subsection (3)(c).

5 (c) An amount equal to 1% of the loans provided under 6 subsection (3)(a) may be allocated from the state special 7 revenue fund for administrative purposes.

8 (4) When the airport loan program is terminated, any 9 balance of the bond proceeds that is not loaned must remain 10 in the state special revenue fund to be invested, and the 11 income must be used to retire the outstanding debt on the 12 remaining bond proceeds.

(4)(5) There shall be deposited in the state special 13 14 revenue fund to the credit of the department the proceeds of 15 1 cent per gallon out of the amount per gallon of gasoline 16 license tax imposed by the laws of this state upon purchases of gasoline used for the operation of aircraft. Moneys so 17 18 deposited shall be spent by the department for the sole purpose of carrying out its functions pertaining to 19 20 aeronautics.

21 (5)(6) No part of the l cent per gallon of gasoline
22 license tax imposed by the laws of this state on gasoline
23 purchased and used for the operation of airplanes or
24 aircraft may be refunded.

25 Section 2. Section 4, Chapter 676, Laws of 1985, is

1 amended to read:

Section 4. Effective date -- termination date. This act is effective on passage and approval. This act terminates June 30, 1987 1989, except that a loan made prior to June 30, 1987 1989, is subject to the provisions of this act notwithstanding the duration of the loan."

7 <u>NEW SECTION.</u> Section 3. Effective date. This act is
8 effective on passage and approval.

-End-

LC 0859/01

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1 (b) all moneys received from any branch or department 2 of the federal government or from other sources for the 3 purposes mentioned in this title or for the furtherance of 4 aeronautics generally in this state.

5 (2) All such moneys shall be deposited in the state
6 treasury to the credit of the department.

7 (3) (a) There shall be deposited in the state special 8 revenue fund to the credit of the department of administration, to be used, upon recommendation of the 9 department of commerce, to provide loans to local and state 10 11 government agencies for airport improvement projects in 12 amounts-not--to--exceed--the--required--sponsoris--share--of 13 projects-authorized-by--the--United--States-government-for 14 funding-from-the-federal-Airport-and-Airway-Improvement--Aet of-1982; 15

(i) a portion, as provided in section 1, Chapter 676,
Laws of 1985, of the proceeds received from the sale of
long-range building program bonds upon the authorization and
sale of the bonds by the state and notwithstanding the
provisions of Title 17, chapter 7, part 2; and

(ii) all repayments of loans, including interest, made
pursuant to subsections (3)(a) and (3)(b).

23 (b) All loans must:

24 (i) bear an interest rate that fully retires the25 long-range building bonds issued under the authorization

-2- THIRD READING HB-159 1 provided by the 49th Legislature;

(ii) mature not later than such bonds; and

3 (dii) include reimburgement of administrative costs as
4 required by subsection (3)(c).

5 (c) An amount equal to 1% of the loans provided under 6 subsection (3)(a) may be allocated from the state special 7 revenue fund for administrative purposes.

6 (4) When the airport loan program is terminated, any
9 balance of the bond proceeds that is not loaned must remain
10 in the state special revenue fund to be invested, and the
11 income must be used to retire the outstanding debt on the
12 remaining bond proceeds.

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21 (5)(6) No part of the 1 cent per gallon of gasoline
22 license tax imposed by the laws of this state on gasoline
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24 aircraft may be refunded.

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Section 2. Section 4, Chapter 676, Laws of 1985, is

1 amended to read:

2 "Section 4. Effective date -- termination date. This 3 act is effective on passage and approval. This act 4 terminates June 30, 1987 1989, except that a loan made prior 5 to June 30, 1987 1989, is subject to the provisions of this 6 act notwithstanding the duration of the loan."

7 <u>NEW SECTION.</u> Section 3. Effective date. This act is
8 effective on passage and approval.

-End-

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HB 0159/02

1	HOUSE BILL NO. 159	l	(b) all moneys received from any branch or department
2	INTRODUCED BY BRANDEWIE, SCHYE, GLASER	2	of the federal government or from other sources for the
3	BY REQUEST OF THE DEPARTMENT OF COMMERCE	3	purposes mentioned in this title or for the furtherance of
4		4	aeronautics generally in this state.
5	A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING THE	5	(2) All such moneys shall be deposited in the state
6	RESTRICTION THAT LOAN MONEY MAY BE USED ONLY AS A MATCH FOR	6	treasury to the credit of the department.
7	A FEDERAL AIRPORT IMPROVEMENT PROGRAM GRANT; EXTENDING	7	(3) (a) There shall be deposited in the state special
8	EXFIRATION FOR 2 YEARS; REQUIRING THAT EXCESS BOND PROCEEDS	8	revenue fund to the credit of the department of
9	OF AN AIRPORT IMPROVEMENT PROGRAM BE RETAINED IN THE STATE	9	administration, to be used, upon recommendation of the
10	SPECIAL REVENUE FUND AND REQUIRING USE OF INCOME TO RETIRE	10	department of commerce, to provide loans to local and state
11	DEBT; AMENDING SECTION 67-1-301, MCA, AND SECTION 4, CHAPTER	11	government agencies for airport improvement projects in
12	676, LAWS OF 1985; AND PROVIDING AN IMMEDIATE EFFECTIVE	12	amounts-nottoexceedtherequiredsponsor+sshareof
13	DATE."	13	projectsauthorizedbytheUnitedStates-government-for
14		14	funding-from-the-federal-Airport-and-Airway-ImprovementAct
15	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	15	0 £-1982:
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18	costs and expenses of administering this title, including	18	long-range building program bonds upon the authorization and
19	the salaries of employees of the department engaged in	19	sale of the bonds by the state and notwithstanding the
20	functions pertaining to aeronautics, the expenses of members	20	provisions of Title 17, chapter 7, part 2; and
21	of the board, and all other disbursements necessary to carry	21	(ii) all repayments of loans, including interest, made
22	out the purposes of this title, shall be paid out of the	22	pursuant to subsections (3)(a) and (3)(b).
23	following revenues:	23	(b) All loans must:
24	(a) all gifts and all legislative appropriations to	24	(i) bear an interest rate that fully retires the
25	the department for aeronautics;	25	long-range building bonds issued under the authorization

HB 159 REFERENCE BILL

-2-



HB 0159/02

HB 159

provided by the 49th legislature: 1 2 (ii) mature not later than such bonds; and 3 (iii) include reimbursement of administrative costs as required by subsection (3)(c). 4 5 (c) An amount equal to 1% of the loans provided under 6 subsection (3)(a) may be allocated from the state special 7 revenue fund for administrative purposes. 8 (4) When the airport loan program is terminated, any 9 balance of the bond proceeds that is not loaned must remain 10 in the state special revenue fund to be invested, and the 11 income must be used to retire the outstanding debt on the 12 remaining bond proceeds. 13 (4)(5) There shall be deposited in the state special 14 revenue fund to the credit of the department the proceeds of 15 1 cent per gallon out of the amount per gallon of gasoline 16 license tax imposed by the laws of this state upon purchases 17 of gasoline used for the operation of aircraft. Moneys so 18 deposited shall be spent by the department for the sole 19 purpose of carrying out its functions pertaining to 20 aeronautics.

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-End-

- 4 -

HB 159