

## HOUSE BILL NO. 784

INTRODUCED BY S. ROSENZWEIG

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE DISTRIBUTION OF REVENUE FOR LOCAL GOVERNMENT ROAD CONSTRUCTION AND MAINTENANCE; PROVIDING THAT A PORTION OF LOCAL GOVERNMENT ROAD CONSTRUCTION AND MAINTENANCE REVENUE IS DISTRIBUTED BASED ON DAILY VEHICLE MILES TRAVELED; AMENDING SECTION 15-70-101, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

**Section 1.** Section 15-70-101, MCA, is amended to read:

**"15-70-101. Disposition of funds.** (1) Those funds allocated to cities, towns, counties, and consolidated city-county governments in this section must, in accordance with the provisions of 17-2-124, be paid by the department from the local government road construction and maintenance restricted account provided for in 15-70-128 to the cities, towns, counties, and consolidated city-county governments.

(2) The allocated funds must be distributed as follows:

(a) The amount of \$150,000 must be designated for the purposes and functions of the Montana local technical assistance transportation program in Bozeman.

(b) Three-eighths of the remaining amount must be divided among the various counties in the following manner:

(i) 40% 30% in the ratio that the rural road mileage in each county, exclusive of the national highway system and the primary system, bears to the total rural road mileage in the state, exclusive of the national highway system and the primary system;

(ii) 40% 30% in the ratio that the rural population in each county outside incorporated cities and towns bears to the total rural population in the state outside incorporated cities and towns;

(iii) 25% in the ratio that the total daily vehicle miles traveled in each county bears to the total daily vehicle miles traveled in the state; and

(iii) ~~(iv)~~ 20% 15% in the ratio that the land area of each county bears to the total land area of the state.

(c) The remaining funds must be divided among the incorporated cities and towns in the following manner:

(i) 50% 40% of the sum in the ratio that the population within the corporate limits of the city or town bears to the total population within corporate limits of all the cities and towns in ~~Montana~~ the state;

(ii) 50% 40% in the ratio that the city or town street and alley mileage, exclusive of the national highway system and the primary system, within corporate limits bears to the total street and alley mileage, exclusive of the national highway system and primary system, within the corporate limits of all cities and towns in ~~Montana~~ the state; and

(iii) 20% in the ratio that the total daily vehicle miles traveled within the corporate limits of each city and town bears to the total daily vehicle miles traveled within the corporate limits of all cities and towns in the state.

(3) (a) For the purpose of allocating the funds in subsections (2)(b) and (2)(c) to a consolidated city-county government, each entity must be considered to have separate city and county boundaries. The city limit boundaries are the last official city limit boundaries for the former city unless revised boundaries based on the location of the urban area have been approved by the department of transportation and must be used to determine city and county populations and road mileages in the following manner:

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

(ii) The city and county populations must be calculated by multiplying the total county population, as determined by the latest official decennial census or the latest interim year population estimates from the Montana department of commerce as supplied by the United States bureau of the census, minus the population of any other incorporated city or town in that county, by the factors established in subsection (3)(a)(i).

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

(4) All funds allocated by this section to counties, cities, towns, and consolidated city-county governments must be used for the construction, reconstruction, maintenance, and repair of rural roads or city or town streets and alleys or for the share that the city, town, county, or consolidated city-county government might otherwise expend for proportionate matching of federal funds allocated for the construction of roads or streets that are part of the primary or secondary highway system or urban extensions to those systems. The governing body of a town or third-class city, as defined in 7-1-4111, may each year expend no more than 25% of the funds allocated to that town or third-class city for the purchase of capital equipment and supplies to be used for the maintenance and repair of town or third-class city streets and alleys. The governing body of a town or third-class city may place all or a part of the 25% in a restricted asset account within the gas tax apportionment fund that is carried forward until there is a need for the expenditure.

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

(6) For the purposes of this section in which distribution of funds is made on a basis related to population, the population must be determined annually for counties and biennially for cities according to the latest official decennial census or the latest interim year population estimates from the Montana department of commerce as supplied by the United States bureau of the census.

(7) For the purposes of this section in which determination of mileage is necessary for distribution of funds, it is the responsibility of the cities, towns, counties, and consolidated city-county governments to furnish to the department of transportation a yearly certified statement indicating the total mileage within their respective areas applicable to this chapter. All mileage submitted is subject to review and approval by the department of transportation.

(8) For the purposes of this section in which determination of daily vehicle miles traveled is necessary for distribution of funds, the department of transportation shall calculate daily vehicle miles traveled.

(8) (9) Except by a town or third-class city as provided in subsection (4), the funds authorized by this section may not be used for the purchase of capital equipment.

~~(9) Unused balances remaining in the former 15-70-127 bridge and road safety and accountability~~

1 restricted account as of June 30, 2023, must be distributed in accordance with subsections (2)(b) and (2)(c) on  
2 September 1, 2023."

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4 NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 2025.

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