HOUSE BILL NO. 386

INTRODUCED BY SCHYE

IN THE HOUSE

JANUARY 24, 1991 INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.

JANUARY 25, 1991 FIRST READING.

MARCH 18, 1991 COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.

MARCH 19, 1991 PRINTING REPORT.

MARCH 20, 1991 SECOND READING, DO PASS.

MARCH 21, 1991 ENGROSSING REPORT.

MARCH 23, 1991 THIRD READING, PASSED. AYES, 58; NOES, 39.

TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 23, 1991

FIRST READING.

APRIL 5, 1991

APRIL 15, 1991

APRIL 16, 1991

ON TAXATION.

INTRODUCED AND REFERRED TO COMMITTEE

TIKOI KEADING.

COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.

SECOND READING, CONCURRED IN.

THIRD READING, CONCURRED IN. AYES, 29; NOES, 20.

RETURNED TO HOUSE.

IN THE HOUSE

APRIL 17, 1991

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

52nd Legislature

LC 1463/01

INTRODUCED BY Subje 1 2 3

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE GASOLINE
LICENSE TAX BY 1 CENT A GALLON TO FINANCE ROADS LEADING TO
AND WITHIN STATE PARKS, STATE RECREATIONAL AREAS, AREAS
HAVING STATE MONUMENTS, AND STATE HISTORICAL SITES; AMENDING
SECTIONS 15-70-101 AND 15-70-204, MCA; AND PROVIDING AN
EFFECTIVE DATE AND AN APPLICABILITY DATE."

10

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

12 Section 1. Section 15-70-101, MCA, is amended to read: 13 *15-70-101. Disposition of funds. All taxes, interest, 14 and penalties collected under this chapter, except those 15 collected by a justice's court, shall must be turned over 16 promptly to the state treasurer, who shall place deposit 17 4.76% of the money in the state special revenue fund to the 18 credit of the department of fish, wildlife, and parks and 19 the remainder of the same money in the state special revenue 20 fund to the credit of the department of highways. Those 21 funds hereinbelow in this section allocated to cities, 22 towns, and counties shall must be paid by the department of 23 highways from the state special revenue fund to such the 24 cities, towns, and counties.

25 (1) \$14,000,000 of the funds collected under this



chapter, except those collected by a justice's court, is 1 2 statutorily appropriated, as provided in 17-7-502, to the department of highways and shall must be allocated each 3 fiscal year on a monthly basis to the counties and 4 5 incorporated cities and towns in Montana for construction, reconstruction, maintenance, and repair of rural roads and 6 city or town streets and alleys, as provided in subsections 7 8 (1)(a) through (1)(c):

9 (a) \$54,000 shall <u>must</u> be designated for the purposes
10 and functions of the Montana rural technical assistance
11 transportation program in Bozeman;

(b) \$6,323,000 shall must be divided among the various
counties in the following manner:

(i) 40% in the ratio that the rural road mileage in
each county, exclusive of the federal-aid interstate system
and the federal-aid primary system, bears to the total rural
road mileage in the state, exclusive of the federal-aid
interstate system and the federal-aid primary system;

19 (ii) 40% in the ratio that the rural population in each 20 county outside incorporated cities and towns bears to the 21 total rural population in the state outside incorporated 22 cities and towns;

23 (iii) 20% in the ratio that the land area of each county24 bears to the total land area of the state;

25 (c) \$7,623,000 shall must be divided among the

-2- INTRODUCED BILL HB 386

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1 incorporated cities and towns in the following manner:

2 (i) 50% of the sum in the ratio that the population
3 within the corporate limits of the city or town bears to the
4 total population within corporate limits of all the cities
5 and towns in Montana;

6 (ii) 50% in the ratio that the city or town street and 7 alley mileage, exclusive of the federal-aid interstate 8 system and the federal-aid primary system, within corporate 9 limits bears to the total street and alley mileage, 10 exclusive of the federal-aid interstate system and 11 federal-aid primary system, within the corporate limits of 12 all cities and towns in Montana.

13 (2) All funds hereby allocated in this section to 14 counties, cities, and towns shall must be used for the 15 construction, reconstruction, maintenance, and repair of 16 rural roads, and city or town streets and alleys or for the 17 share which--such that the city, town, or county might 18 otherwise expend for proportionate matching of federal funds 19 allocated for the construction of roads or streets which 20 that are part of the federal-aid primary or secondary 21 highway system or urban extensions thereto to the system, 22 except that the governing body of a town or third-class city, as defined in 7-1-4111, may each year expend no more 23 24 than 25% of the funds allocated to that town or third-class 25 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.

3 (3) Upon receipt of the allocation provided herein in 4 <u>this section</u>, the governing bodies of the recipient 5 counties, cities, and towns shall inform the department of 6 highways of the purposes for which the funds will be 7 expended so that the county commissioners, the governing 8 body, and the department of highways may coordinate the 9 expenditure of public funds for road improvements.

10 (4) All funds hereby allocated <u>in this section</u> to 11 counties, cities, and towns shall <u>must</u> be disbursed to the 12 lowest responsible bidder according to applicable bidding 13 procedures followed in all cases where <u>in which</u> the contract 14 for construction, reconstruction, maintenance, or repair is 15 in excess of \$4,000.

16 (5) For the purposes of this section where when
17 distribution of funds is made on a basis related to
18 population, the population shall must be determined by the
19 last preceding official federal census.

(6) For the purposes of this section where when
determination of mileage is necessary for distribution of
funds, it shall-be is the responsibility of the cities,
towns, and counties to furnish to the department of highways
a yearly certified statement indicating the total mileage
within their respective areas applicable to this chapter.

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All mileage submitted shall must be subject to review and
 approval by the department of highways.

3 (7) Except by a town or third-class city as provided in
4 subsection (2), none of the funds authorized by this section
5 shall may be used for the purchase of capital equipment.

6 (8) Funds authorized by this section shall must be used
7 for construction and maintenance programs only."

Section 2. Section 15-70-204, MCA, is amended to read: 8 *15-70-204. Gasoline license tax -- rate. (1) Every 9 10 Each distributor shall pay to the department of revenue a 11 license tax for the privilege of engaging in and carrying on 12 business in this state in an amount equal to 1 cent for each 13 gallon of aviation gasoline, which shall must be allocated 14 to the department of commerce as provided by 67-1-301, as amended, and 20 21 cents for each gallon of all other 15 16 gasoline distributed by him within the state and upon which 17 the gasoline license tax has not been paid by any other 18 distributor.

19 (2) Gasoline exported shall may not be included in the
20 measure of the distributor's license tax.

21 (3) Alcohol that is blended or is to be blended with
22 gasoline to be sold as gasohol is subject to a tax per
23 gallon equal to the license tax imposed on nonaviation
24 gasoline distributors under subsection (1)."

25 NEW SECTION. Section 3. Deposit of portion of gasoline

1 license tax for state parks roads. (1) The state treasurer 2 shall deposit 4.76% of the money received under 15-70-101 in 3 the state special revenue fund to the credit of the 4 department of fish, wildlife, and parks to be used, as 5 agreed with the department of highways and in conformity 6 with state and federal laws regarding standards and 7 specifications for highways, for the construction, 8 improvement, and maintenance of roads leading from the 9 federal-aid interstate system, the federal-aid primary 10 system, and the federal-aid secondary system to areas, sites, or objects under its jurisdiction, custody, and 11 12 control, as provided in 23-1-102, and for the construction, 13 improvement, and maintenance of roads within those areas or sites. The department of fish, wildlife, and parks may use 14 the money for the construction, improvement, and maintenance 15 of portions of the federal-aid secondary system that the 16 17 department determines are necessary to provide access to the 18 areas, sites, or objects.

NEW SECTION. Section 4. Codification instruction.
[Section 3] is intended to be codified as an integral part
of Title 15, chapter 70, part 2, and the provisions of Title
15, chapter 70, apply to [section 3].

23 <u>NEW SECTION.</u> Section 5. Effective date -24 applicability. [This act] is effective July 1, 1991, and
25 applies to gasoline license tax liability incurred after

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LC 1463/01

1 June 30, 1991.

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STATE OF MONTANA - FISCAL NOTE Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for <u>HB0386</u>, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act increasing the gasoline license tax by 1 cent a gallon to finance roads leading to and within state parks, state recreational areas, areas having state monuments, and state historical sites; and providing an effective date and an applicability date.

ASSUMPTIONS:

- 1. Gasoline License Tax collections, under current law, will be \$87,733,000 in FY92 and \$87,693,000 in FY93. (OBPP.)
- 2. Under the proposal, there would be one month of collections at the current rate (\$0.20 per gallon) and allocation; and 11 months of collections at the proposed rate (\$0.21 per gallon) and allocation in FY92.
- 3. The effective rate for the gasoline tax under current law is 19.8 cents per gallon (OBPP) and is expected to be 20.79 cents per gallon under the proposal.
- 4. Under this proposal 4.76% of the gasoline license tax and special fuels (diesel) tax is to be deposited in the state special revenue fund to the credit of the department of fish, wildlife, and parks.

FISCAL IMPACT:

see next page

ROD SUNDSTED, BUDGET DIRECTOR DATE

Office of Budget and Program Planning

TED SCHYE, PRIMARY SPONSOR DATE Fiscal Note for HB0386 as_introduced HB 386

Fiscal Note Request, <u>HB0386</u>, <u>as introduced</u> Form BD-15 Page 2

FISCAL IMPACT:

<u>Revenues:</u>	FY '92			FY '93		
	<u>Current Law</u>	Proposed Law	Difference	<u>Current Law</u>	Proposed Law	Difference
Gasoline Tax Collections	87,733,000	91,754,000	4,021,000	87,693,000	92,077,000	4,384,000
Special fuel (Diesel) Tax	<u>26,803,469</u>	26,803,469	0	27,779,894	<u>27,779,894</u>	0
Total	114,536,469	118,557,469	4,021,000	115,472,894	119,856,894	4,384,000
Fund Information: (02)						
State Motor Boat Fund	789,597	825,786	36,189	789,237	828,693	39,456
Snowmobile Park Fund	438,665	458,770	20,105	438,465	460,385	21,920
Aeronautics Revenue	35,093	36,702	1,609	35,077	36,831	1,754
State Parks Road Fund	0	5,295,332	5,295,332	0	5,705, 188	5,705,188
Highway Fund	<u>113,273,114</u>	<u>111,940,879</u>	<u>(1,332,235)</u>	<u>114.210.115</u>	<u>112,825,797</u>	<u>(1.384,318)</u>
Total	114,536,469	118,557,469	4,021,000	115,472,894	119,856,894	4,384,000
<u>Highway Fund Detail:</u> (02)						
Gross Receipts	113,273,114	111,940,879	(1,332,235)	114,210,115	112,825,797	(1,384,318)
Highway Fund	<u>(4,764,622</u>)	(4,940,510)	(175,888)	(4,796,654)	(4,990,273)	(193,619)
Net Receipts	108,508,492	107,000,369	(1,508,123)	109,413,461	107,835,524	(1,577,937)

52nd Legislature

HB 0386/02

APPROVED BY COMMITTEE ON TAXATION

HOUSE BILL NO. 386 INTRODUCED BY SCHYE

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE GASOLINE
LICENSE TAX BY 1 0.25 CENT A GALLON TO FINANCE ROADS LEADING
TO AND WITHIN STATE PARKS, STATE RECREATIONAL AREAS, AREAS
HAVING STATE MONUMENTS, AND STATE HISTORICAL SITES; AMENDING
SECTIONS 15-70-101 AND 15-70-204, MCA; AND PROVIDING AN
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HB 0386/02

1 (1) \$14,000,000 of the funds collected under this 2 chapter, except those collected by a justice's court, is 3 statutorily appropriated, as provided in 17-7-502, to the 4 department of highways and shall must be allocated each 5 fiscal year on a monthly basis to the counties and 6 incorporated cities and towns in Montana for construction, 7 reconstruction, maintenance, and repair of rural roads and В city or town streets and alleys, as provided in subsections 9 (1)(a) through (1)(c):

10 (a) \$54,000 shall must be designated for the purposes 11 and functions of the Montana rural technical assistance 12 transportation program in Bozeman;

13 (b) \$6,323,000 shall must be divided among the various 14 counties in the following manner:

(i) 40% in the ratio that the rural road mileage in each county, exclusive of the federal-aid interstate system and the federal-aid primary system, bears to the total rural road mileage in the state, exclusive of the federal-aid interstate system and the federal-aid primary system;

(ii) 40% 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;

24 (iii) 20% in the ratio that the land area of each county25 bears to the total land area of the state;



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HB 386 SECOND READING

$HB=0.386 \neq 0.2$

(c) \$7,623,000 shall must be divided among the
 incorporated cities and towns in the following manner:

3 (i) 50% of the sum in the ratio that the population 4 within the corporate limits of the city or town bears to the 5 total population within corporate limits of all the cities 6 and towns in Montana;

7 (ii) 50% in the ratio that the city or town street and 8 alley mileage, exclusive of the federal-aid interstate 9 system and the federal-aid primary system, within corporate 10 limits bears to the total street and alley mileage, 11 exclusive of the federal-aid interstate system and 12 federal-aid primary system, within the corporate limits of 13 all cities and towns in Montana.

14 (2) All funds hereby allocated in this section to counties, cities, and towns shall must be used for the 15 construction, reconstruction, maintenance, and repair of 16 17 rural roads, and city or town streets and alleys or for the 18 share which-such that the city, town, or county might 19 otherwise expend for proportionate matching of federal funds 20 allocated for the construction of roads or streets which 21 that are part of the federal-aid primary or secondary 22 highway system or urban extensions thereto to the system, except that the governing body of a town or third-class 23 24 city, as defined in 7-1-4111, may each year expend no more 25 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.

4 (3) Upon receipt of the allocation provided herein in 5 <u>this section</u>, the governing bodies of the recipient 6 counties, cities, and towns shall inform the department of 7 highways of the purposes for which the funds will be 8 expended so that the county commissioners, the governing 9 body, and the department of highways may coordinate the 10 expenditure of public funds for road improvements.

11 (4) All funds hereby allocated <u>in this section</u> to 12 counties, cities, and towns shall <u>must</u> be disbursed to the 13 lowest responsible bidder according to applicable bidding 14 procedures followed in all cases where <u>in which</u> the contract 15 for construction, reconstruction, maintenance, or repair is 16 in excess of \$4,000.

17 (5) For the purposes of this section where when 18 distribution of funds is made on a basis related to 19 population, the population shall must be determined by the 20 last preceding official federal census.

(6) For the purposes of this section where when determination of mileage is necessary for distribution of funds, it shall--be is the responsibility of the cities, towns, and counties to furnish to the department of highways a yearly certified statement indicating the total mileage

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within their respective areas applicable to this chapter.
 All mileage submitted shall must be subject to review and
 approval by the department of highways.

4 (7) Except by a town or third-class city as provided in
5 subsection (2), none of the funds authorized by this section
6 shall may be used for the purchase of capital equipment.

7 (8) Funds authorized by this section shall must be used
8 for construction and maintenance programs only."

Section 2. Section 15-70-204, MCA, is amended to read: 9 *15-70-204. Gasoline license tax -- rate. (1) Every 10 Each distributor shall pay to the department of revenue a 11 license tax for the privilege of engaging in and carrying on 12 business in this state in an amount equal to 1 cent for each 13 gallon of aviation gasoline, which shall must be allocated 14 to the department of commerce as provided by 67-1-301, as 15 amended, and $2\theta \frac{21}{2} 20.25$ cents for each gallon of all other 16 gasoline distributed by him within the state and upon which 17 the gasoline license tax has not been paid by any other 18 19 distributor.

(2) Gasoline exported shall may not be included in the
 measure of the distributor's license tax.

(3) Alcohol that is blended or is to be blended with
gasoline to be sold as gasohol is subject to a tax per
gallon equal to the license tax imposed on nonaviation
gasoline distributors under subsection (1)."

1 NEW SECTION. Section 3. Deposit of portion of gasoline license tax for state parks roads. (1) The state treasurer 2 shall deposit 4-76%-of the money received under 15-70-101 in 3 the state special revenue fund to the credit of the 4 department of fish, wildlife, and parks to be used, as 5 6 agreed with the department of highways and in conformity 7 with state and federal laws regarding standards and specifications for highways, for construction, 8 the 9 improvement, and maintenance of roads leading from the 10 federal-aid interstate system, the federal-aid primary 11 system, and the federal-aid secondary system to areas, 12 sites, or objects under its jurisdiction, custody, and 13 control, as provided in 23-1-102, and for the construction, improvement, and maintenance of roads within those areas or 14 15 sites. The department of fish, wildlife, and parks may use 16 the money for the construction, improvement, and maintenance 17 of portions of the federal-aid secondary system that the 18 department determines are necessary to provide access to the 19 areas, sites, or objects.

20 <u>NEW_SECTION.</u> Section 4. Codification instruction. 21 [Section 3] is intended to be codified as an integral part 22 of Title 15, chapter 70, part 2, and the provisions of Title 23 15, chapter 70, apply to [section 3].

 24
 NEW SECTION.
 Section 5.
 Effective
 date
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 applicability. [This act] is effective July 1, 1991, and

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- 1 applies to gasoline license tax liability incurred after
- 2 June 30, 1991.

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HB 0386/02

HB 0386/02

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25	Counties.	25	bears to the total land area of the state;
24	special revenue fund to such the cities, towns, and	24	(iii) 20% in the ratio that the land area of each county
23	must be paid by the department of highways from the state	23	cities and towns;
22	this section allocated to cities, towns, and counties shall	2.2	total rural population in the state outside incorporated
21	of the department of highways. Those funds hereinbelow in	21	county outside incorporated cities and towns bears to the
20	same money in the state special revenue fund to the credit	20	(ii) 40% in the ratio that the rural population in each
19	parks, AS PROVIDED IN [SECTION 3], and the remainder of the	19	interstate system and the federal-aid primary system;
18	to the credit of the department of fish, wildlife, and	18	road mileage in the state, exclusive of the federal-aid
17	4.76% 1.19% of the money in the state special revenue fund	17	and the federal-aid primary system, bears to the total rural
16	promptly to the state treasurer, who shall place deposit	16	each county, exclusive of the federal-aid interstate system
15	collected by a justice's court, shall must be turned over	15	(i) 40% in the ratio that the rural road mileage in
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12	Section 1. Section 15-70-101, MCA, is amended to read:	12	transportation program in Bozeman;
11	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	11	and functions of the Montana rural technical assistance
10		10	(a) \$54,000 shall must be designated for the purposes
9	EFFECTIVE DATE AND AN APPLICABILITY DATE."	Ģ	(4)(a) through (1)(c):
8	SECTIONS 15-70-101 AND 15-70-204, MCA: AND PROVIDING AN	8	city or town streets and alleys, as provided in subsections
7	HAVING STATE MONUMENTS, AND STATE HISTORICAL SITES; AMENDING	7	reconstruction, maintenance, and repair of rural roads and
6	TO AND WITHIN STATE PARKS, STATE RECREATIONAL AREAS, AREAS	6	incorporated cities and towns in Montana for construction,
5	LICENSE TAX BY $\frac{1}{2}$ 0.25 CENT A GALLON TO FINANCE ROADS LEADING	5	fiscal year on a monthly basis to the counties and
4	A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE GASOLINE	4	department of highways and shall must be allocated each
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Montana Legislative Council

THIRD READING

HB 0385-02

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HB 0386/02

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June 30, 1991. 2

-End-

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HB 0386/02

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16	promptly to the state treasurer, who shall place deposit
17	4:76% 1.19% of the money in the state special revenue fund
18	to the credit of the department of fish, wildlife, and
19	parks, AS PROVIDED IN [SECTION 3], and the remainder of the
20	some money in the state special revenue fund to the credit
21	of the department of highways. Those funds hereinbelow in
22	this section allocated to cities, towns, and counties shall
23	must be paid by the department of highways from the state
24	special revenue fund to such the cities, towns, and
25	Counties.

1 (1) \$14,000,000 of the funds collected under this 2 chapter, except those collected by a justice's court, is 3 statutorily appropriated, as provided in 17-7-502, to the 4 department of highways and shall must be allocated each 5 fiscal year on a monthly basis to the counties and 6 incorporated cities and towns in Montana for construction, 7 reconstruction, maintenance, and repair of rural roads and 8 city or town streets and alleys, as provided in subsections 9 (1)(a) through (1)(c):

10 (a) \$54,000 shall must be designated for the purposes
11 and functions of the Montana rural technical assistance
12 transportation program in Bozeman;

(b) \$6,323,000 shall must be divided among the various
counties in the following manner:

15 (i) 40% in the ratio that the rural road mileage in 16 each county, exclusive of the federal-aid interstate system 17 and the federal-aid primary system, bears to the total rural 18 road mileage in the state, exclusive of the federal-aid 19 interstate system and the federal-aid primary system;

(ii) 40% 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;

24 (iii) 20% in the ratio that the land area of each county
25 bears to the total land area of the state;

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(c) \$7,623,000 shall must be divided among the
 incorporated cities and towns in the following manner:

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3 (i) 50% of the sum in the ratio that the population 4 within the corporate limits of the city or town bears to the 5 total population within corporate limits of all the cities 6 and towns in Montana;

7 (ii) 50% in the ratio that the city or town street and 8 alley mileage, exclusive of the federal-aid interstate 9 system and the federal-aid primary system, within corporate 10 limits bears to the total street and alley mileage, 11 exclusive of the federal-aid interstate system and 12 federal-aid primary system, within the corporate limits of 13 all cities and towns in Montana.

14 (2) All funds hereby allocated in this section to 15 counties, cities, and towns shall must be used for the 16 construction, reconstruction, maintenance, and repair of 17 rural roads; and city or town streets and alleys or for the 18 share which-such that the city, town, or county might 19 otherwise expend for proportionate matching of federal funds 20 allocated for the construction of roads or streets which 21 that are part of the federal-aid primary or secondary 22 highway system or urban extensions thereto to the system, 23 except that the governing body of a town or third-class 24 city, as defined in 7-1-4111, may each year expend no more 25 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.

4 (3) Upon receipt of the allocation provided herein in 5 <u>this section</u>, the governing bodies of the recipient 6 counties, cities, and towns shall inform the department of 7 highways of the purposes for which the funds will be 8 expended so that the county commissioners, the governing 9 body, and the department of highways may coordinate the 10 expenditure of public funds for road improvements.

11 (4) All funds hereby allocated <u>in this section</u> to 12 counties, cities, and towns shall <u>must</u> be disbursed to the 13 lowest responsible bidder according to applicable bidding 14 procedures followed in all cases where <u>in which</u> the contract 15 for construction, reconstruction, maintenance, or repair is 16 in excess of \$4,000.

17 (5) For the purposes of this section where when
18 distribution of funds is made on a basis related to
19 population, the population shall must be determined by the
20 last preceding official federal census.

(6) For the purposes of this section where when determination of mileage is necessary for distribution of funds, it shall--be is the responsibility of the cities, towns, and counties to furnish to the department of highways a yearly certified statement indicating the total mileage

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within their respective areas applicable to this chapter. 1 All mileage submitted shall must be subject to review and 2 approval by the department of highways. 3

(7) Except by a town or third-class city as provided in 4 subsection (2), none of the funds authorized by this section S shall may be used for the purchase of capital equipment. 6

(8) Funds authorized by this section shall must be used 7 for construction and maintenance programs only." 8

Section 2. Section 15-70-204, MCA, is amended to read: 9 *15-70-204. Gasoline license tax -- rate. (1) Every 10 Each distributor shall pay to the department of revenue a 11 license tax for the privilege of engaging in and carrying on 12 business in this state in an amount equal to 1 cent for each 13 gallon of aviation gasoline, which shall must be allocated 14 to the department of commerce as provided by 67-1-301, as 15 amended, and 20 21 20.25 cents for each gallon of all other 16 gasoline distributed by him within the state and upon which 17 the gasoline license tax has not been paid by any other 18 19 distributor.

(2) Gasoline exported shall may not be included in the 20 measure of the distributor's license tax. 21

(3) Alcohol that is blended or is to be blended with 22 gasoline to be sold as gasohol is subject to a tax per 23 gallon equal to the license tax imposed on nonaviation 24 gasoline distributors under subsection (1)." 25

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1 NEW SECTION. Section 3. Deposit of portion of gasoline 2 license tax for state parks roads. (1) The state treasurer 3 4 5 department of fish, wildlife, and parks to be used, as 6 7 8 specifications for highways, for the construction, g 10 11 12 13 14 15 16 17 18 19 areas, sites, or objects.

20 NEW SECTION. Section 4. Codification instruction. 21 [Section 3] is intended to be codified as an integral part 22 of Title 15, chapter 70, part 2, and the provisions of Title 23 15, chapter 70, apply to [section 3].

24 NEW SECTION. Section 5. Effective date ---25 applicability. [This act] is effective July 1, 1991, and

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shall deposit 4-76%-of the money received under 15-70-101 in the state special revenue fund to the credit of the agreed with the department of highways and in conformity with state and federal laws regarding standards and improvement, and maintenance of roads leading from the federal-aid interstate system, the federal-aid primary system, and the federal-aid secondary system to areas, sites, or objects under its jurisdiction, custody, and control, as provided in 23-1-102, and for the construction, improvement, and maintenance of roads within those areas or sites. The department of fish, wildlife, and parks may use the money for the construction, improvement, and maintenance of portions of the federal-aid secondary system that the department determines are necessary to provide access to the

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- 1 applies to gasoline license tax liability incurred after
- 2 June 30, 1991.

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State of Montana Office of the Governor Helena, Montana 59620 406-444-3111

STAN STEPHENS GOVERNOR

April 24, 1991

The Honorable Hal Harper Speaker of the House House of Representatives Capitol Station Helena, Montana 59620

The Honorable Joseph P. Mazurek President Montana State Senate Capitol Station Helena, Montana 59620

Dear Speaker Harper and President Mazurek:

In accordance with the power vested in me as Governor by the Constitution and laws of the State of Montana, I hereby veto the adoption of House Bill 386, "AN ACT INCREASING THE GASOLINE LICENSE TAX BY <u>+ 0.25</u> CENT A GALLON TO FINANCE ROADS LEADING TO AND WITHIN STATE PARKS, STATE RECREATIONAL AREAS, AREAS HAVING STATE MONUMENTS, AND STATE HISTORICAL SITES; AMENDING SECTIONS 15-70-101 AND 15-70-204, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

House Bill 386 imposes an additional one-quarter cent per gallon gas tax on Montanans who use fuels. This is a general tax increase and as such runs counter to my promise to the people of Montana that such increases would not be allowed.

No matter how worthy the cause, and the use of this money for roads within Montana parks is worthy, government can and must live within its current means.

Because the maintenance of roads leading to and within state parks and recreation areas is a priority of this administration, I have instructed the Directors of the Department of Highways and the Department of Fish, Wildlife and Parks to work together to provide as much service as possible within existing budgets to these roads.

For these reasons, I must veto House Bill 386.

Sincene My,

STAN STEPHENS Governor