

SB 222 INTRODUCED BY FARRELL
ESTABLISH MOTOR CARRIER TRAFFIC BUREAU WITHIN
DEPARTMENT OF COMMERCE

1/26	INTRODUCED		
1/26	REFERRED TO BUSINESS & INDUSTRY		
1/26	FISCAL NOTE REQUESTED		
2/02	FISCAL NOTE RECEIVED		
2/13	HEARING		
2/16	FISCAL NOTE REQUESTED		
2/21	STATEMENT OF INTENT ADOPTED		
2/21	COMMITTEE REPORT--BILL PASSED AS AMENDED		
2/24	FISCAL NOTE RECEIVED		
2/24	2ND READING PASSED	50	0
2/25	3RD READING PASSED	47	3
	TRANSMITTED TO HOUSE		
3/02	FISCAL NOTE RECEIVED		
3/03	REFERRED TO BUSINESS & LABOR		
3/17	HEARING		
3/17	COMMITTEE REPORT--BILL CONCURRED		
3/20	2ND READING CONCURRED	93	2
3/20	REREFERRED TO APPROPRIATIONS		
3/26	HEARING		
3/26	TABLED IN COMMITTEE		

1 *Senate* BILL NO. *222*
 2 INTRODUCED BY *Farnell*
 3 BY REQUEST OF THE DEPARTMENT OF COMMERCE

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH A MOTOR
 6 CARRIER TRAFFIC BUREAU WITHIN THE TRANSPORTATION DIVISION OF
 7 THE DEPARTMENT OF COMMERCE; AMENDING SECTION 17-7-502, MCA;
 8 AND PROVIDING AN EFFECTIVE DATE."

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

11 NEW SECTION. Section 1. Motor carrier traffic bureau.
 12 There is a motor carrier traffic bureau administered by the
 13 transportation division of the department of commerce.

14 NEW SECTION. Section 2. Statement of purpose and
 15 policy. It is the purpose of [sections 1 through 4] and the
 16 policy of the state, in recognition of the need to obtain
 17 the most reasonable transportation rates and services for
 18 all state agency transportation service contracts, to
 19 provide Montana motor carriers the opportunity to bid on
 20 transportation service contracts.

21 NEW SECTION. Section 3. Definitions. In [sections 1
 22 through 4], unless the context clearly requires otherwise,
 23 the following definitions apply:

- 24 (1) "Bureau" means the motor carrier traffic bureau.
- 25 (2) "Department" means the department of commerce.

1 (3) "Division" means the transportation division of
 2 the department of commerce.

3 (4) "Services" means the furnishing of transportation
 4 for the shipment of commodities for all state agencies. The
 5 term does not include intergovernmental human services,
 6 social and rehabilitation services, the commodity services
 7 program, or the school lunch program of the office of public
 8 instruction.

9 NEW SECTION. Section 4. Authority and duties of
 10 department. (1) The department may adopt rules, consistent
 11 with [sections 1 through 4], governing the selection and
 12 purchase of motor carrier transportation services for all
 13 state agencies, with the exception of services exempted in
 14 [section 3].

- 15 (2) The department shall:
 - 16 (a) review state agency product purchase invitations
 - 17 for bid;
 - 18 (b) determine which state purchase orders are better
 - 19 handled by vendor transportation;
 - 20 (c) prepare invitations for transportation service bid
 - 21 quotes;
 - 22 (d) review and award transportation service bids;
 - 23 (e) contract with interstate and intrastate motor
 - 24 carriers to provide motor carrier services for the
 - 25 following:

- 1 (i) less than truckload shipments (LTL) by territory;
 2 (ii) truckload shipments by territory;
 3 (iii) climatized padded van service; and
 4 (iv) flatbed service;
 5 (f) perform freight shipment time and status
 6 inquiries;
 7 (g) process liability and damage claims;
 8 (h) monitor motor carrier service performance;
 9 (i) bill state agencies for transportation services;
 10 (j) adopt new procedures to be used by all state
 11 agencies for the invitation of bids and bid awards; and
 12 (k) provide staff for the bureau, including a
 13 transportation planner, traffic technician, billing clerk,
 14 and clerical assistant.

15 NEW SECTION. Section 5. Initial employees. The
 16 transportation planner, hired at grade 13, will be a new
 17 position. The traffic technician, hired at grade 10, and
 18 billing clerk and clerical assistant, each hired at grade 8,
 19 will be transferred into the motor carrier traffic bureau
 20 from the purchasing bureau of the liquor division of the
 21 department of revenue.

22 NEW SECTION. Section 6. Appropriation authority.
 23 There is an account within the proprietary fund. Money from
 24 transportation services bids must be deposited in the
 25 account. The money in the account is appropriated, as

1 provided in 17-7-502, to the transportation division of the
 2 department of commerce to administer the motor carrier
 3 traffic bureau.

4 Section 7. Section 17-7-502, MCA, is amended to read:
 5 "17-7-502. Statutory appropriations -- definition --
 6 requisites for validity. (1) A statutory appropriation is an
 7 appropriation made by permanent law that authorizes spending
 8 by a state agency without the need for a biennial
 9 legislative appropriation or budget amendment.

10 (2) Except as provided in subsection (4), to be
 11 effective, a statutory appropriation must comply with both
 12 of the following provisions:

13 (a) The law containing the statutory authority must be
 14 listed in subsection (3).

15 (b) The law or portion of the law making a statutory
 16 appropriation must specifically state that a statutory
 17 appropriation is made as provided in this section.

18 (3) The following laws are the only laws containing
 19 statutory appropriations:

- 20 (a) 2-9-202;
 21 (b) 2-17-105;
 22 (c) 2-18-812;
 23 (d) 10-3-203;
 24 (e) 10-3-312;
 25 (f) 10-3-314;

1 (g) 10-4-301;
 2 (h) 13-37-304;
 3 (i) 15-31-702;
 4 (j) 15-36-112;
 5 (k) 15-70-101;
 6 (l) 16-1-404;
 7 (m) 16-1-410;
 8 (n) 16-1-411;
 9 (o) 17-3-212;
 10 (p) 17-5-404;
 11 (q) 17-5-424;
 12 (r) 17-5-804;
 13 (s) [section 6]
 14 (t) 19-8-504;
 15 (u) 19-9-702;
 16 (v) 19-9-1007;
 17 (w) 19-10-205;
 18 (x) 19-10-305;
 19 (y) 19-10-506;
 20 (z) 19-11-512;
 21 (aa) 19-11-513;
 22 (bb) 19-11-606;
 23 (cc) 19-12-301;
 24 (dd) 19-13-604;
 25 (ee) 20-6-406;

1 (ff) 20-8-111;
 2 (gg) 23-5-612;
 3 (hh) 37-51-501;
 4 (ii) 53-24-206;
 5 (jj) 75-1-1101;
 6 (kk) 75-7-305;
 7 (ll) 80-2-103;
 8 (mm) 80-2-228;
 9 (nn) 90-3-301;
 10 (oo) 90-3-302;
 11 (pp) 90-15-103; and
 12 (qq) Sec. 13, HB 861, L. 1985.

13 (4) There is a statutory appropriation to pay the
 14 principal, interest, premiums, and costs of issuing, paying,
 15 and securing all bonds, notes, or other obligations, as due,
 16 that have been authorized and issued pursuant to the laws of
 17 Montana. Agencies that have entered into agreements
 18 authorized by the laws of Montana to pay the state
 19 treasurer, for deposit in accordance with 17-2-101 through
 20 17-2-107, as determined by the state treasurer, an amount
 21 sufficient to pay the principal and interest as due on the
 22 bonds or notes have statutory appropriation authority for
 23 such payments."

24 NEW SECTION. Section 8. Temporary state treasury line
 25 of credit for expense of starting the motor carrier traffic

1 bureau. There is a temporary line of credit that may be
2 drawn by the bureau from the state general fund and
3 deposited in the proprietary fund, in the amount of
4 \$200,000. This temporary line of credit may be drawn upon
5 only during the first 12 months after the effective date of
6 this act and only for the purpose of financing the initial
7 expenses of starting the motor carrier traffic bureau. The
8 bureau may draw upon all or part of this temporary line of
9 credit. Any funds advanced under the temporary line of
10 credit must be repaid out of the bureau's net revenue to the
11 general fund within 1 year of the advance. Interest must be
12 paid at an annual simple interest rate of 10% on funds
13 advanced, commencing on the day funds are advanced and until
14 the funds are repaid. Any funds advanced under the temporary
15 line of credit that are not expended by the bureau as
16 provided in this section revert to the general fund.

17 NEW SECTION. Section 9. Effective date. This act is
18 effective July 1, 1987.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB222, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to establish a Motor Carrier Traffic Bureau in the Transportation Division of the Montana Department of Commerce for the purpose of enabling Montana motor carriers the opportunity to bid on the freight transportation portion of State purchase contracts and to obtain the most reasonable transportation rates and services with respect to State agency purchase contracts.

ASSUMPTIONS:

1. The Montana Department of Administration/Purchasing Division spent \$78,000,000 in 1985 for State agency purchases which included product and transportation costs. It is estimated transportation costs amounted to \$1,901,579 (2%).
2. From a pilot study conducted in October and November of 1986, it is assumed that a minimum average savings of 13.3% can be obtained using Montana motor carriers for interstate shipments and a 5% savings can be obtained for intrastate shipments.
3. With respect to staffing, it is assumed the Transportation Division of the Montana Department of Commerce will provide for the administration of the new bureau; two FTEs would be transferred from the Purchasing Bureau of the Liquor Division of the Montana Department of Revenue, and one new FTE, grade 13, would be hired as needed.
4. It is proposed that a proprietary account would be established for purposes of paying motor carrier freight bills, billings State agencies for freight services, paying staff personnel and operating costs, and building and retaining a 60-day account reserve.
5. A \$200,000 general fund start-up loan would be requested and paid back with interest within the first year.
6. With respect to interstate shipments, State agencies would receive no savings the first year, 3.3% savings the second year, and 6.5% savings the third year. Relative to intrastate shipments, state agencies would receive a 2.5% savings the third year.
7. The proposed Bureau would be able to provide motor carriers shipping services for all State agencies with the exception of the Montana Department of Social and Rehabilitation Services/Intergovernmental Human Services Bureau and Office of Public Instruction/School Food Services Program.

David L. Hunter DATE 2/2/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

Farrell DATE 1/3/87
WILLIAM FARRELL, PRIMARY SPONSOR

Fiscal Note for SB222, as introduced.

SB 222

FISCAL IMPACT:

	<u>FY88</u>			<u>FY89</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Revenues:</u>						
(All Sources)	\$1,901,579	\$1,901,579	\$ 0	\$1,901,579	\$1,848,826	\$ 52,753
<u>Expenditures:</u>	<u>- 1,901,579</u>	<u>- 1,780,908</u>	<u>120,671</u>	<u>1,901,579</u>	<u>1,761,818</u>	<u>139,761</u>
Net	\$ 0	\$ 120,671	\$ 120,671	\$ 0	\$ 87,008	\$ 87,008
60 day acct Reserve	\$ 0	\$ 120,671			\$ 87,008	

Funding:

It is not possible to determine the general fund impact, because the portion of freight paid by the general fund is not known.

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

1. The 2 FTE's transferred from the Department of Revenue are responsible for ordering all liquor for the Division, not just arranging for freight. The bill has the possibility of significantly impacting the Liquor Division's ability to control inventory.
2. Section 5 specifies the grade of employees. There is a conflict with the personal statutes which delegate establishing the grade of positions to the Department of Administration.
3. Section 4 allows for adaption of rules by the Department of Commerce that could potentially be in conflict with the Purchasing Division's rules and procedures.

APPROVED BY COMM. ON
BUSINESS & INDUSTRY

1 STATEMENT OF INTENT

2 SENATE BILL 222

3 Senate Business and Industry Committee

4
5 A statement of intent is required for this bill because
6 section 3 grants the department of commerce general
7 rulemaking authority governing the selection and purchase of
8 motor carrier transportation services for all state
9 agencies, except intergovernmental human services, social
10 and rehabilitation services, commodity services programs,
11 and the school lunch program of the office of public
12 instruction.

1 SENATE BILL NO. 222

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3 BY-REQUEST-OF-THE-DEPARTMENT-OF-COMMERCE

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5 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH--A--MOTOR
6 CARRIER-TRAFFIC-BUREAU-WITHIN-THE-TRANSPORTATION-DIVISION-OF
7 PROVIDE SEPARATE PROCUREMENT PROCEDURES FOR THE
8 TRANSPORTATION OF COMMODITIES; TO PROVIDE THE AUTHORITY TO
9 IMPLEMENT THESE PROCEDURES TO THE DEPARTMENT OF COMMERCE;
10 AMENDING-SECTION-17-7-502, MCA; AND PROVIDING AN EFFECTIVE
11 DATE."

12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 NEW-SECTION:--Section-1:--Motor-carrier-traffic-bureau-
15 There--is-a-motor-carrier-traffic-bureau-administered-by-the
16 transportation-division-of-the-department-of-commerce-

17 NEW-SECTION: Section 1. Statement of purpose and
18 policy. It is the purpose of [sections 1 through 4 3] and
19 the policy of the state, in recognition of the need to
20 obtain the most reasonable transportation rates and services
21 for all state agency transportation service contracts, to
22 provide Montana motor carriers the opportunity to bid on
23 transportation service contracts.

24 NEW-SECTION: Section 2. Definitions. In [sections 1
25 through 4 3], unless the context clearly requires otherwise,

1 the following definitions apply:

2 {1}--"Bureau"--means-the-motor-carrier--traffic--bureau-

3 {2}{1} "Department" means the department of commerce.

4 {3}--"Division"--means-the--transportation--division--of
5 the-department-of-commerce-

6 {4}{2} "Services" means the furnishing of
7 transportation for the shipment of commodities for all state
8 agencies. The term does not include THE COMMODITY SERVICES
9 PROGRAM, intergovernmental human services, social and
10 rehabilitation services, the-commodity-services-program, or
11 the school lunch program of the office of public
12 instruction.

13 NEW-SECTION: Section 3. Authority and duties of
14 department. (1) The department may adopt rules, consistent
15 with [sections 1 through 4 3], governing the selection and
16 purchase of motor carrier transportation services for all
17 state agencies, with the exception of services exempted in
18 [section 3 2].

19 (2) The department shall:

20 (a) review state agency product purchase invitations
21 for bid;

22 (b) determine which state purchase orders are better
23 handled by vendor transportation;

24 (c) prepare invitations for transportation service bid
25 quotes;

1 (d) review and award transportation service bids;

2 (e) contract with interstate and intrastate motor

3 carriers to provide motor carrier services for the

4 following:

5 (i) less than truckload shipments (LTL) by territory;

6 (ii) truckload shipments by territory;

7 (iii) climatized padded van service; and

8 (iv) flatbed service;

9 (f) perform freight shipment time and status

10 inquiries;

11 (g) process liability and damage claims;

12 (h) monitor motor carrier service performance;

13 (i) bill state agencies for transportation services;

14 (j) adopt, IN CONJUNCTION WITH THE DEPARTMENT OF

15 ADMINISTRATION, new procedures to be used by all state

16 agencies for the invitation-of-bids-and-bid-awards PURCHASE

17 OF COMMODITY TRANSPORTATION; and

18 (k) provide staff for---the--bureau;--including--a

19 transportation-planner;--traffic-technician;--billing--clerk;

20 and-clerical-assistant.

21 NEW-SECTION:--Section-5:--Initial---employees:--The

22 transportation-planner;--hired-at-grade-13;--will--be--a--new

23 position:--The--traffic--technician;--hired-at-grade-10;--and

24 billing-clerk-and-clerical-assistant;--each-hired-at-grade-8;

25 will-be-transferred-into-the-motor--carrier--traffic--bureau

1 from--the--purchasing--bureau--of--the--liquor--division--of--the

2 department-of-revenue;

3 NEW-SECTION:--Section-6:--Appropriation-----authority:

4 There--is--an--account--within--the--proprietary--fund:--Money--from

5 transportation--services--bids--must--be--deposited--in--the

6 account:--The--money--in--the--account--is--appropriated;--as

7 provided--in--17-7-502;--to--the--transportation--division--of--the

8 department--of--commerce--to--administer--the--motor--carrier

9 traffic--bureau;

10 Section-7:--Section-17-7-502;--MCA;--is--amended--to--read:

11 "17-7-502:--Statutory--appropriations-----definition---

12 requisites--for--validity:--(1)--A--statutory--appropriation--is

13 an--appropriation--made--by--permanent--law--that--authorizes

14 spending--by--a--state--agency--without--the--need--for--a--biennial

15 legislative--appropriation--or--budget--amendment;

16 (2)--Except--as--provided--in--subsection--(4);--to--be

17 effective;--a--statutory--appropriation--must--comply--with--both

18 of--the--following--provisions:

19 (a)--The--law--containing--the--statutory--authority--must--be

20 listed--in--subsection--(3);

21 (b)--The--law--or--portion--of--the--law--making--a--statutory

22 appropriation--must--specifically--state--that--a--statutory

23 appropriation--is--made--as--provided--in--this--section;

24 (3)--The--following--laws--are--the--only--laws--containing

25 statutory--appropriations:

1 (a)--2-9-202;
 2 (b)--2-17-105;
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 17 (q)--17-5-424;
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 20 (s)(t)--19-8-504;
 21 (t)(u)--19-9-702;
 22 (u)(v)--19-9-1007;
 23 (v)(w)--19-10-205;
 24 (w)(x)--19-10-305;
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 10 (hh)(ii)--53-24-206;
 11 (ii)(jj)--75-1-1101;
 12 (jj)(kk)--75-7-305;
 13 (kk)(ll)--80-2-103;
 14 (ll)(mm)--80-2-228;
 15 (mm)(nn)--90-3-301;
 16 (nn)(oo)--90-3-302;
 17 (oo)(pp)--90-15-103;-and
 18 (pp)(qq)-Sec.-13,-HB-861,-b,-1985;
 19 (4)--There-is-a--statutory--appropriation--to--pay--the
 20 principal,-interest,-premiums,-and-costs-of-issuing,-paying,
 21 and-securing-all-bonds,-notes,-or-other-obligations,-as-due,
 22 that-have-been-authorized-and-issued-pursuant-to-the-laws-of
 23 Montana---Agencies---that---have--entered--into--agreements
 24 authorized--by--the--laws--of--Montana--to--pay--the--state
 25 treasurer,-for--deposit-in-accordance-with-17-2-101-through

1 17-2-187, as determined by the state treasurer, an amount
2 sufficient to pay the principal and interest as due on the
3 bonds or notes have statutory appropriation authority for
4 such payments."

5 NEW SECTION: Section 8. Temporary state treasury line
6 of credit for expense of starting the motor carrier traffic
7 bureau. There is a temporary line of credit that may be
8 drawn by the bureau from the state general fund and
9 deposited in the proprietary fund, in the amount of
10 \$200,000. This temporary line of credit may be drawn upon
11 only during the first 12 months after the effective date of
12 this act and only for the purpose of financing the initial
13 expenses of starting the motor carrier traffic bureau. The
14 bureau may draw upon all or part of this temporary line of
15 credit. Any funds advanced under the temporary line of
16 credit must be repaid out of the bureau's net revenue to the
17 general fund within 1 year of the advance. Interest must be
18 paid at an annual simple interest rate of 10% on funds
19 advanced, commencing on the day funds are advanced and until
20 the funds are repaid. Any funds advanced under the temporary
21 line of credit that are not expended by the bureau as
22 provided in this section revert to the general fund.

23 NEW SECTION: Section 4. Effective date. This act is
24 effective July 1, 1987.

-End-

1 STATEMENT OF INTENT

2 SENATE BILL 222

3 Senate Business and Industry Committee

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5 A statement of intent is required for this bill because
6 section 3 grants the department of commerce general
7 rulemaking authority governing the selection and purchase of
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9 agencies, except intergovernmental human services, social
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7 PROVIDE SEPARATE PROCUREMENT PROCEDURES FOR THE
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7 ~~transportation for the shipment of commodities for all state~~
8 ~~agencies. The term does not include THE COMMODITY SERVICES~~
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11 ~~the school lunch program of the office of public~~
12 ~~instruction.~~

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- 12 (h) monitor motor carrier service performance;
- 13 (i) bill state agencies for transportation services;
- 14 (j) adopt, IN CONJUNCTION WITH THE DEPARTMENT OF
- 15 ADMINISTRATION, new procedures to be used by all state
- 16 agencies for the invitation-of-bids-and-bid-awards PURCHASE
- 17 OF COMMODITY TRANSPORTATION; and
- 18 (k) provide staff for--the--bureau;--including--a
- 19 transportation-planner;--traffic-technician;--billing--clerk;
- 20 and-clerical-assistant.
- 21 NEW-SECTION;--Section-5;--Initial---employees;---The
- 22 transportation-planner;--hired-at-grade-13;--will--be--a--new
- 23 position;--The--traffic--technician;--hired-at-grade-10;--and
- 24 billing-clerk-and-clerical-assistant;--each-hired-at-grade-8;
- 25 will-be-transferred-into-the-motor--carrier--traffic--bureau

- 1 from--the--purchasing--bureau--of--the--liquor--division--of--the
- 2 department-of-revenue;
- 3 NEW-SECTION;--Section-6;--Appropriation-----authority;
- 4 There--is--an--account--within--the--proprietary--fund;--Money--from
- 5 transportation--services--bids--must--be--deposited--in--the
- 6 account;--The--money--in--the--account--is--appropriated;--as
- 7 provided--in--17-7-502;--to--the--transportation--division--of--the
- 8 department--of--commerce--to--administer--the--motor--carrier
- 9 traffic-bureau;
- 10 Section-7;--Section-17-7-502;--MEA;--is--amended--to--read:
- 11 "17-7-502;--Statutory--appropriations-----definition---
- 12 requisites-for-validity;--(1)--A--statutory--appropriation--is
- 13 an--appropriation--made--by--permanent--law--that--authorizes
- 14 spending--by--a--state--agency--without--the--need--for--a--biennial
- 15 legislative--appropriation--or--budget--amendment;
- 16 (2)--Except--as--provided--in--subsection--(4);--to--be
- 17 effective;--a--statutory--appropriation--must--comply--with--both
- 18 of--the--following--provisions:
- 19 (a)--The--law--containing--the--statutory--authority--must--be
- 20 listed--in--subsection--(3);
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- 22 appropriation--must--specifically--state--that--a--statutory
- 23 appropriation--is--made--as--provided--in--this--section;
- 24 (3)--The--following--laws--are--the--only--laws--containing
- 25 statutory--appropriations;

1 (a)--2-9-202;
 2 (b)--2-17-105;
 3 (c)--2-18-812;
 4 (d)--10-3-203;
 5 (e)--10-3-312;
 6 (f)--10-3-314;
 7 (g)--10-4-301;
 8 (h)--13-37-304;
 9 (i)--15-31-702;
 10 (j)--15-36-112;
 11 (k)--15-70-101;
 12 (l)--16-1-404;
 13 (m)--16-1-410;
 14 (n)--16-1-411;
 15 (o)--17-3-212;
 16 (p)--17-5-404;
 17 (q)--17-5-424;
 18 (r)--17-5-804;
 19 (s)--section-61
 20 (s)(t)--19-8-504;
 21 (t)(u)--19-9-702;
 22 (u)(v)--19-9-1007;
 23 (v)(w)--19-10-205;
 24 (w)(x)--19-10-305;
 25 (x)(y)--19-10-506;

1 (y)(z)--19-11-512;
 2 (z)(aa)-19-11-513;
 3 (aa)(bb)-19-11-606;
 4 (bb)(cc)-19-12-301;
 5 (cc)(dd)-19-13-604;
 6 (dd)(ee)-20-6-406;
 7 (ee)(ff)-20-8-111;
 8 (ff)(gg)-23-5-612;
 9 (gg)(hh)-37-51-501;
 10 (hh)(ii)-53-24-206;
 11 (ii)(jj)-75-1-1101;
 12 (jj)(kk)-75-7-305;
 13 (kk)(ll)-80-2-103;
 14 (ll)(mm)-80-2-220;
 15 (mm)(nn)-90-3-301;
 16 (nn)(oo)-90-3-302;
 17 (oo)(pp)-90-15-103;-and
 18 (pp)(qq)-Sec-137-HB-8617-Hr-1985;
 19 (4)--There-is-a--statutory--appropriation--to--pay--the
 20 principal;-interest;-premiums;-and-costs-of-issuing;-paying;
 21 and-securing-all-bonds;-notes;-or-other-obligations;-as-due;
 22 that-have-been-authorized-and-issued-pursuant-to-the-laws-of
 23 Montana;---Agencies---that---have-entered--into--agreements
 24 authorized--by--the--laws--of--Montana--to--pay--the--state
 25 treasurer;-for--deposit-in-accordance-with-17-2-101-through

1 17-2-107, as determined by the state treasurer, an amount
2 sufficient to pay the principal and interest as due on the
3 bonds or notes have statutory appropriation authority for
4 such payments."

5 NEW SECTION: Section 8. Temporary state treasury line
6 of credit for expense of starting the motor carrier traffic
7 bureau. There is a temporary line of credit that may be
8 drawn by the bureau from the state general fund and
9 deposited in the proprietary fund, in the amount of
10 \$200,000. This temporary line of credit may be drawn upon
11 only during the first 12 months after the effective date of
12 this act and only for the purpose of financing the initial
13 expenses of starting the motor carrier traffic bureau. The
14 bureau may draw upon all or part of this temporary line of
15 credit. Any funds advanced under the temporary line of
16 credit must be repaid out of the bureau's net revenue to the
17 general fund within 1 year of the advance. Interest must be
18 paid at an annual simple interest rate of 10% on funds
19 advanced, commencing on the day funds are advanced and until
20 the funds are repaid. Any funds advanced under the temporary
21 line of credit that are not expended by the bureau as
22 provided in this section revert to the general fund.

23 NEW SECTION: Section 4. Effective date. This act is
24 effective July 1, 1987.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB222, second reading copy.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to provide separate procurement procedures for the transportation of commodities, provide the authority to implement these procedures to the Department of Commerce and provides for an effective date.

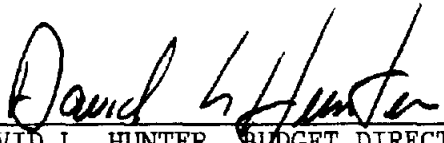
ASSUMPTIONS:

1. Assume \$2,422,242 transportation costs (including Liquor Division) for state each year of 1989 biennium.
2. From a pilot study conducted in October and November of 1986, it is assumed that an average gross savings of 13.3% can be obtained using Montana motor carriers for interstate shipments and a 5% savings can be obtained for intrastate shipments. Assume 53% intrastate shipments of total.
3. With respect to staffing, it is assumed the Transportation Division of the Montana Department of Commerce will provide for the administration of two new FTEs, which are anticipated to be hired as needed.
4. It is proposed that a proprietary account would be established for purposes of paying motor carrier freight bills, billing State agencies for freight services, paying staff personnel and operating costs, and building and retaining a 60-day account reserve.
5. A \$200,000 general fund start-up loan would be requested and paid back within the first year.
6. With respect to interstate shipments, state agencies would receive no savings the first year, 3.3% savings the second year, and 6.5% savings the third year. Relative to intrastate shipments, state agencies would receive a 2.5% savings the third year.
7. The Montana Department of Commerce would be able to provide motor carriers shipping services for all state agencies with the exception of the Montana Department of Social and Rehabilitation Services/Intergovernmental Human Services Bureau and the Office of Public Instruction/School Food Services Program.

FISCAL IMPACT:

	<u>FY88</u>			<u>FY89</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Revenues:</u>						
From state agencies to:						
Dept. of Admin.	\$2,422,242	\$ 0	\$(2,422,242)	\$2,422,242	\$ 0	\$(2,422,242)
Dept. of Commerce	0	2,422,242	2,422,242	0	2,342,308*	2,342,308
TOTAL	\$2,422,242	\$2,422,242	\$ 0	\$2,422,242	\$2,342,308	\$ (79,934)

*Passing on a 3.3% savings in FY89.

 DATE 2/24/87
 DAVID L. HUNTER, BUDGET DIRECTOR
 Office of Budget and Program Planning

 DATE 3-2-87
 WILLIAM FARRELL, PRIMARY SPONSOR

Fiscal Note for SB222, second reading copy.

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Expenditures:

	<u>FY88</u>			<u>FY89</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
Personal Services	\$ 0	\$ 46,700	\$ 46,700	\$ 0	\$ 46,700	\$ 46,700
Operating Expenses	0	21,890	21,890	0	21,890	21,890
Freight Costs:						
Intrastate (53%)	\$ 1,284,648	\$ 1,048,855	\$ (235,793)	\$ 1,284,648	\$ 1,048,855	\$ (235,793)
Interstate (47%)	1,137,594	930,137	(207,457)	1,137,594	930,137	(207,457)
Payback GF Loan (startup)	0	200,000	200,000	0	0	0
TOTAL	\$ 2,422,242	\$ 2,247,582	\$ (174,660)	\$ 2,422,242	\$ 2,047,582	\$ (374,660)
60 Day Reserve Account	\$ 0	\$ 174,660	\$ 0	\$ 0	\$ 294,726	\$ 0
TOTAL STATE COST	\$ 2,422,242	\$ 2,422,242	\$ 0	\$ 2,422,242	\$ 2,342,308	\$ (79,934)

Funding:

It is not possible to determine the general fund impact, because the portion of freight paid by the general fund is not known.

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