MINUTES

MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN BOB GILBERT**, on April 6, 1993, at 9:00 a.m.

ROLL CALL

Members Present:

Rep. Bob Gilbert, Chairman (R)
Rep. Mike Foster, Vice Chairman (R)
Rep. Dan Harrington, Minority Vice Chairman (D)
Rep. Shiell Anderson (R)
Rep. John Bohlinger (R)
Rep. Ed Dolezal (D)
Rep. Jerry Driscoll (D)
Rep. Jim Elliott (D)
Rep. Gary Feland (R)
Rep. Marian Hanson (R)
Rep. Hal Harper (D)
Rep. Chase Hibbard (R)
Rep. Vern Keller (R)
Rep. Ed McCaffree (D)
Rep. Bea McCarthy (D)
Rep. Tom Nelson (R)
Rep. Scott Orr (R)
Rep. Bob Raney (D)
Rep. Bob Ream (D)
Rep. Rolph Tunby (R)

Members Excused: Rep. Feland

Members Absent: None

Staff Present: Lee Heiman, Legislative Council
Jill Rohyans, Committee Secretary
Claudia Johnson, Transcriber

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing: SB 257, SB 359, SB 374
Executive Action: None

HEARING ON SB 257

Opening Statement by Sponsor:

SEN. JOHN HARP, HD 4, Kalispell, said HB 257 increases the fuel tax 4 cents in 1994 and 3 cents in 1995. The Reconstruction Trust Fund (RTF) was created in 1983. HB 257 will use the trust fund to build primary and major secondary roads in Montana. The gas tax increase will be used as matching money for over $1 billion in federal highway funds. He said it is anticipated over 1500 new construction jobs will be added to the current 8000 in the next four years due to the influx of federal highway construction monies. He said SB 257 is an investment in Montana's future and public safety. The Senate passed an amendment that would allocate $2.7 million to local governments for road maintenance which they have not received since 1983.

Proponents' Testimony:

Marvin Dye, Director of the Montana Department of Transportation (DOT), presented his testimony in support of SB 257 **EXHIBIT 1.**

Tom Barnard, Administrator of the Highway Division, DOT, presented testimony in support of SB 257 detailing road projects and costs **EXHIBIT 2.**

Carlo Cieri, County Commissioner in Park County, said roads have been the biggest problem in Park County in the last 10 years. Counties inherited the old federal highways that were turned into secondary highways, and now the counties have to maintain those roads without funds from the federal programs. His county has always put the gas tax back into the secondary roads. He said the counties are in a bind because cars now use less gas and, therefore, pay less tax. But the wear and tear on the roads is the same if not increasing.

Alan Hobbs, Marketing Manager, Montana Refining Company, Great Falls, said they buy crude oil from producers in Cut Bank, Shelby, and Conrad. The refining company supports SB 257 because Montana crude oil is 18% asphalt. Every 100 barrels of asphalt brought into the refinery to make gas and diesel fuel produces 18 barrels of asphalt. Montana needs a market for asphalt, and if it cannot be marketed in Montana it is discounted when shipped out-of-state.

Alec Hansen, Montana League of Cities and Towns, thanked **SEN. HARP** for the amendment allocating money to the cities and towns for road improvements. He hoped the House would concur with the Senate and pass SB 257.

Larry Gallagher, City of Kalispell, also thanked **SEN. HARP** and urged the Committee to support SB 257.

Carl Schweitzer, Montana Contractors Association, presented written testimony in support of SB 257. **EXHIBIT 3**

Bill Salisbury, representing the Montana Department of Transportation, presented spread sheets on use of the Reconstruction Trust monies **EXHIBIT 4.**

Lynn Moen, Administrative officer for the city of Helena, said Helena's allocation will increase from $426,000 to $855,000 under the provisions of SB 257. She urged the committee to pass the bill.

Tom Schneider, Montana Public Employees Association, said the Association supports SB 257.

Glenna Wortman-Obie, Public Relations and Safety Manager, AAA Montana , said that AAA Montana monitors and reports the price of gasoline on a periodic basis. Montana ranks ninth in the nation for highway fatalities per miles traveled. Montana ranks at 37% in comparison to other states with a death rate of 10% due to roll-overs because of degraded and narrow shoulders on secondary roads. She urged the Committee to support SB 257.

Steve Turkiewicz, Montana Highway Users Federation, said that Montana's economic well-being is now and for the foreseeable future dependent on a continued investment on Montana's highways. He urged the Committee's support of SB 257.

Jim Tutwiler, Montana Chamber of Commerce, said the positive economic impact of SB 257 is critical to the cities and towns of Montana. He urged support of SB 257.

<u>Opponents' Testimony</u>:

Ben Havdahl, Montana Motor Carriers Association (MMCA), said MMCA members will be impacted by the enactment of the seven cent in diesel fuel tax increase in SB 257. MMCA is not opposed to the four cent diesel fuel tax increase in the bill, but it does oppose the subsequent three cent per gallon diesel fuel tax increase. **Mr. Havdahl** distributed written testimony and proposed amendments. **EXHIBITS 5 & 6**

Bob Stephens, Montana Grain Growers Association, said the Association supports the amendments presented by **Mr. Havdahl**. He urged to Committee to adopt the amendments if they pass the bill.

<u>Questions From Committee Members and Responses</u>:

REP. ELLIOTT asked if both gas tax increases, effective July 1, could be changed to June 1 to take advantage of tourist travel.

SEN. HARP said a 60 day notice has to be given to the other states, but he would agree to the June 1 effective date.

REP. McCAFFREE asked if **SEN. HARP** could assure him that the gas tax increase would not go the general fund.

SEN. HARP said the Legislature can designate the distribution, but there are no guarantees in this business. He noted there is a constitutional 60% diversion of a percentage of the fuel tax to the general fund purposes.

Closing by Sponsor:

SEN. HARP closed stating he opposed an amendment moving the effective date from July 1 to June 1 because Montana would not have time to give the surrounding states the required 60 day notice. He expressed his appreciation for the RTF program which was used for road construction between Libby and Troy, and was the largest construction project in Montana. He said it would not have occurred without with RTF program. He urged the Committee to support SB 257.

HEARING ON SB 359

Opening Statement by Sponsor:

SEN. MIKE HALLIGAN, SD 29, Missoula, said **SEN. NATHE** and **REP. NELSON** joined him in drafting SB 359. They toured eastern Montana extensively with **Dorothy Bradley** during her campaign for Governor. He said SB 359 is intended to use a ½ cent from the gasoline tax to improve short line railroads. Access to markets for Montana products is threatened every year because of the monopoly of one railroad. **SEN. NATHE'S** original intent was to use ½ cent from the gasoline license tax to create a special revenue fund for the continued operation of the short line railroads that may be abandoned by the Burlington Northern. Products are transferred from the rail lines to the roads in remote areas of Montana and devastate the highways. Montana needs to ensure it keeps a strong railroad service in the state. The gas tax does not go to rural communities, except through the RTF. He said the Senate Taxation Committee amended SB 259 and took out every reference to gas tax and diesel tax to make sure the existing earmarked account is available for railroads. It is a federal assistance program which makes money available, but doesn't keep money in the account. He said SB 359 urges DOT to not only look at the highways, but all the interaction between intermodal transportation and short line rail services. He said SB 359 has no fiscal impact. It creates a policy that ensures Montana will be equally responsive to all transportation systems.

Proponents' Testimony:

REP. LINDA NELSON, HD 19, Medicine Lake, said SB 359 is a companion bill to HB 541, which is the rail authority bill and is in the Governor's office waiting to be signed. She said later on there will be some loans and grants that will be available for these branch lines which are very important to Montana. She urged the Committee to pass SB 359.

Bob Stephens, Montana Grain Growers Association, said the Association supports SB 359.

Opponents' Testimony: None

Questions From Committee Members and Responses: None

Closing by Sponsor:

SEN. HALLIGAN closed urging the Committee to pass SB 359.

HEARING ON SB 374

Opening Statement by Sponsor:

SEN. EVE FRANKLIN, Senate District 17, Great Falls, said SB 374 is a project for potential economic development not only for Great Falls, but the state of Montana. The 1985 Montana Legislature established a policy that designed a tax incentive program for the production of ethanol gas. The concept agreed to by the 1985 legislature to develop a reservation of incentives based on a total of $6 million that would be made available annually to plants that produced ethanol and each plant would receive a tax credit and could apply for the $1.5 million. She said initially that the balance of the $6 million was to be distributed between the ethanol plants that are established in Montana, but the Senate decided they wanted better control over the process of distributing the funds and placed a cap on the distribution at $3 million per plant and set a termination date of 1997 on the increased amount. **SEN. FRANKLIN** said the entire project will end in the year 2001, but the funds are still available to any entrepreneur starting a business in Montanan. She urged support of SB 374 for the economy of Montana and to give the grain growers in the state an increased market for their products.

Proponents' Testimony:

Dave McClure, President of Montana Farm Bureau, said the Bureau supports SB 374 because it encourages the use of ethanol which is a renewable energy source. It is the alternative fuel used for some of the projects and is a value added commodity for the state of Montana.

George Paul, Executive Director of Montana Farmer's Union, urged the Committee to support SB 374. The state of Montana will benefit from this legislation.

Gary Hebener, President of American Ethanol Corporation, said the corporation will purchase grain products to make a motor fuel additive to help clean the air in the nation's polluted cities. The Corporation also produces animal feed and a vital baking additive for the food industry. He urged the Committee to support SB 374 based on economic development for Montana. The Corporation will purchase 12 million bushels of grain each year, employ over 130 people in permanent positions, and create over 500 construction jobs in the two year period it will take to build the $100 million facility. The Corporation will pay taxes in excess of $5 million per year, not including state income taxes. He said currently there are 21 states that offer various types of incentives either for the production or consumption of ethanol. The federal government provides a search and price incentive for the ethanol industry throughout the nation. The industry production has grown from 100 million gallons in 1978 to over one billion gallons which is produced today. The American Ethanol Company will be buying eight percent of Montana's grain crop annually. He said over 90 percent of Montana's grain is exported to be processed and consumed elsewhere.

Brad Newcomb, Harvest States Co-ops, said the Co-ops are producer owned and operated. He said they are member producers with markets for grains and grain products. Any effective action taken that enhances and strengthens the economic base of Montana agricultural producers has the support of the Co-ops. SB 374 will help enhance the demand for Montana grain products and will encourage any existing or potential ethanol plant to expand operations or locate production facilities in Montana. He urged support for SB 374.

Tim Babcock, Representing American Ethanol and former Governor of Montana, said Montana needs a clean industry that provides jobs and expands the Montana tax base. He urged the Committee to support SB 374.

Opponents' Testimony:

Pam Langley, Montana Grain Elevators Association, presented written testimony in opposition to the bill. **EXHIBIT 7**

Questions From Committee Members and Responses:

REP. BOHLINGER asked **Gary Hebener** how much his company would pay for 12 million bushels of grain. **Mr. Hebener** said American Ethanol would be paying $30 - $35 million per year. After it is processed into the ethanol and other products, the grain has a resale value of $80 million.

REP. HIBBARD asked **Pam Langley** about her concerns regarding private sector jobs. **Ms. Langley** said the grain elevator operators are afraid the grain will be shipped directly to the ethanol plant and bypass the grain elevators.

REP. RANEY expressed concern about the several ethanol projects that have failed or are in trouble in the state. He wondered if it was wise to double the investment in one more company.

Mr. Hebener said the only ethanol plants in the nation that have survived have produced 10 million gallons or more per year and have been able to achieve a unit cost that makes them economically viable. The energy and natural gas costs in the Great Falls area are more favorable compared to other areas in Montana.

REP. TOM NELSON asked **Mr. Hebener** if his company will buy open contracts from Montana grain producers.

Mr. Hebener said American Ethanol will buy from the open market anywhere in Montana.

REP. FELAND asked if the bill is limited to ethanol or can the exemption be used for development of other related products.

Mr. Hebener said the exemption applies only to ethanol blended as a motor fuel. The company can receive the credit only if they use Montana agricultural products, unless the products are unavailable in Montana.

CHAIRMAN GILBERT asked where American will market the ethanol.

Mr. Hebener said it will marketed first in Missoula, which is an EPA listed carbon monoxide non-attainment city. He hopes to open markets in Spokane, Seattle, and Portland once the Missoula market is established.

CHAIRMAN GILBERT asked about federal incentives.

Mr. Hebener said the federal excise tax credit is 5.4 cents per gallon.

Closing by Sponsor:

REP. FRANKLIN closed. She asked the Committee to consider the public policy aspect of SB 374, and urged passage of the bill.

ADJOURNMENT

Adjournment: 11:30 a.m.

Mike Foster, Vice-Chairman
BOB GILBERT, Chairman

Jill Rohyans
JILL ROHYANS, Secretary

The minutes were written by Claudia Johnson and proofed for content by Jill Rohyans.

BG/jdr/cj

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL DATE 4/6/93

NAME	PRESENT	ABSENT	EXCUSED
REP. GILBERT, CHAIRMAN	✓		
REP. FOSTER	✓		
REP. HARRINGTON	✓		
REP. ANDERSON	✓		
REP. BOHLINGER	✓		
REP. DOLEZAL	✓		
REP. DRISCOLL	✓		
REP. ELLIOTT	✓		
REP. FELAND	✓ 9:40am		excused before
REP. HANSON	✓		
REP. HARPER	✓		
REP. HIBBARD	✓		
REP. KELLER	✓		
REP. McCAFFREE	✓		
REP. McCARTHY	✓		
REP. NELSON	✓		
REP. ORR	✓		
REP. RANEY	✓		
REP. REAM	✓		
REP. TUNBY	✓		

EXHIBIT 1
DATE 4-6-93
SB 257

Comments for

House Taxation Committee

Tuesday, April 6, 1993

Mr. Chairman and members of the Committee. . . I'm Marv Dye, Director of the Montana Department of Transportation. I am here today both on behalf of the Department and on behalf of Governor Racicot to support Senate Bill 257.

Due to the strong support being expressed for continuing highway improvements, I encourage you to pass this legislation.

Montana has a record of progress in transportation we can be proud of. Improvements on our highways over the past decade have been substantial. And much of the improvement is the result of a decision in 1981 to cover the gap between what needed to be done, and what can be done with federal funds, through a state-funded construction program.

That state-funded program, the RTF, was begun in 1983. The 52nd legislature extended the program through 2003, recognizing once again that the federal aid program alone doesn't meet Montana's basic needs. Our instructions from the last legislature were to come back with a funding plan and to a large degree that's why we're here today.

This program allows us to continue building and preserving our transportation system for Montana's future, while at the same time providing good paying jobs for Montanans. Many people who are now using programs such as AFDC will become contributors to the economy as the construction season begins in earnest again and workers start earning wages and paying taxes.

Last July, roughly 1500 private sector workers were on construction payrolls. Over 90% of our construction contracts go to in-state contractors and the money moves through our state and local economies many times over, with both short and long-term benefits. Payments to contractors for highway improvements last year totaled $137.4 million.

The fuel tax increase in SB 257 will allow Montana to take full advantage of the available federal-aid and continue the transportation improvement program begun in the '80s.

Montana has made tremendous progress by using state funds to keep some roads in service with measures that aren't eligible for federal funds, like chip-sealing. And some projects are built with state funds when meeting federal standards would be excessively costly.

A substantial budget increase in the maintenance program is part of our proposal, in order to meet changing responsibilities and bolster the budget that's been eroded over the years by inflation and new costs.

EXHIBIT #1
DATE 4-6-93
SB-257

A substantial level of cost-effective measures are available to the state, but we haven't been able to afford them. Without additional revenue, the maintenance program will continue to be under-funded. The results of deferring needed maintenance are predictable, of course, and will be costly in the long term.

In 1986, the legislature transferred interest income and mineral royalties to the School foundation program and directed that 100 per cent of the Montana Highway Patrol costs be paid from the highway fund. [redacted]

Refunds to Indian Tribes required by state legislation are expected to amount to more than $3 million per year once all agreements are reached. [redacted]. If those funds hadn't been moved around and redirected, we probably wouldn't be here today requesting an increase in fuel taxes.

~~While the bill calls for a 4 cent increase in the first year of the biennium, this is really only a 2.6 cent increase over what is currently in effect, since the 7 percent surtax is scheduled to end in July.~~

The department's cash balance will reach a minimum level for prudent management, $20-$30 million, at the end of Fiscal Year '94.

[redacted]

Without this increase in funding, the department must cut back its program. First to go would be the wholly state-funded construction program. And of course, there would be no Save Our Secondaries program.

Further, we would be unable to match the available federal aid and Montana wouldn't be able to compete for additional federal funds. The Clinton Administration is indicating additional federal funding will be nearly $30 million in Montana. Projected future federal aid to Montana will continue in the range of $175 million.

And while we'll be able to match the new money initially and "advance" projects that otherwise wouldn't be built this season, by next season we'll be unable to match even the lower level of $136 million without a fuel tax increase.

To conclude, first I want to offer again that the our department is in the service business and we know it. . . if there's anything I can do, please let me know.

And second, I urge your support for this legislation.

EXHIBIT 1
DATE 4-6-93
SB 257

MAX BAUCUS, MONTANA, CHAIRMAN

DANIEL PATRICK MOYNIHAN, NEW YORK
GEORGE J. MITCHELL, MAINE
FRANK R. LAUTENBERG, NEW JERSEY
HARRY REID, NEVADA
BOB GRAHAM, FLORIDA
JOSEPH I. LIEBERMAN, CONNECTICUT
HOWARD M. METZENBAUM, OHIO
HARRIS WOFFORD, PENNSYLVANIA
BARBARA BOXER, CALIFORNIA

JOHN H. CHAFEE, RHODE ISLAND
ALAN K. SIMPSON, WYOMING
DAVE DURENBERGER, MINNESOTA
JOHN W. WARNER, VIRGINIA
ROBERT SMITH, NEW HAMPSHIRE
LAUCH FAIRCLOTH, NORTH CAROLINA
DIRK KEMPTHORNE, IDAHO

PETER L. SCHER, STAFF DIRECTOR
STEVEN J. SHIMBERG, MINORITY STAFF DIRECTOR AND CHIEF COUNSEL

United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
WASHINGTON, DC 20510-6175

March 25, 1993

Mr. Marvin Dye
Director
Montana Department of Transportat
2701 Prospect Avenue
Helena, MT 59620-9726

Dear Marvin:

As you know, in 1991, Congress passed the Intermodal Surface Transportation Efficiency Act (ISTEA). ISTEA is the most significant piece of transportation legislation in over 35 years. During the six year authorization of ISTEA, Montana is authorized to receive $1.07 billion from the federal government. In general, the federal-aid highway program is based on an 80/20 funding ratio -- 80% federal funds matched by 20% state funds. If a state cannot raise the needed revenue to match a project's costs, the federal funds cannot be released for that project.

During the Senate debate on ISTEA, I strongly opposed efforts to change the federal-aid funding ratio to one less favorable to the states. During these tight fiscal times, I recognize how difficult it is for states to raise funds for transportation projects. By all accounts, however, the 80/20 funding ratio is a reasonable one. In addition, states that cannot meet the matching requirement are missing out on a valuable investment opportunity, an investment where they receive 4 federal dollars for every dollar raised.

As a large, rural state, Montana relies on federal assistance for its transportation needs. The health of our citizens and the productivity of our economy rely on a safe, reliable and efficient transportation system. Infrastructure spending must be considered an investment, for our transportation system is the very fabric of our society.

President Clinton has proposed to fully fund the federal-aid highway program in ISTEA during the remaining authorization period of the act. Let me assure you that I will do my part in Congress to see that ISTEA is fully funded. However, the burden of meeting the funding requirements of the federal-aid highway program is on the states.

With best personal regards, I am,

Sincerely,

Max Baucus

CHAIRMAN, COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

EXHIBIT #2
DATE 4-6-93
SB 257

Exhibit #2
April 6, 1993
Senate Bill No. 257

Exhibit #2 is a packet detailing road projects and costs presented in support of SB 257 by Tom Barnard, Administrator of the Highway Division, Department of Transportation. The original is stored at the Historical Society at 225 North Roberts Street, Helena, MT 59620-1201. The phone number is 444-2694.

EXHIBIT 3
DATE 4-6-93
SB 257

Good Morning, Mr. Chairman and members of the committee

My name is Carl Schweitzer and I am here representing the Montana Contractors' Association.

The Montana Contractors' Association represents over 80 contractors and approximately 180 associates statewide who employ thousands of Montanians. Several of our members construct Montana's roads and bridges.

The department and the other proponents have demonstrated the need to invest in Montana's roads and bridges. As Sen Baucus stated when he visited the legislature "We run the risk of losing billions of dollars in infrastructure investments if we fail to invest in these facilities now". I might point out that in your packets is a letter to Director Dye from the Chairman of the Senate E & PW Committee

What I want to focus your attention on is the economic and job significance of Montana's highway construction program. There are several significant economic components to the Montana highway program.

A. JOBS: According to the U.S. Department of Commerce for each $1.0 million expended on construction 37.9 new jobs are created. For

example, a $20 million new construction project would create 758 Montana jobs in construction, suppliers, and service industries. Assuming that Montana has a $200 million highway construction program (state and federal) there are 7,580 jobs related to the Montana highway construction program.

If the rumors from Washington and Sen Baucus's staff are true -- the additional $29 TO $30 million of federal funds with the state match of $4 million could add 1,289 jobs to Montana's economy. And we are talking about good paying jobs. According to the Montana Department of Labor the average hourly construction salary in Montana was $15. 68 in Oct 1992. These are jobs which give Montanians more than an adequate income and provide a sense of accomplishment.

Assuming that some of the jobs created would go to individuals who previously were receiving an unemployment check or were on general assistance or other welfare program, would cause a reduction in social services expenses.

People who were users of government service become contributors to the system

According to the SRS -- GA payments average$210.41 per month and approximately 2/3 of the receipents are male. With approximately 50

EXHIBIT #3
DATE 4-6-93
SB 257

percent of the males in the 21 to 55 age. By creating good paying construction jobs the men and women on GA can become independent and taxpayers.

Refer to maps

B. MONEY IN LOCAL COMMUNITIES: Also according to the National AGC for each $1 of construction in Montana $1.9131 in economic activity in both industries and services is generated. For example, a $20 million construction project would result in $38.3 million increase in the state economy. Because the highway program is in every corner of the state this economic stimulus is felt statewide -- providing economic opportunities to an areas restaurants, hotels, shoe stores, malls schools, etc.

C. AVERAGE CITIZEN The highway program also puts $$ in every Montana pocket. Again according to AGC a Montanian can expect to pay approximately $120 per year in additional auto expenses if they drive over rough road. Additional costs for front end alignments, tires, and general car depreciation. If the average Montanian drove 20,000 miles per year and got 25 miles to the gallon, the increased in gas costs would only be $20/ year (assuming a 2.6 cent increases in the FY94). For FY94 some Montanians could be saving up to $100 because they are driving on improved roads and bridges.

In summary, the SB 257 will provide jobs for Montanians, protect and enhance Montana roads and bridges, create economic stimulus is all areas of Montana, and reduce Montanians auto operating expenses. Please act favorably on SB 257. THANK YOU.

EXHIBIT 4
DATE 4-6-93
SB 257

DRAFT COPY

MONTANA DEPARTMENT OF TRANSPORTATION
COMBINED WORKING CASH FLOW - HWY SPECIAL REVENUE FUNDS
(EARMARKED & RECONSTRUCTION TRUST)
REPORT DATE: 05-Apr-93

	FY '92	FY '93	FY '94	FY '95	FY '96	FY '97	FY '98
BEGINNING WORKING CASH BALANCE	90,051,932	72,794,299	54,069,164	18,164,828	(15,894,789)	(56,381,415)	(95,701,520)
REVENUE							
G.V.W.	26,663,152	27,812,792	27,033,668	26,839,500	26,839,500	26,839,500	26,839,500
Gas Tax	84,868,347	88,935,581	82,762,764	82,831,346	82,831,346	82,831,346	82,831,346
Diesel Tax	25,151,713	27,315,504	25,997,851	26,475,823	26,475,823	26,475,823	26,475,823
Accounts Receivable	1,566,629	1,275,585	1,275,585	1,275,585	1,275,585	1,275,585	1,275,585
Coal Tax	5,212,093	0	4,937,872	4,941,370	4,941,370	4,941,370	4,941,370
Stores	11,969,515	14,901,886	23,259,990	23,518,767	23,989,142	24,468,925	24,958,304
Dept of Justice	40,880	0	0	0	0	0	0
Prior Year Revenue Adj.	(189,880)	0	0	0	0	0	0
TOTAL REVENUE	155,282,449	160,241,348	165,267,730	165,882,391	166,352,766	166,832,549	167,321,928
AVAILABLE WORKING CASH	245,334,381	233,035,647	219,336,894	184,047,219	150,457,977	110,451,134	71,620,408
EXPENDITURES							
General Operations	7,883,349	7,739,001	7,519,056	7,592,421	7,744,269	7,899,155	8,057,138
Federal - Aid Construction	43,568,685	33,368,312	36,675,157	35,574,373	38,641,541	38,401,992	39,331,915
RTF Construction	16,412,519	16,800,301	19,609,713	20,680,697	20,404,703	20,456,488	20,461,932
Maintenance	47,661,846	51,846,345	59,991,989	60,335,175	61,541,879	62,772,716	64,028,170
Stores	14,227,850	14,901,886	23,259,990	23,518,767	23,989,142	24,468,925	24,958,304
G.V.W.	3,715,305	4,180,860	4,244,845	4,273,224	4,358,688	4,445,862	4,534,779
Motor Fuels	10,000	0	0	0	0	0	0
Rail & Transit	0	206,322	351,882	351,405	358,433	365,602	372,914
Bond Principle & Interest	9,398,360	19,250,348	17,611,881	17,757,631	17,686,151	17,602,816	15,975,628
Headquarters Building	493,530	615,250	620,000	623,250	630,000	0	0
Local Government	14,132,602	14,075,000	14,075,000	14,075,000	14,075,000	14,075,000	14,075,000
Dept of Justice	12,030,200	12,693,178	12,528,553	12,476,065	12,725,586	12,980,098	13,239,700
Dept Fish, Wildlife & Parks	38,186	84,000	84,000	84,000	84,000	84,000	84,000
A & E	334,226	2,182,956	2,000,000	0	2,000,000	0	1,000,000
Indian Reservation Distribution	35,842	1,022,724	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
1987 Bond Arbitrage Rebate	2,121,000	0	0	0	0	0	0
Entity Adjustment	34,938	0	0	0	0	0	0
Prior Year Expenditure Adj.	441,644	0	0	0	0	0	0
TOTAL EXPENDITURES	172,540,082	178,966,483	201,172,066	199,942,008	206,839,392	206,152,654	208,719,480
ENDING WORKING CASH BALANCE	72,794,299	54,069,164	18,164,828	(15,894,789)	(56,381,415)	(95,701,520)	(137,099,072)

1) Current Level
2) $150 million Fed-Aid FY '93- '98

DRAFT COPY

MONTANA DEPARTMENT OF TRANSPORTATION
COMBINED WORKING CASH FLOW - HWY SPECIAL REVENUE FUNDS
(EARMARKED & RECONSTRUCTION TRUST)
REPORT DATE: 05-Apr-93 02:13 PM

	FY '92	FY '93	FY '94	FY '95	FY '96	FY '97	FY '98
BEGINNING WORKING CASH BALANCE	90,051,932	72,794,299	54,069,164	33,177,040	29,782,654	21,576,128	14,522,100
REVENUE							
G.V.W.	26,663,152	27,812,792	27,033,668	26,839,500	26,839,500	26,839,500	26,839,500
HB 572			1,122,103	2,244,207	2,244,207	2,244,207	2,244,207
HB 651			(2,772,751)	(3,746,961)	(3,746,961)	(3,746,961)	(3,746,961)
Gas Tax	84,868,347	88,935,581	82,762,764	82,831,346	82,831,346	82,831,346	82,831,346
SB 257			15,400,000	28,350,000	29,400,000	29,400,000	29,400,000
Diesel Tax*	25,151,713	27,315,504	25,997,851	26,475,823	26,475,823	26,475,823	26,475,823
SB 257			4,766,667	8,775,000	9,100,000	9,100,000	9,100,000
Accounts Receivable	1,566,629	1,275,585	1,275,585	1,275,585	1,275,585	1,275,585	1,275,585
Coal Tax	5,212,093	0	4,937,872	4,941,370	4,941,370	4,941,370	4,941,370
Stores	11,969,515	14,901,886	23,259,990	23,518,767	23,989,142	24,468,925	24,958,304
Dept of Justice	40,880	0	0	0	0	0	0
Prior Year Revenue Adj.	(189,880)	0	0	0	0	0	0
TOTAL REVENUE	155,282,449	160,241,348	183,783,749	201,504,637	203,350,012	203,829,795	204,319,174
AVAILABLE WORKING CASH	245,334,381	233,035,647	237,852,913	234,681,677	233,132,666	225,405,923	218,841,274
EXPENDITURES							
General Operations	7,883,349	7,739,001	7,519,056	7,592,421	7,744,269	7,899,155	8,057,138
HB 198 Pay Plan Increase			336,759	687,398	701,146	715,169	729,472
Federal - Aid Construction	43,568,685	33,368,312	36,675,157	35,574,373	38,641,541	38,401,992	39,331,915
RTF Construction	16,412,519	16,800,301	19,609,713	20,680,697	20,404,703	20,456,488	20,461,932
Maintenance	47,661,846	51,846,345	59,991,989	60,335,175	61,541,879	62,772,716	64,028,170
Stores	14,227,850	14,901,886	23,259,990	23,518,767	23,989,142	24,468,925	24,958,304
G.V.W.	3,715,305	4,180,860	4,244,845	4,273,224	4,358,688	4,445,862	4,534,779
Motor Fuels	10,000	0	0	0	0	0	0
Rail & Transit	0	206,322	351,882	351,405	358,433	365,602	372,914
Bond Principle & Interest	9,398,360	19,250,348	17,611,881	17,757,631	17,686,151	17,602,816	15,975,628
Headquarters Building	493,530	615,250	620,000	623,250	630,000	0	0
Local Government	14,132,602	14,075,000	16,841,000	16,841,000	16,841,000	16,841,000	16,841,000
Dept of Justice	12,030,200	12,693,178	13,650,656	14,720,272	12,725,586	12,980,098	13,239,700
Dept Fish, Wildlife & Parks	38,186	84,000	1,334,000	1,334,000	1,334,000	1,334,000	1,334,000
A & E	334,226	2,182,956	2,000,000	0	2,000,000	0	1,000,000
Indian Reservation Distribution	35,842	1,022,724	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
1987 Bond Arbitrage Rebate	2,121,000	0	0	0	0	0	0
MDT PERSONAL SERVICE REDUCTION	0	0	(1,971,055)	(1,990,590)	0	0	0
Entity Adjustment	34,938	0	0	0	0	0	0
Prior Year Expenditure Adj.	441,644	0	0	0	0	0	0
TOTAL EXPENDITURES	172,540,082	178,966,483	204,675,873	204,899,023	211,556,538	210,883,823	213,464,952
ENDING WORKING CASH BALANCE	72,794,299	54,069,164	33,177,040	29,782,654	21,576,128	14,522,100	5,376,322

1) Legislative Action to date
2) Current Level
3) $150 million Fed-Aid FY '93 - '98
4)
5) $0.04 Gas & Diesel tax increase July 1, 1993
6) $0.03 Gas & Diesel tax increase July 1, 1994
7) G.V.W. Fees restructured Jan 1, 1994
8)
9) Increase Local Goverment $2,766,000 FY '94 - '98
10) Pay Plan Increase FY '94 '98
11) > Justice $1,122,103 FY '94; $2,244,207 FY '95
12)

027E

EXHIBIT II 4
DATE 4-6-93
SB-257

DRAFT COPY

MONTANA DEPARTMENT OF TRANSPORTATION
COMBINED WORKING CASH FLOW - HWY SPECIAL REVENUE FUNDS
(EARMARKED & RECONSTRUCTION TRUST)
REPORT DATE: 05-Apr-93 02:01 PM

	FY '92	FY '93	FY '94	FY '95	FY '96	FY '97	FY '98
BEGINNING WORKING CASH BALANCE	90,051,932	72,794,299	54,069,164	33,177,040	29,782,654	19,331,921	10,033,686
REVENUE							
G.V.W.	26,663,152	27,812,792	27,033,668	26,839,500	26,839,500	26,839,500	26,839,500
HB 572			1,122,103	2,244,207	2,244,207	2,244,207	2,244,207
HB 651			(2,772,751)	(3,746,961)	(3,746,961)	(3,746,961)	(3,746,961)
Gas Tax	84,868,347	88,935,581	82,762,764	82,831,346	82,831,346	82,831,346	82,831,346
SB 257			15,400,000	28,350,000	29,400,000	29,400,000	29,400,000
Diesel Tax	25,151,713	27,315,504	25,997,851	26,475,823	26,475,823	26,475,823	26,475,823
SB 257			4,766,667	8,775,000	9,100,000	9,100,000	9,100,000
Accounts Receivable	1,566,629	1,275,585	1,275,585	1,275,585	1,275,585	1,275,585	1,275,585
Coal Tax	5,212,093	0	4,937,872	4,941,370	4,941,370	4,941,370	4,941,370
Stores	11,969,515	14,901,886	23,259,990	23,518,767	23,989,142	24,468,925	24,958,304
Dept of Justice	40,880	0	0	0	0	0	0
Prior Year Revenue Adj.	(189,880)	0	0	0	0	0	0
TOTAL REVENUE	155,282,449	160,241,348	183,783,749	201,504,637	203,350,012	203,829,795	204,319,174
AVAILABLE WORKING CASH	245,334,381	233,035,647	237,852,913	234,681,677	233,132,666	223,161,716	214,352,860
EXPENDITURES							
General Operations	7,883,349	7,739,001	7,519,056	7,592,421	7,744,269	7,899,155	8,057,138
HB 198 Pay Plan Increase			336,759	687,398	701,146	715,169	729,472
Federal - Aid Construction	43,568,685	33,368,312	36,675,157	35,574,373	38,641,541	38,401,992	39,331,915
RTF Construction	16,412,519	16,800,301	19,609,713	20,680,697	20,404,703	20,456,488	20,461,932
Maintenance	47,661,846	51,846,345	59,991,989	60,335,175	61,541,879	62,772,716	64,028,170
Stores	14,227,850	14,901,886	23,259,990	23,518,767	23,989,142	24,468,925	24,958,304
G.V.W.	3,715,305	4,180,860	4,244,845	4,273,224	4,358,688	4,445,862	4,534,779
Motor Fuels	10,000	0	0	0	0	0	0
Rail & Transit	0	206,322	351,882	351,405	358,433	365,602	372,914
Bond Principle & Interest	9,398,360	19,250,348	17,611,881	17,757,631	17,686,151	17,602,816	15,975,628
Headquarters Building	493,530	615,250	620,000	623,250	630,000	0	0
Local Government	14,132,602	14,075,000	16,841,000	16,841,000	16,841,000	16,841,000	16,841,000
Dept of Justice	12,030,200	12,693,178	13,650,656	14,720,272	14,969,793	15,224,305	15,483,907
Dept Fish, Wildlife & Parks	38,186	84,000	1,334,000	1,334,000	1,334,000	1,334,000	1,334,000
A & E	334,226	2,182,956	2,000,000	0	2,000,000	0	1,000,000
Indian Reservation Distribution	35,842	1,022,724	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
1987 Bond Arbitrage Rebate	2,121,000	0	0	0	0	0	0
MDT PERSONAL SERVICE REDUCTION	0	0	(1,971,055)	(1,990,590)	0	0	0
Entity Adjustment	34,938	0	0	0	0	0	0
Prior Year Expenditure Adj.	441,644	0	0	0	0	0	0
TOTAL EXPENDITURES	172,540,082	178,966,483	204,675,873	204,899,023	213,800,745	213,128,030	215,709,159
ENDING WORKING CASH BALANCE	72,794,299	54,069,164	33,177,040	29,782,654	19,331,921	10,033,686	(1,356,299)

1) Legislative Action to date
2) Current Level
3) $150 million Fed-Aid FY '93 - '98
5) $0.04 Gas & Diesel tax increase July 1, 1993
6) $0.03 Gas & Diesel tax increase July 1, 1994
7) G.V.W. Fees restructured Jan 1, 1994
8)
9) Increase Local Goverment $2,766,000 FY '94 - '98
10) Pay Plan Increase FY '94 '98
11) > Justice $1,122,103 FY '94; $2,244,207 FY '95-'9
12)

027E

DRAFT COPY

MONTANA DEPARTMENT OF TRANSPORTATION
COMBINED WORKING CASH FLOW - HWY SPECIAL REVENUE FUNDS
(EARMARKED & RECONSTRUCTION TRUST)
REPORT DATE: 05-Apr-93 01:01 PM

	FY '92	FY '93	FY '94	FY '95	FY '96	FY '97	FY '98
BEGINNING WORKING CASH BALANCE	90,051,932	72,794,299	54,069,164	29,355,202	27,366,725	19,639,105	12,196,651
REVENUE							
G.V.W.	26,663,152	27,812,792	27,033,668	26,839,500	26,839,500	26,839,500	26,839,500
HB 572			1,122,103	2,244,207	2,244,207	2,244,207	2,244,207
HB 651			(2,772,751)	(3,746,961)	(3,746,961)	(3,746,961)	(3,746,961)
Gas Tax	84,868,347	88,935,581	82,762,764	82,831,346	82,831,346	82,831,346	82,831,346
SB 257			15,400,000	28,350,000	29,400,000	29,400,000	29,400,000
Diesel Tax	25,151,713	27,315,504	25,997,851	26,475,823	26,475,823	26,475,823	26,475,823
SB 257			4,766,667	8,775,000	9,100,000	9,100,000	9,100,000
Accounts Receivable	1,566,629	1,275,585	1,275,585	1,275,585	1,275,585	1,275,585	1,275,585
Coal Tax	5,212,093	0	4,937,872	0	0	0	0
Stores	11,969,515	14,901,886	23,259,990	23,518,767	23,989,142	24,468,925	24,958,304
Dept of Justice	40,880	0	0	0	0	0	0
Prior Year Revenue Adj.	(189,880)	0	0	0	0	0	0
TOTAL REVENUE	155,282,449	160,241,348	183,783,749	196,563,267	198,408,642	198,888,425	199,377,804
AVAILABLE WORKING CASH	245,334,381	233,035,647	237,852,913	225,918,469	225,775,367	218,527,530	211,574,455
EXPENDITURES							
General Operations	7,883,349	7,739,001	7,519,056	7,592,421	7,744,269	7,899,155	8,057,138
HB 198 Pay Plan Increase			336,759	687,398	701,146	715,169	729,472
Federal - Aid Construction	43,568,685	33,368,312	41,185,235	49,763,209	51,381,761	52,061,329	52,383,083
RTF Construction	16,412,519	16,800,301	18,921,473	144,582	0	0	0
Maintenance	47,661,846	51,846,345	59,991,989	60,335,175	61,541,879	62,772,716	64,028,170
Stores	14,227,850	14,901,886	23,259,990	23,518,767	23,989,142	24,468,925	24,958,304
G.V.W.	3,715,305	4,180,860	4,244,845	4,273,224	4,358,688	4,445,862	4,534,779
Motor Fuels	10,000	0	0	0	0	0	0
Rail & Transit	0	206,322	351,882	351,405	358,433	365,602	372,914
Bond Principle & Interest	9,398,360	19,250,348	17,611,881	17,757,631	17,686,151	17,602,816	15,975,628
Headquarters Building	493,530	615,250	620,000	623,250	630,000	0	0
Local Government	14,132,602	14,075,000	16,841,000	16,841,000	16,841,000	16,841,000	16,841,000
Dept of Justice	12,030,200	12,693,178	13,650,656	14,720,272	14,969,793	15,224,305	15,483,907
Dept Fish, Wildlife & Parks	38,186	84,000	1,334,000	1,334,000	1,334,000	1,334,000	1,334,000
A & E	334,226	2,182,956	2,000,000	0	2,000,000	0	1,000,000
Indian Reservation Distribution	35,842	1,022,724	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
1987 Bond Arbitrage Rebate	2,121,000	0	0	0	0	0	0
MDT PERSONAL SERVICE REDUCTION	0	0	(1,971,055)	(1,990,590)	0	0	0
Entity Adjustment	34,938	0	0	0	0	0	0
Prior Year Expenditure Adj.	441,644	0	0	0	0	0	0
TOTAL EXPENDITURES	172,540,082	178,966,483	208,497,711	198,551,744	206,136,262	206,330,879	208,298,395
ENDING WORKING CASH BALANCE	72,794,299	54,069,164	29,355,202	27,366,725	19,639,105	12,196,651	3,276,060

1) Legislative Action to date
2) Current Level
3) $170 million Fed-Aid FY '94
4) 191 million Fed-Aid FY '95 - '98
5) No RTF Program FY '95 - '98
6) $0.04 Gas & Diesel tax increase July 1, 1993
7) $0.03 Gas & Diesel tax increase July 1, 1994
8) G.V.W. Fees restructured Jan 1, 1994
9) Increase Local Goverment $2,766,000 FY '94 - '98
10) Pay Plan Increase FY '94 '98
11) > Justice $1,122,103 FY '94; $2,244,207 FY '95-'9
12) No Coal Tax FY '95 - '98

DRAFT COPY

EXHIBIT # 4
DATE 4-6-93
SB 257

MONTANA DEPARTMENT OF TRANSPORTATION
COMBINED WORKING CASH FLOW - HWY SPECIAL REVENUE FUNDS
(EARMARKED & RECONSTRUCTION TRUST)
REPORT DATE: 05-Apr-93 12:54 PM

	FY '92	FY '93	FY '94	FY '95	FY '96	FY '97	FY '98
BEGINNING WORKING CASH BALANCE	90,051,932	72,794,299	54,069,164	29,355,202	20,329,974	5,165,123	(9,720,624)
REVENUE							
G.V.W.	26,663,152	27,812,792	27,033,668	26,839,500	26,839,500	26,839,500	26,839,500
HB 572			1,122,103	2,244,207	2,244,207	2,244,207	2,244,207
HB 651			(2,772,751)	(3,746,961)	(3,746,961)	(3,746,961)	(3,746,961)
Gas Tax	84,868,347	88,935,581	82,762,764	82,831,346	82,831,346	82,831,346	82,831,346
SB 257			15,400,000	28,350,000	29,400,000	29,400,000	29,400,000
Diesel Tax	25,151,713	27,315,504	25,997,851	26,475,823	26,475,823	26,475,823	26,475,823
SB 257			4,766,667	8,775,000	9,100,000	9,100,000	9,100,000
Accounts Receivable	1,566,629	1,275,585	1,275,585	1,275,585	1,275,585	1,275,585	1,275,585
Coal Tax	5,212,093	0	4,937,872	4,941,370	4,941,370	4,941,370	4,941,370
Stores	11,969,515	14,901,886	23,259,990	23,518,767	23,989,142	24,468,925	24,958,304
Dept of Justice	40,880	0	0	0	0	0	0
Prior Year Revenue Adj.	(189,880)	0	0	0	0	0	0
TOTAL REVENUE	155,282,449	160,241,348	183,783,749	201,504,637	203,350,012	203,829,795	204,319,174
AVAILABLE WORKING CASH	245,334,381	233,035,647	237,852,913	230,859,839	223,679,986	208,994,918	194,598,550
EXPENDITURES							
General Operations	7,883,349	7,739,001	7,519,056	7,592,421	7,744,269	7,899,155	8,057,138
HB 198 Pay Plan Increase			336,759	687,398	701,146	715,169	729,472
Federal - Aid Construction	43,568,685	33,368,312	41,185,235	42,123,209	43,741,761	44,421,329	44,743,083
RTF Construction	16,412,519	16,800,301	18,921,473	19,762,703	20,018,601	20,024,663	20,026,756
Maintenance	47,661,846	51,846,345	59,991,989	60,335,175	61,541,879	62,772,716	64,028,170
Stores	14,227,850	14,901,886	23,259,990	23,518,767	23,989,142	24,468,925	24,958,304
G.V.W.	3,715,305	4,180,860	4,244,845	4,273,224	4,358,688	4,445,862	4,534,779
Motor Fuels	10,000	0	0	0	0	0	0
Rail & Transit	0	206,322	351,882	351,405	358,433	365,602	372,914
Bond Principle & Interest	9,398,360	19,250,348	17,611,881	17,757,631	17,686,151	17,602,816	15,975,628
Headquarters Building	493,530	615,250	620,000	623,250	630,000	0	0
Local Government	14,132,602	14,075,000	16,841,000	16,841,000	16,841,000	16,841,000	16,841,000
Dept of Justice	12,030,200	12,693,178	13,650,656	14,720,272	14,969,793	15,224,305	15,483,907
Dept Fish, Wildlife & Parks	38,186	84,000	1,334,000	1,334,000	1,334,000	1,334,000	1,334,000
A & E	334,226	2,182,956	2,000,000	0	2,000,000	0	1,000,000
Indian Reservation Distribution	35,842	1,022,724	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
1987 Bond Arbitrage Rebate	2,121,000	0	0	0	0	0	0
MDT PERSONAL SERVICE REDUCTION	0	0	(1,971,055)	(1,990,590)	0	0	0
Entity Adjustment	34,938	0	0	0	0	0	0
Prior Year Expenditure Adj.	441,644	0	0	0	0	0	0
TOTAL EXPENDITURES	172,540,082	178,966,483	208,497,711	210,529,865	218,514,863	218,715,542	220,685,151
ENDING WORKING CASH BALANCE	72,794,299	54,069,164	29,355,202	20,329,974	5,165,123	(9,720,624)	(26,086,601)

1) Legislative Action to date
2) Current Level
3) $170 million Fed-Aid FY '94
4) 191 million Fed-Aid FY '95 - '98
5) $0.04 Gas & Diesel tax increase July 1, 1993
6) $0.03 Gas & Diesel tax increase July 1, 1994
7) G.V.W. Fees restructured Jan 1, 1994
8) Increase Local Goverment $2,766,000 FY '94 - '98
9) Pay Plan Increase FY '94 '98
10) > Justice $1,122,103 FY '94; $2,244,207 FY '95-'98

DRAFT COPY

MONTANA DEPARTMENT OF TRANSPORTATION
COMBINED WORKING CASH FLOW - HWY SPECIAL REVENUE FUNDS
(EARMARKED & RECONSTRUCTION TRUST)
REPORT DATE: 05-Apr-93 12:47 PM

	FY '92	FY '93	FY '94	FY '95	FY '96	FY '97	FY '98
BEGINNING WORKING CASH BALANCE	90,051,932	72,794,299	54,069,164	29,355,202	20,329,974	7,409,330	(5,232,210)
REVENUE							
G.V.W.	26,663,152	27,812,792	27,033,668	26,839,500	26,839,500	26,839,500	26,839,500
HB 572			1,122,103	2,244,207	2,244,207	2,244,207	2,244,207
HB 651			(2,772,751)	(3,746,961)	(3,746,961)	(3,746,961)	(3,746,961)
Gas Tax	84,868,347	88,935,581	82,762,764	82,831,346	82,831,346	82,831,346	82,831,346
SB 257			15,400,000	28,350,000	29,400,000	29,400,000	29,400,000
Diesel Tax	25,151,713	27,315,504	25,997,851	26,475,823	26,475,823	26,475,823	26,475,823
SB 257			4,766,667	8,775,000	9,100,000	9,100,000	9,100,000
Accounts Receivable	1,566,629	1,275,585	1,275,585	1,275,585	1,275,585	1,275,585	1,275,585
Coal Tax	5,212,093	0	4,937,872	4,941,370	4,941,370	4,941,370	4,941,370
Stores	11,969,515	14,901,886	23,259,990	23,518,767	23,989,142	24,468,925	24,958,304
Dept of Justice	40,880	0	0	0	0	0	0
Prior Year Revenue Adj.	(189,880)	0	0	0	0	0	0
TOTAL REVENUE	155,282,449	160,241,348	183,783,749	201,504,637	203,350,012	203,829,795	204,319,174
AVAILABLE WORKING CASH	245,334,381	233,035,647	237,852,913	230,859,839	223,679,986	211,239,125	199,086,964
EXPENDITURES							
General Operations	7,883,349	7,739,001	7,519,056	7,592,421	7,744,269	7,899,155	8,057,138
HB 198 Pay Plan Increase			336,759	687,398	701,146	715,169	729,472
Federal - Aid Construction	43,568,685	33,368,312	41,185,235	42,123,209	43,741,761	44,421,329	44,743,083
RTF Construction	16,412,519	16,800,301	18,921,473	19,762,703	20,018,601	20,024,663	20,026,756
Maintenance	47,661,846	51,846,345	59,991,989	60,335,175	61,541,879	62,772,716	64,028,170
Stores	14,227,850	14,901,886	23,259,990	23,518,767	23,989,142	24,468,925	24,958,304
G.V.W.	3,715,305	4,180,860	4,244,845	4,273,224	4,358,688	4,445,862	4,534,779
Motor Fuels	10,000	0	0	0	0	0	0
Rail & Transit	0	206,322	351,882	351,405	358,433	365,602	372,914
Bond Principle & Interest	9,398,360	19,250,348	17,611,881	17,757,631	17,686,151	17,602,816	15,975,628
Headquarters Building	493,530	615,250	620,000	623,250	630,000	0	0
Local Government	14,132,602	14,075,000	16,841,000	16,841,000	16,841,000	16,841,000	16,841,000
Dept of Justice	12,030,200	12,693,178	13,650,656	14,720,272	12,725,586	12,980,098	13,239,700
Dept Fish, Wildlife & Parks	38,186	84,000	1,334,000	1,334,000	1,334,000	1,334,000	1,334,000
A & E	334,226	2,182,956	2,000,000	0	2,000,000	0	1,000,000
Indian Reservation Distribution	35,842	1,022,724	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
1987 Bond Arbitrage Rebate	2,121,000	0	0	0	0	0	0
MDT PERSONAL SERVICE REDUCTION	0	0	(1,971,055)	(1,990,590)	0	0	0
Entity Adjustment	34,938	0	0	0	0	0	0
Prior Year Expenditure Adj.	441,644	0	0	0	0	0	0
TOTAL EXPENDITURES	172,540,082	178,966,483	208,497,711	210,529,865	216,270,656	216,471,335	218,440,944
ENDING WORKING CASH BALANCE	72,794,299	54,069,164	29,355,202	20,329,974	7,409,330	(5,232,210)	(19,353,980)

1) Legislative Action to date
2) Current Level
3) $170 million Fed-Aid FY '94
4) 191 million Fed-Aid FY '95 - '98
5) $0.04 Gas & Diesel tax increase July 1, 1993
6) $0.03 Gas & Diesel tax increase July 1, 1994
7) G.V.W. Fees restructured Jan 1, 1994
8) Increase Local Goverment $2,766,000 FY '94 - '98
9) Pay Plan Increase FY '94 '98
10) > Justice $1,122,103 FY '94; $2,244,207 FY '95

EXHIBIT 5
DATE 4-6-93
SB 257

Statement Of Montana Motor Carriers Association
To The House Committee On Taxation
On SB 257 - Motor Fuel Tax Increase

Mr. Chairman. Members of the Committee. For the record, my name is Ben Havdahl representing the Montana Motor Carriers Association. MMCA has some 450 motor carrier members who will be impacted by the enactment of a seven cent increase in diesel fuel taxes in SB 257.

MMCA is not opposed to the four cent diesel fuel tax increase in the bill, but we do oppose the subsequent three cent per gallon diesel fuel tax increase.

MMCA's policy is to support the needed funding for the necessary construction and maintenance of the major primary system and the Interstate system.

At the same time MMCA strongly opposes the diversion of fuel taxes and GVW fees for non- highway construction use.

MMCA also is opposed to the use of diesel fuel taxes assessed on truckers to rebuild the major primary highway routes, under the Reconstruction Trust Fund, now to be increased for use on county secondary, farm to market roads.

MMCA's highway funding position is to support the maximizing of available federal aid moneys, including matching the funds available under ISTEA.

We support an effective maintenance program. We have supported the funding of the Reconstruction Trust Fund at the current level of $20 for primary highways.

Funding the RTF beyond that, needs to be reassessed by the Legislature, in our opinion, particularly as it applies to major diesel fuel tax increases to be used for county secondary roads.

We have reviewed the Executive Budget report for the DOT to this Legislature.

We would agree that a proposed motor fuel tax increase appears to be necessary to match new federal funds under ISTEA.

MMCA would not be adverse to a diesel fuel tax increase of 4 cents or 5 cents per gallon for highway construction and maintenance, the initial amount, proposed in SB 257.

The budget calls for a $20 million annual funding for the RTF, including $15 million per year to rebuild secondary roads. This represents a major change in policy and in our opinion, should be carefully reviewed by the Legislature before its funding beyond the 1995 biennium. MMCA's concern is, can we really afford the increased taxes proposed for this program?

When the RTF was established in 1983, it was designed to provide 100% state highway user taxes and coal tax revenue to fund the rebuilding of the primary system in the State.

These are routes, in addition to the Interstate, that are extensively traveled by all motorists including the trucking industry. MMCA supported the funding program.

The new National Highway System, to be implemented in Montana, will consist of the Interstate System and some 1,700 miles of major primaries.

As a result, a major portion of the primary system can be adequately funded by ISTEA on a matching basis.

It appears that the RTF, as originally established, will be relieved of much of its 100% State funding burden for rebuilding major primary routes in the State and a lesser tax increase should be considered.

The MT DOT and counties' proposal for a "new" RTF program, at a level of $15 million per year, will be expensive for highway users costing over the next five years, an estimated $75,000,000. The SOS funding at $15 million per year, is equivalent to a $0.03 tax on both gasoline and diesel fuel.

Over-the-road, for hire truckers, do not use farm-to-market secondary roads and yet under the SOS plan, motor carriers will be required to pay over $18 million into the program. MMCA opposes a diesel fuel tax increase for the expenditure on this program.

If additional fuel taxes are needed and if this Legislature approves the RTF, consideration should be given to raising gasoline taxes only for that program.

A higher gasoline tax rate, than diesel fuel, can be justified by the fact that the current federal diesel fuel tax is 20¢ per gallon, six cents higher per gallon than the federal gasoline tax at 14¢ per gallon.
As I have indicated, MMCA is not adverse to a 4 cent or a 5 cent per gallon diesel fuel tax increase. However, we are mindful of the negative economic impact it will have on motor carriers operating in Montana.

A one cent diesel tax translates to a $200 annual cost to a Montana motor carrier operating a typical five axle 80,000 pound 18 wheeler running an average of 100,000 miles.

A four cent increase costs $800. A seven cent increase will cost, each year, an additional $1,400 added to the $4,000 already paid in State diesel fuel taxes by that truck.

EXHIBIT IV-5
DATE 4-6-93
SB-257

The position of MMCA is further based on the negative economic impact the state's trucking industry is suffering as a result of escalating workers compensation costs.

The Legislature also enacted, last year, a one year 7% surtax on fuel and GVW fees.

This Legislature just enacted a three quarter cent diesel fuel tax for fuel tank clean up insurance which will add some $900,000 per year to the bottom line costs of Montana truckers.
MMCA understands the economic benefits to the construction industry in the State from increased highway funding. Jobs are created and thats good.

However we hope that these jobs are not being created by a Legislative policy decision for the construction industry at the expense of jobs in the trucking industry.

Our Association recently completed an economic study of 286 regulated intrastate motor carriers from reports filed with the PSC for 1991.

The compilation reflects total revenue and total expenses incurred for the year and the bottom line reflected an operating ratio for the 286 carriers of 98.31% or a net profit of 1.69%.

When increased workers compensation premium costs, the 7% fuel tax and 7% GVW fee surtax is added into the costs for these carriers, their bottom line net profit becomes 0.32%. One third of one percent.

If the economic picture is bleak for regulated intrastate carriers, it may easily be concluded that
an even worse situation exists for the unregulated motor carriers operating in Montana.
State workers compensation premiums continue to escalate.

The book rate for truckmen, 7219 reached $26.26 per $100 of wages this year.

That rate has been increased 100% since 1990 when it was $13.03.

If work comp rates continue to climb, few Montana trucking companies can remain competitive.

I would point out that work comp rates in Wyoming are 9% and diesel fuel taxes there are 9¢ per gallon.

That state continues to make its bid to attract Montana truckers.

We have inserted into this statement details of how state and federal taxes affect a typical Montana five axle semi combination.

ADDENDUM TO MMCA STATEMENT ON SB 257

Estimated yearly taxes paid by a typical 80,000 pound five axle tractor semi trailer combination with the tractor valued at $80,000 and semi trailer valued at $25,000 and with estimated fuel consumption of 5 miles per gallon of fuel traveling 100,000 miles in the State is as follows:

Tax Description	Tax Cost	
MT GVW Tax	$ 991.00	
MT Diesel Fuel (.20)	4,000.00	
MT 7% Surtax	350.00	
MT Property	800.00	
Total State Annual		$6,141.00
Proposed SB 257	$ 1,400.00 (24% increase)	
Total with SB 257		$7,541.00
Fed Truck Tax	$ 550.00	
Fed Misc Excise	1,414.00	
Fed Diesel Tax(.20)	4,000.00	
Total Fed Annual		$ 5,964.00
Total w SB 257		$13,505.00
(Cost $.135 per mi.)		
Proposed Fed. Energy Tax ($.075 per gallon fuel)		$1,500.00
Total State and Proposed Fed.		$15,505.00
(Cost $.155 per mi.)		

Finally, we would refer to House action in passing HB 651, the GVW fee realignment bill. As you know, the bill was amended on the House floor removing the 3/4 cent per gallon gasoline tax.

Because it can probably be assumed that SB 257 will be passed, MMCA is concerned that the resulting rate of the state's diesel fuel tax will end up 3/4 of one cent higher than the state's gasoline tax.

MMCA would respectively ask this committee to consider an amendment to SB 257 to reduce the diesel fuel tax rate in the bill by 3/4 of one cent to avoid a higher rate than gasoline.

If HB 651 is passed by the Senate and if the amendment is included in SB 257, then both the tax rates for gasoline and diesel will continue to be equal.

Thank you for the opportunity to speak on this bill.

EXHIBIT #3
DATE 4-6-93
SB-257

SUMMARY - 286 CARRIERS

INCOME STATEMENT
FOR THE YEAR ENDED
DECEMBER 31, 1991

LINE #	ACCOUNT (1)	SYSTEM-WIDE (2)	PROJECTED INCREASES (3)	PROJECTED INCOME STATEMENT (4)
1	OPERATING REVENUE			
2	A) INTRASTATE REVENUE	$60,930,035.42		$60,930,035.42
3	B) INTERSTATE REVENUE	$1,472,761,783.79		$1,472,761,783.79
4	C) NON-REGULATED REVENUE	$223,913,133.91		$223,913,133.91
5	TOTAL REVENUE	$1,757,604,953.12		$1,757,604,953.12
6	EXPENSES			
7	SALARIES-OFFICERS & SUPER. PERSONNEL			
8	SALARIES & WAGES			
9	A) CLERICAL & ADMINISTRATIVE			
10	B) DRIVERS & HELPERS			
11	C) CARGO HANDLERS			
12	D) VEHICLE REPAIR & SERVICE			
13	E) OTHER LABOR			
14	OTHER FRINGES			
15	A) PAYROLL TAXES			
16	B) WORKMAN'S COMPENSATION	$58,345,882.72	$20,928,668.13	$79,274,550.85
17	C) PENSION & WELFARE EXPENSES			
18	OPERATING SUPPLIES & EXPENSES			
19	A) FUEL FOR MOTOR VEHICLES			
20	B) VEHICLE PARTS			
21	C) OTHER OPERATING SUPPLIES & EXPENSES			
22	GENERAL SUPPLIES & EXPENSES			
23	OPERATING TAXES & LICENSES			
24	A) GAS, FUEL & OIL TAXES	$25,393,451.01	$1,777,541.57	$27,170,992.58
25	B) REAL ESTATE & PERSONAL PROP. TAXES	$11,692,612.90	$818,482.90	$12,511,095.80
26	C) VEHICLE LICENSE & REGISTRATION FEES			
27	D) OTHER TAXES	$8,997,159.94	$629,801.20	$9,626,961.14
28	INSURANCE			
29	COMMUNICATIONS & UTILITIES			
30	DEPRECIATION & AMORTIZATION			
31	A) REVENUE EQUIPMENT			
32	B) OTHER			
33	PURCHASED TRANSPORTATION			
34	A) WITH DRIVER			
35	B) WITHOUT DRIVER			
36	C) OTHER PURCHASED TRANSPORTATION			
37	BUILDING & OFFICE EQUIPMENT RENTS			
38	+ OR - ON DISPOSITION OF OPER. ASSETS			
39	MISCELLANEOUS EXPENSES			
40	TOTAL EXPENSES	$1,727,872,537.74	$24,154,493.80	$1,752,027,031.54
41	NET INCOME OR LOSS			
42	OPERATING RATIO	98.31%		99.68%

43 Work Comp Increase 35.87% Surtax Increase 7.00%

EXHIBIT 6
DATE 4-6-93
SB 257

Amendments to Senate Bill No. 257
Third Reading Copy

Prepared by Ben Havdahl
Montana Motor Carriers Association
April 6, 1993

1. Title, line 5
Following: "LICENSE TAX"
Strike: "AND THE TAX ON DIESEL FUEL AND VOLATILE LIQUIDS"

2. Title, line 6
Following: "4 CENTS"
Insert: "AND THE TAX ON DIESEL FUEL AND VOLATILE LIQUIDS BY 3.25 CENTS"

3. Page 6, line 13
Following: "(a)"
Strike: "24 cents"
Insert: "23.25 cents"

4. Page 6, line 14
Following: "(b)"
Strike: "27 cents"
Insert: "26.25 cents"

EXHIBIT 7
DATE 4-6-93
SB 374

MONTANA GRAIN ELEVATOR ASSOCIATION

April 1, 1993

The Montana Grain Elevator Association urges you to vote **NO** on Senate Bill 374. Our Association is in full support of ethanol production, less dependence on foreign oil imports, and jobs for Montana, but this bill has some negative aspects which should be addressed. Please take time to ask yourselves the following questions.

1. Will large subsidies to the proposed ethanol plant really create jobs or will the employment picture remain neutral? Currently the Great Falls and surrounding grain industry employs approximately 200 people. An ethanol plant the size of the one proposed will have a devastating effect on those jobs currently provided for in the private sector.

2. Will subsidizing a company that will become the single largest processor of grain in Montana really improve the prices paid for farm products? Competition is the driving force which assures producers the best possible prices for their products. An ethanol plant processing 12 million bushels of wheat in a county that only produces 6 million bushels will obviously have an adverse effect on competition in the Great Falls area.

3. Is this Bill fair and equitable to the Montana grain industry and its employees? The 1993 legislature has already passed legislation which increases our fees 140% to 600%. They have also passed legislation which imposes a mill levy assessment on grain coming into Montana from Canada and surrounding states. (The ethanol plant has been omitted from this bill). Our association is on record in support of both legislative bills. Senate Bill 374 is designed to directly subsidize our competition.

4. Is the subsidy necessary to secure financing for the project or is it necessary for the ethanol plant to become an economically viable entity? Great Falls Tribune article states that the subsidy guarantee is necessary to secure financing. If that is the case can the bill be amended to require the ethanol company to repay the excess subsidy once it is built and running profitably?

5. Will the ethanol plant really provide for up to 500 construction jobs and up to 130 permanent jobs as stated in the Great Falls Tribune? Will the ethanol company be willing to guarantee these jobs in return for the excess subsidies.

6. Will the ethanol plant buy only Montana grain? Or will they buy grain from the most economical source? This could be Canada or North Dakota.

7. Do you want to cost the Montana Department of Transportation millions of dollars in lost federal funds? Alcohol tax incentives are paid directly from the Montana Highways Trust fund. Reductions in the Trust Fund reduces the ability of Montana to receive federal matching funds at a 6.5 to 1 ratio.

8. Do the economic benefits outweigh the economic costs?

The Montana Grain Elevator Association represents 50 members who own and operate over 150 grain elevators in Montana. We conduct our business and compete with one another in a very competitive marketplace. The concept of using public funds to subsidize a company which potentially could become the largest single user of grain in Montana will be very detrimental to our industry. Do not use our tax dollars to subsidize our competition. Vote **No** on Senate Bill 374.

Thank you for your time and consideration.

P.O. Box 1732 • Great Falls, MT 59403 • (406) 454-0700 Phone and FAX

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

House Taxation COMMITTEE BILL NO. SB 257 SB 359 SB 374

DATE 4/6/93 SPONSOR(S) Harp, Halligan, Franklin

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Carlo Cieri	Park County SB257	✓	
Bill Salisbury	MDT SB257	✓	
Tom Barnard	MDT SB257	✓	
Ben Havdahl	MT Motor Carriers Assn		✓
Carl Schweitzer	MCA	✓	
[illegible]	Labour Union	✓	
Larry Gallagher	City of Kalispell SB257	✓	
Brad Newcomb	Harvest States Co-op	374 ✓	
Tom Schneider	MPEA	257 ✓	
Gary Hebener	Am. Ethanol Corp	374 ✓	
Marv Dye	MDT	✓	
Pat Abelin	Bozeman Chamber	✓	
Jim Tutwiler	MT Chamber	SB257 ✓	
Pam Langley	Montana Grain Elevator Assn		SB 374 ✓

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

COMMITTEE _____ BILL NO. _____

DATE _____ SPONSOR(S) _____

PLEASE PRINT **PLEASE PRINT** **PLEASE PRINT**

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
GEORGE PAUL	FARMERS UNION	SB 374 SB359	
Lynn Moen	City of Helena	SB 257	
Alan Hobbs	Montana Refining Co	SB257	
Dennis Burr	MT TAXPAYERS ASSOC	SB257	
Steve Turkiewicz	MT. HIGHWAY Users fed	SB257	
Alec Hansen	MLCT	SB 257	
Glenna Wortman-Obie	AAA Montana	SB 257	
Bob Stephens	Mt Grain Growers Assn	SB 359	
Tom Harrison	American Ethanol	SB 374	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.