

1 SENATE BILL NO. 536

2 INTRODUCED BY G. HERTZ

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FUNDING TO LOCAL GOVERNMENTS FOR THE  
5 MAINTENANCE OF COUNTY AND CITY ROADS AND BRIDGES; PROVIDING FOR THE APPROPRIATION  
6 AND DISTRIBUTION OF FUNDS; PROVIDING ADMINISTRATION FEES; PROVIDING A FUND TRANSFER;  
7 AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

8

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

10

11 NEW SECTION. **Section 1. Local government road maintenance account -- APPROPRIATION.**

12 There is a local government road maintenance account in the state special revenue fund established in 17-2-  
13 102. All funds received pursuant to [section 3 4(1)] must be deposited in the account.

14 (2) Money deposited in the account is ~~subject to appropriation by the legislature~~ APPROPRIATED for  
15 the fiscal year starting July 1, 2023, to the department of transportation and may be used only for funding the  
16 construction, reconstruction, maintenance, and repair of county roads and city or town streets and alleys in the  
17 manner provided in [section 2].

18 (3) The total amount of money deposited in the account must be distributed pursuant to [section 2]  
19 by June 30, 2024.

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21 NEW SECTION. **Section 2. Distribution of funds for local government road maintenance --**

22 APPROPRIATION. (1) The amount of ~~\$100~~ \$50 million deposited in the local government road maintenance  
23 account provided in [section 1] is ~~subject to legislative appropriation~~ APPROPRIATED to the department of  
24 transportation for the fiscal year starting July 1, 2023, and must be distributed by the department for the fiscal  
25 year starting July 1, 2023, on a monthly basis to the counties, incorporated cities and towns, and consolidated  
26 city-county governments in Montana for the construction, reconstruction, maintenance, and repair of rural roads  
27 and city or town streets and alleys as follows:

28 (a) The amount of ~~\$40~~ \$20 million must be divided among the various counties in the following

1 manner:

2 (i) 50% in the ratio that the rural road mileage in each county, exclusive of the national highway  
3 system and the primary system, bears to the total rural road mileage in the state, exclusive of the national  
4 highway system and the primary system; and

5 (ii) 50% in the ratio that the rural population in each county outside incorporated cities and towns  
6 bears to the total rural population in the state outside incorporated cities and towns.

7 (b) The amount of ~~\$40~~ \$20 million must be divided among the incorporated cities and towns with a  
8 population of less than 10,000 as of the most recent decennial federal census in the following manner:

9 (i) 50% in the ratio that the city or town street and alley mileage, exclusive of the national highway  
10 system and the primary system, within corporate limits bears to the total street and alley mileage, exclusive of  
11 the national highway system and primary system, within the corporate limits of all incorporated cities and towns  
12 in Montana with a population of less than 10,000; and

13 (ii) 50% in the ratio that the population within the corporate limits of the city or town bears to the  
14 total population within corporate limits of all the cities and towns in Montana with a population of less than  
15 10,000 as of the most recent decennial federal census.

16 (c) The amount of ~~\$20~~ \$10 million must be divided among the incorporated cities with a population  
17 of more than 10,000 as of the most recent decennial federal census in the following manner:

18 (i) 50% in the ratio that the city or town street and alley mileage, exclusive of the national highway  
19 system and the primary system, within corporate limits bears to the total street and alley mileage, exclusive of  
20 the national highway system and primary system, within the corporate limits of all incorporated cities and towns  
21 in Montana with a population of more than 10,000 as of the most recent decennial census; and

22 (ii) 50% in the ratio that the population within the corporate limits of the city or town bears to the  
23 total population within corporate limits of all the cities and towns in Montana with a population of more than  
24 10,000 as of the most recent decennial census.

25 (2) (a) For the purpose of allocating the funds in subsections (1)(a) through (1)(c) to a consolidated  
26 city-county government, each entity must be considered to have separate city and county boundaries. The city  
27 limit boundaries are the last official city limit boundaries for the former city unless revised boundaries based on  
28 the location of the urban area have been approved by the department of transportation and must be used to

1 determine city and county populations and road mileages in the following manner:

2 (i) Percentage factors must be calculated to determine separate populations for the city and rural  
3 county by using the last official decennial federal census population figures that recognized an incorporated city  
4 and the rural county. The factors must be based on the ratio of the city to the rural county population,  
5 considering the total population in the county minus the population of any other incorporated city or town in the  
6 county.

7 (ii) The city and county populations must be calculated by multiplying the total county population,  
8 as determined by the latest official decennial census or the latest interim year population estimates from the  
9 department of commerce as supplied by the United States bureau of the census, minus the population of any  
10 other incorporated city or town in that county, by the factors established in subsection (2)(a)(i).

11 (b) The amount allocated by this method for the city and the county must be combined, and single  
12 monthly payments must be made to the consolidated city-county government.

13 (3) (a) All funds allocated by this section to counties, cities, towns, and consolidated city-county  
14 governments must be used for the construction, reconstruction, maintenance, and repair of rural roads or city or  
15 town streets and alleys.

16 (b) Funds allocated by this section may not be used for the purchase of capital equipment.

17 (4) All funds allocated by this section to counties, cities, towns, and consolidated city-county  
18 governments must be disbursed to the lowest responsible bidder according to applicable bidding procedures  
19 followed in all cases in which the contract for construction, reconstruction, maintenance, or repair is in excess of  
20 the amounts provided in 7-5-2301 and 7-5-4302.

21 (5) For the purposes of this section in which distribution of funds is made on a basis related to  
22 population, the population must be determined for counties and cities according to the latest official decennial  
23 federal census.

24 (6) For the purposes of this section in which determination of mileage is necessary for distribution  
25 of funds, the department of transportation shall utilize the yearly certified statement indicating the total mileage  
26 as provided in 15-70-101(7).

27 ~~(7) To receive a distribution of funds allowed under this section, a county, city, town, or~~  
28 ~~consolidated city-county shall remit a \$5 fee to the department of transportation for costs related to the~~

1 administration of [this act].

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3 **NEW SECTION. Section 3. Repairing Montana secondary roads and off-system bridges**

4 **account.** (1) There is a repairing Montana secondary roads and off-system bridges account in the state special  
5 revenue fund established in 17-2-102. All funds received pursuant to [section 4(2)] must be deposited in the  
6 account.

7 (2) Funds in the account are appropriated to the department of transportation for the fiscal year  
8 starting July 1, 2023, and may be used only for funding the construction, reconstruction, maintenance, and  
9 repair of secondary roads and off-system bridges as prioritized by the transportation commission pursuant to  
10 60-2-110.

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12 **NEW SECTION. Section 4. Transfer of funds.** Within 15 days of [the effective date of this act], the  
13 state treasurer shall transfer:

14 (1) ~~\$100~~ \$50 million from the general fund to the local government road maintenance account  
15 provided for in [section 1]; and

16 (2) \$50 million from the general fund to the repairing Montana secondary roads and off-system  
17 bridges account provided for in [section 3].

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19 **COORDINATION SECTION. Section 5. Coordination instruction.** If both House Bill No. 2 and [this  
20 act] are passed and approved and if House Bill No. 2 includes an appropriation of at least \$100 million to the  
21 department of transportation for the purposes of [this act], then the appropriations in [sections 1 and 3 of this  
22 act] are void.

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24 **NEW SECTION. Section 6. Effective date.** [This act] is effective July 1, 2023.

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26 **NEW SECTION. Section 7. Termination.** [This act] terminates June 30, 2024.

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