

SENATE BILL NO. 46

INTRODUCED BY C. VINCENT

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE APPORTIONMENT AND DISTRIBUTION OF CERTAIN FUNDS AND INTEREST EARNINGS TO MONTANA COUNTIES; DECREASING THE TIME REQUIRED FOR DISTRIBUTION OF FOREST RESERVE AND CERTAIN OTHER FEDERAL FUNDS AND INTEREST EARNINGS TO MONTANA COUNTIES; PROVIDING THAT NO INTEREST ON THESE FUNDS ARE PAID TO COUNTIES IF HELD BY STATE FOR 5 DAYS OR LESS; ALLOWING FUNDS TO BE APPORTIONED AND DISTRIBUTED PURSUANT TO SUBSEQUENT FEDERAL ACTS; AMENDING SECTIONS 17-3-211, 17-3-212, AND 17-3-213, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 17-3-211, MCA, is amended to read:

"17-3-211. Forest reserve money and other federal funds. (1) The state treasurer, for the purpose of carrying out the provisions of 16 U.S.C. 500, Public Law 106-393, Public Law 110-343, and all acts subsequent to them, shall divide and distribute all forest reserve, Public Law 106-393, and Public Law 110-343 funds received by the state, ~~plus interest earned,~~ to and among the several counties entitled to the funds and pay the amounts to the several county treasurers of the counties within ~~30~~ 5 business days after receiving full payment, as directed by the department.

(2) ~~The~~ If the forest reserve money, the Public Law 106-393 money, and Public Law 110-343 money ~~must be invested and all investment earnings credited to the forest reserve account or the Public Law 106-393 and Public Law 110-343 account, as appropriate~~ are not distributed within 5 business days of receipt by the state, all interest earnings must be credited to the appropriate counties."

Section 2. Section 17-3-212, MCA, is amended to read:

"17-3-212. Apportionment of forest reserve funds and other federal funds among counties. (1) The forest reserve funds, all Public Law 106-393 funds, all Public Law 110-343 funds, funds received pursuant to a similar subsequent act, and earned interest are statutorily appropriated, as provided in 17-7-502, from the

1 federal special revenue fund to the department. The department shall apportion all forest reserve funds, all Public
2 Law 106-393 funds, all Public Law 110-343 funds, and earned interest, as provided in 17-3-211, for allocation
3 among the counties in which the forest reserve is situated based upon federal law and this section.

4 (2) The state treasurer shall pay the apportioned amounts plus interest, as provided in 17-3-211, to the
5 respective counties."

6
7 **Section 3.** Section 17-3-213, MCA, is amended to read:

8 **"17-3-213. Allocation of forest reserve funds and other federal funds -- options provided in federal**
9 **law.** (1) The board of county commissioners in each county shall decide among payment options provided in
10 subsections (2) through (6), as provided in Public Law 106-393, ~~and~~ Public Law 110-343, and any similar
11 subsequent act to determine how the forest reserve funds, Public Law 106-393, funds, ~~and~~ Public Law 110-343
12 funds, and funds received pursuant to a similar subsequent act apportioned to each county must be distributed
13 by the county treasurer pursuant to this section.

14 (2) If a board of county commissioners chooses to receive a payment that is 25% of the revenue derived
15 from national forest system lands, as provided in 16 U.S.C. 500 or any similar subsequent act, all funds received
16 must be distributed as provided in subsection (5).

17 (3) (a) Except as provided in subsection (4), if a county elects to receive the county's full payment under
18 Public Law 106-393 or any similar subsequent act, a minimum of 80% up to a maximum of 85% of the county's
19 full payment must be designated by the county for distribution as provided in subsection (5).

20 (b) The balance not distributed pursuant to subsection (3)(a) may be allocated by the county in
21 accordance with Public Law 106-393 or any similar subsequent act.

22 (4) If a county's full payment under Public Law 106-393 or any similar subsequent act is less than
23 \$100,000, the county may elect to distribute up to 100% of the payment as provided in subsection (5).

24 (5) The total amount designated by a county in accordance with subsection (3)(a) or (4) must be
25 distributed as follows:

26 (a) to the general road fund, 66 2/3% of the amount designated;

27 (b) to the following countywide school levies, 33 1/3% of the amount designated:

28 (i) county equalization for elementary schools provided for in 20-9-331;

29 (ii) county equalization for high schools provided for in 20-9-333;

30 (iii) the county transportation fund provided for in 20-10-146; and

(iv) the elementary and high school district retirement fund obligations provided for in 20-9-501.

(6) The apportionment of money to the funds provided for under subsection (5)(b) must be made by the county superintendent based on the proportion that the mill levy of each fund bears to the total number of mills for all the funds. Whenever the total amount of money available for apportionment under subsection (5)(b) is greater than the total requirements of a levy, the excess money and any interest income must be retained in a separate reserve fund, to be reapportioned in the ensuing school fiscal year to the levies designated in subsection (5)(b).

(7) In counties in which special road districts have been created according to law, the board of county commissioners shall distribute a proportionate share of the 66 2/3% distributed under subsection (5)(a) for the general road fund to the special road districts within the county based upon the percentage that the total area of the road district bears to the total area of the entire county.

(8) Except as provided in subsection (9), if a county elects to receive the county's full payment under Public Law 110-343 or any similar subsequent act, not less than 80% but not more than 85% of the funds must be expended in the same manner as provided in subsection (5). A county may reserve not more than 7% of the county's full payment for projects in accordance with Title III of section 601 of Public Law 110-343. The balance of the funds may be:

(a) reserved for projects in accordance with Title II of section 601 of Public Law 110-343 or any similar subsequent act; or

(b) returned to the United States.

(9) (a) If a county's full payment is more than \$100,000 but less than or equal to \$350,000, the county may use all of the funds as provided in Title II or Title III of section 601 of Public Law 110-343 or any similar subsequent act, or return the funds to the United States.

(b) If a county's full payment is less than or equal to \$100,000, the county may elect to distribute up to 100% of the payment as provided in subsection (5)."

NEW SECTION. Section 4. Effective date. [This act] is effective on passage and approval.

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