

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.

IN THE SENATE

JANUARY 28, 1987                   INTRODUCED AND REFERRED TO COMMITTEE  
ON LOCAL GOVERNMENT.

FEBRUARY 6, 1987                   COMMITTEE RECOMMEND BILL BE  
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                   RECEIVED FROM SENATE.

                                     SENT TO ENROLLING.

1 HB BILL NO. 159  
 2 INTRODUCED BY Brandoni Selge  
 3 BY REQUEST OF THE DEPARTMENT OF COMMERCE

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 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."

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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:  
 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 to  
 25 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 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  
 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 sponsor's share of  
 13 projects authorized by the United States government for  
 14 funding from the federal Airport and Airway Improvement Act  
 15 of 1982:

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 the  
 25 long-range building bonds issued under the authorization



1 provided by the 49th legislature;

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.

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.

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 NEW SECTION. Section 3. Effective date. This act is  
8 effective on passage and approval.

-End-

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		FY89		Biennium
	Current Law	Proposed Law	Current Law	Proposed Law	
<u>Expenditures:</u>					
N/A					
<u>Revenues:</u>					
Aeronautics Division, Department of Commerce (1% administrative fee)	\$ 0	\$ 7,823	\$ 0	\$ 7,823	\$ 15,646
Total Loan Amount Available to local governments (non-appropriated)	\$ 0	\$ 774,453	\$ 0	\$ 774,453	\$ 1,548,906
TOTAL	\$ 0	\$ 782,276	\$ 0	\$ 782,276	\$ 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 1/15/87  
 DAVID L. HUNTER, BUDGET DIRECTOR  
 Office of Budget and Program Planning

 DATE 1-15-87  
 RAYMOND BRANDEWIE, PRIMARY SPONSOR

Fiscal Note for HB159, as introduced.

**HB-159**

Fiscal Note Impact, HB159, as introduced.

Form BD-15

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LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

None

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:

None

HB-159

APPROVED BY COMM.  
ON LOCAL GOVERNMENT

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2 INTRODUCED BY Bradley Selge  
3 BY REQUEST OF THE DEPARTMENT OF COMMERCE  
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21 of the board, and all other disbursements necessary to carry  
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23 following revenues:

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2 of the federal government or from other sources for the  
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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  
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17 Laws of 1985, of the proceeds received from the sale of  
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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 the  
25 long-range building bonds issued under the authorization

1 provided by the 49th legislature;

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.

13 ~~(4)~~(5) There shall be deposited in the state special

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15 1 cent per gallon out of the amount per gallon of gasoline

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