

1 *Feland Fuchs House* BILL NO. *400* *Franklin*
 2 INTRODUCED BY *W. Ryan* *Franklin* *Tom Bittlinger*
 3 *Donny Stovall* *Grinde* *Trigle* *Salvia* *Hurdle* *Wright* *Swanson*

4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A NEW CONSTRUCTION PROJECTS PROGRAM
 5 IN THE DEPARTMENT OF TRANSPORTATION TO FUND CONSTRUCTION OF LARGE-SCALE PROJECTS
 6 OF STATEWIDE ECONOMIC IMPORTANCE; FUNDING THE NEW CONSTRUCTION PROJECTS BY
 7 EARMARKING AN EQUIVALENT OF 3 CENTS PER GALLON OF EXISTING GASOLINE TAXES; AMENDING
 8 SECTION 60-3-201, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

11
 12 **NEW SECTION. Section 1. New construction projects -- account.** (1) There is a new construction
 13 projects account in the state special revenue fund. The new construction projects account consists of
 14 allocations from the distributor's gasoline license tax under 60-3-201. Funds in the account may be carried
 15 forward from year to year to allow use of the funds on large new construction projects with maximum
 16 federal matching funds.

17 (2) The department of transportation shall expend the money of the new construction projects
 18 account on projects described in subsection (3) on the national highway, primary highway, and secondary
 19 highway systems and on those highways that it is required to maintain by 60-2-203.

20 (3) The department shall administer a program to initiate, plan, design, and carry out new
 21 construction projects to address large-scale special highway construction needs. The projects should
 22 benefit large numbers of vehicles and statewide, as opposed to local, economic development.

23
 24 **Section 2.** Section 60-3-201, MCA, is amended to read:

25 **"60-3-201. Distribution and use of proceeds of gasoline dealers' license tax.** (1) (a) All money
 26 received in payment of license taxes under the Distributor's Gasoline License Tax Act, except those
 27 amounts paid out of the ~~department of transportation's~~ department's suspense account for gasoline tax
 28 refund, must be used and expended as provided in this section. The portion of that money on hand at any
 29 time that is needed to pay highway bonds and interest on highway bonds when due and to accumulate and
 30 maintain a reserve for payment of highway bonds and interest, as provided in laws and in resolutions of

1 the state board of examiners authorizing the bonds, must be deposited in the highway bond account in the
2 debt service fund established by 17-2-102. Subject to that provision:

3 ~~(a)(i)~~ 9/10 of 1% of all money must be deposited in the state park account;

4 ~~(b)(ii)~~ 23/64 of 1% of all money must be deposited in a snowmobile account in the state special
5 revenue fund;

6 ~~(c)(iii)~~ 1/8 of 1% of all money must be deposited in an off-highway vehicle account in the state
7 special revenue fund; ~~and~~

8 ~~(d)(iv)~~ 1/25 of 1% of all money must be deposited in the aeronautics revenue fund of the
9 department ~~of transportation~~ under the provisions of 67-1-301; and

10 (v) 11% of all money must be deposited in the new construction projects account under the
11 provisions of [section 1].

12 ~~(e)(b)~~ The remainder of the money must be used:

13 (i) by the department ~~of transportation~~ on the highways in this state selected and designated by
14 the commission;

15 (ii) for collection of the license taxes; and

16 (iii) for the enforcement of the Montana highway code under Article VIII, section 6, of the
17 constitution of this state.

18 (2) The department shall, in expending this money, carry forward construction from year to year,
19 using the money expended in accordance with this title. Nothing in this title conflicts with Title 23, U.S.C.,
20 and the rules by which it is administered.

21 (3) The department may enter into cooperative agreements with the national park service and the
22 federal highway administration for the purpose of maintaining national park approach roads in Montana.

23 (4) Money credited to the state park account in the state special revenue fund may be used only
24 for the creation, improvement, and maintenance of state parks where motorboating is allowed, except for
25 the payment of refunds under 15-70-221 through 15-70-226. The legislature finds that of all the fuel sold
26 in the state for consumption in internal combustion engines, not less than 9/10 of 1% is used for propelling
27 boats on waterways of this state.

28 (5) Money credited to the snowmobile account may be used only to develop and maintain facilities
29 open to the general public at no admission cost and to promote snowmobile safety, and 10% of the amount
30 deposited in the snowmobile account must be used to promote snowmobile safety. The legislature finds

1 that of all fuels sold in this state for consumption in internal combustion engines, not less than 23/64 of
2 1% is used for propelling snowmobiles on public lands of this state.

3 (6) (a) Money credited to the off-highway vehicle account under subsection ~~(1)(e)~~ (1)(a)(iii) may
4 be used only to develop and maintain facilities open to the general public at no admission cost, to repair
5 areas that are damaged by off-highway vehicles, and to promote off-highway vehicle safety. Ten percent
6 of the money deposited in the off-highway vehicle account must be used to promote off-highway vehicle
7 safety. Up to 10% of the money deposited in the off-highway vehicle account may be used to repair areas
8 that are damaged by off-highway vehicles.

9 (b) The legislature finds that of all fuel sold in this state for consumption in internal combustion
10 engines, not less than 1/8 of 1% is used for propelling off-highway vehicles in this state.

11 (7) Money credited to the aeronautics account of the department of ~~transportation~~ may be used
12 only to develop, improve, and maintain facilities open to the public at no admission cost and to promote
13 aviation safety. The legislature finds that of all the fuel sold in this state for consumption in internal
14 combustion engines, not less than 1/25 of 1% is used for propelling aircraft in this state."

15

16 NEW SECTION. **Section 3. Effective date.** [This act] is effective July 1, 1995.

17

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0400, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act establishing a new construction projects program in the Department of Transportation to fund construction of large-scale projects of statewide economic importance; funding the new construction projects by earmarking an equivalent of 3 cents per gallon of existing gasoline taxes.

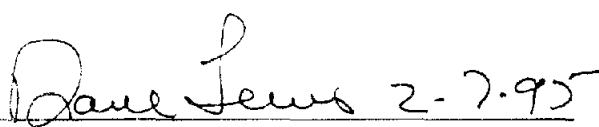
ASSUMPTIONS:

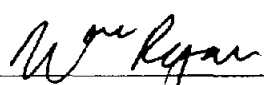
1. Based on projected gallonage as established by the Revenue Oversight Committee, 11% of gas tax would be \$14,251,811 in FY96 and \$14,363,424 in FY97.
2. Average federal match rate for construction projects is 87%.
3. No additional federal funds would become available for highway construction. A portion of federal highway funds would be used to match expenditures from the "new construction projects account" in lieu of the highway special revenue account.
4. HB0400 is ambiguous as to how it would change the current mix of construction projects to be approved by the highway commission. For purposes of this fiscal note, it is presumed that the use of federal funds would be reallocated in order to match as much in the new construction projects account as possible.
5. Out of \$158 million in annual federal obligation authority, approximately \$60 million must be used for specific purposes (interstate highway system, safety, enhancements, bridges, demonstration projects, and FHWA required management systems).
6. But for reconstruction trust fund (RTF) projects, state highway construction funds would be expended only as match for federal funds.

FISCAL IMPACT:

Approximately \$14.5 million per year would be deposited to the new construction projects account in lieu of the highway special revenues account.

At the average federal/state match rate, \$14.5 million would require approximately \$97 million in federal funds. To the extent that \$60 million per year in federal obligation authority is allocated for certain purposes as enumerated in assumption #5, virtually all of the remaining \$98 million would be required for matching construction projects of the "New Construction Projects" account, displacing all other Interstate System (IS), National Highway System (NHS), and State Transportation Plan (STP) priorities.


DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning


WILLIAM RYAN, PRIMARY SPONSOR DATE