

HOUSE BILL 985

Introduced by Raney

3/11	Introduced
3/11	Referred to Taxation
3/11	First Reading
3/11	Fiscal Note Requested
3/15	Fiscal Note Received
3/15	Fiscal Note Printed
3/21	Hearing
3/27	Tabled in Committee

1 House BILL NO. 985
 2 INTRODUCED BY Raney
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT IMPOSING A MOTOR
 5 CARRIER TAX ON MOTOR VEHICLES WEIGHING MORE THAN 26,000
 6 POUNDS; REQUIRING MOTOR CARRIERS TO OBTAIN A MOTOR CARRIER
 7 TAX IDENTIFICATION PLATE OR MARKER; ESTABLISHING MOTOR
 8 CARRIER TAX RATES BASED ON WEIGHT AND DISTANCE TRAVELED;
 9 ESTABLISHING DIFFERENTIAL TAX RATES FOR VEHICLES WEIGHING
 10 MORE THAN 80,000 POUNDS BASED ON WEIGHT, DISTANCE TRAVELED,
 11 AND NUMBER OF AXLES; PROVIDING AN EXEMPTION FOR CERTAIN
 12 VEHICLES; PROVIDING A CREDIT AGAINST THE MOTOR CARRIER TAX
 13 FOR FUEL TAXES PAID; REQUIRING MOTOR CARRIERS TO FURNISH A
 14 BOND; PROVIDING FOR PENALTIES; PROVIDING FOR INTERSTATE
 15 AGREEMENTS; PROVIDING FOR THE DISTRIBUTION OF MOTOR CARRIER
 16 TAX PROCEEDS; AND PROVIDING EFFECTIVE DATES AND AN
 17 APPLICABILITY DATE."

18
 19 STATEMENT OF INTENT
 20 A statement of intent is required for this bill because
 21 [section 2] requires the department of highways to adopt
 22 rules to implement the provisions of [sections 1 through
 23 20], which relate to the taxation of motor carriers based on
 24 weight and distance traveled.
 25 It is the intent of the legislature that rules adopted

1 by the department must include but not be limited to:
 2 (1) the application forms that motor carriers file with
 3 the department of highways for motor carrier tax
 4 identification plates or markers;
 5 (2) the form and content of the identification plates
 6 or markers;
 7 (3) the forms, records, and information required for
 8 the payment of the motor carrier tax;
 9 (4) the procedures to be followed and information to be
 10 submitted by motor carriers in claiming the fuel tax credit;
 11 (5) the requirements for motor carriers to furnish
 12 bond;
 13 (6) the procedures for suspending or canceling an
 14 identification plate or marker;
 15 (7) other rules that may be necessary to implement the
 16 provisions of [sections 1 through 20].

17
 18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 19 NEW SECTION. **Section 1.** Legislative findings and
 20 declaration of purpose. (1) The legislature finds that the
 21 condition of the state's public highways continues to
 22 deteriorate and that the costs of completing and preserving
 23 the state's public highways have outpaced the revenue
 24 sources that are necessary for the construction and
 25 maintenance of the state's roads.



1 (2) The legislature further finds that:

2 (a) the highway funding crisis may be further
3 exacerbated by a reduction in federal highway aid to the
4 state;

5 (b) highway users provide a substantial portion of the
6 required revenue for highway construction and maintenance;

7 (c) a large percentage of highway deterioration is
8 caused by heavy motor vehicles; and

9 (d) the current motor fuels taxes and the gross vehicle
10 weight fees do not equitably account for the costs of
11 constructing and maintaining the state's highways.

12 (3) The legislature declares that the purposes of
13 [sections 1 through 20] are to:

14 (a) assign cost responsibility to motor carriers for
15 the use of the state's highways by imposing a motor carrier
16 tax; and

17 (b) encourage, through the tax structure, motor
18 carriers that operate motor vehicles with a combined weight
19 of more than 80,000 pounds to increase the number of axles
20 used on their motor vehicles.

21 NEW SECTION. Section 2. Rulemaking authority. The
22 department shall adopt rules necessary to implement and
23 administer [sections 1 through 20].

24 NEW SECTION. Section 3. Definitions. As used in
25 [sections 1 through 20], unless the context requires

1 otherwise, the following definitions apply:

2 (1) "Combined weight" means the weight of the motor
3 vehicle plus the weight of the maximum load that the motor
4 carrier has declared the vehicle will carry. The combined
5 weight of motor buses or bus trailers is the light weight of
6 the vehicle plus the weight of the maximum seating capacity,
7 including the driver's seat. If a bus has a seating capacity
8 that is not arranged for separate or individual seats, 18
9 lineal inches of capacity is the equivalent of a passenger
10 seat.

11 (2) "Common carrier" means a person who:

12 (a) transports persons or property for hire; or

13 (b) leases, rents, or otherwise provides a motor
14 vehicle to the public and who in the regular course of
15 business provides, procures, or arranges for, directly or
16 indirectly, a driver or operator for the motor vehicle.

17 (3) "Contract carrier" means a person, other than a
18 common carrier, who engages in transportation by motor
19 vehicle of persons or property for consideration under
20 continuing contracts with one person or a limited number of
21 persons either:

22 (a) for the furnishing of transportation services
23 through the assignment of motor vehicles for a continuing
24 period of time to the exclusive use of each person served;
25 or

1 (b) for the furnishing of transportation services
2 designed to meet the distinct and peculiar needs of each
3 individual customer that are not normally provided by a
4 common carrier.

5 (4) "Department" means the department of highways
6 provided for in Title 2, chapter 15, part 25.

7 (5) "Extreme mileage" means the total miles that a
8 motor vehicle is operated over the public highways, except
9 the extra miles necessarily operated in traveling detours or
10 temporary routes due to road blockades in the state.

11 (6) "Motor carrier" means a common carrier, contract
12 carrier, or private carrier.

13 (7) "Motor vehicle" means a self-propelled vehicle in
14 excess of 26,000 pounds combined weight or a vehicle used in
15 combination with any trailing units in excess of 26,000
16 pounds combined weight that is used on the public highways
17 of this state for the transportation of persons or property.

18 (8) "Private carrier" means a person who operates a
19 motor vehicle over the public highways of this state for the
20 purpose of transporting persons or property when the
21 transportation is incidental to a primary business
22 enterprise, other than transportation, in which the person
23 is engaged.

24 (9) "Property" includes but is not limited to permanent
25 loads, such as equipment, appliances, devices, or ballast,

1 that are attached to, carried on, or made a part of the
2 vehicle and that are designed to serve some functional
3 purpose.

4 (10) "Public highways" has the same meaning as provided
5 in 60-1-103.

6 NEW SECTION. **Section 4. Motor carrier tax**
7 **identification plate or marker -- application -- fees --**
8 **temporary pass fees -- surrender of plate or marker -- fee.**

9 (1) Except as provided in subsection (4), each motor carrier
10 holding or obtaining a license or permit under Title 61,
11 chapter 10, part 2, or a certificate of public convenience
12 issued under Title 69, chapter 12, part 3, shall, before
13 operating on the public highways in this state, obtain from
14 the department a motor carrier tax identification plate or
15 marker for each motor vehicle operated in the state. There
16 is a \$15 fee for each identification plate or marker.

17 (2) The motor carrier shall file with the department an
18 application for a motor carrier tax identification plate or
19 marker on a form prescribed by the department. The
20 application must contain the name and address of the motor
21 carrier, the combined weight of each motor vehicle, and
22 other information required by the department.

23 (3) If the application is in the proper form and if the
24 applicant has complied with the other provisions and
25 requirements of [sections 1 through 20], the department

1 shall issue a motor carrier tax identification plate or
2 marker as provided in this section. The identification plate
3 or marker is valid for 2 years from the date of issuance.

4 (4) In the case of a single trip or a short-term
5 operation not exceeding 10 days, the department may issue a
6 temporary pass for a motor vehicle. The pass must be carried
7 in the motor vehicle for which it is issued. The fee for the
8 temporary pass is \$10 for each motor vehicle.

9 (5) When a motor vehicle is no longer authorized for
10 use under a certificate of public convenience issued under
11 Title 69, chapter 12, part 3, or a permit issued under Title
12 61, chapter 10, part 2, or when the certificate of public
13 convenience or permit for the motor vehicle has been
14 suspended or canceled, the identification plate or marker
15 must be surrendered to the department. There is a \$15 fee
16 for each identification plate or marker that a motor carrier
17 fails to surrender to the department within 30 days of the
18 date of suspension or cancellation.

19 NEW SECTION. Section 5. Issuance and placement of
20 motor carrier tax identification plates and receipts --
21 contents. (1) The department shall issue a motor carrier tax
22 identification plate or marker for each motor vehicle
23 contained in the application required under [section 4]. The
24 department shall also issue a receipt stating the combined
25 weight of the motor vehicle and trailer or the combination

1 of motor vehicles to be used.

2 (2) The receipt must be carried in the motor vehicle at
3 all times. A person may not load a motor vehicle in excess
4 of its combined weight except as may be necessary for
5 passenger loading.

6 (3) The identification plate or marker must be fastened
7 or displayed in a conspicuous place on the motor vehicle.

8 (4) An identification plate or marker issued under this
9 section is nontransferable.

10 NEW SECTION. Section 6. Motor carrier tax for use of
11 highways. (1) A motor carrier operating within the state
12 shall pay to the state a motor carrier tax for the use of
13 the highways of the state.

14 (2) The tax rate applies to each motor vehicle and is
15 based on the declared combined weight of the motor vehicle
16 and in accordance with the weight tax rates shown in the
17 tables in [section 7].

18 (3) For the purposes of computing the tax due:

19 (a) table "A" applies to motor vehicles subject to the
20 tax imposed by this section that do not require a special
21 permit issued under 61-10-107 to operate a motor vehicle
22 with a combined weight in excess of 80,000 pounds; and

23 (b) table "B" applies to motor vehicles subject to the
24 tax imposed by this section that require a special permit
25 issued under 61-10-107 to operate a motor vehicle with a

1 combined weight in excess of 80,000 pounds.

2 (4) The tax for each motor vehicle when table A or
3 table B is used is computed by multiplying the extreme
4 mileage traveled in the state during the taxable period by
5 the appropriate weight tax rate as it appears in the table.

6 (5) For the purposes of [sections 7 and 14] and this
7 section, the declared combined weight is the actual weight
8 of the motor vehicle and its load, determined by scale
9 weights or records required by [sections 1 through 20].

10 NEW SECTION. Section 7. Motor carrier tax tables. (1)
11 The following table is used when determining the tax imposed
12 by [section 6(3)(a)]:

13 Mileage Tax Rate Table A

14 Declared Combined	14 Fee Rates
15 Weight Groups	15 Per Mile
16 (Pounds)	16 (Mills)
17 26,001 to 28,000	17 44.0
18 28,001 to 30,000	18 46.5
19 30,001 to 32,000	19 48.5
20 32,001 to 34,000	20 51.0
21 34,001 to 36,000	21 53.0
22 36,001 to 38,000	22 55.0
23 38,001 to 40,000	23 57.0
24 40,001 to 42,000	24 59.0
25 42,001 to 44,000	25 61.0

1 44,001 to 46,000	63.0
2 46,001 to 48,000	65.0
3 48,001 to 50,000	67.0
4 50,001 to 52,000	69.5
5 52,001 to 54,000	72.0
6 54,001 to 56,000	75.0
7 56,001 to 58,000	78.0
8 58,001 to 60,000	81.0
9 60,001 to 62,000	85.0
10 62,001 to 64,000	89.0
11 64,001 to 66,000	93.0
12 66,001 to 68,000	98.0
13 68,001 to 70,000	104.0
14 70,001 to 72,000	110.0
15 72,001 to 74,000	116.0
16 74,001 to 76,000	122.0
17 76,001 to 78,000	127.0
18 78,001 to 80,000	132.0

19 (2) The following table is used when determining the
20 tax imposed by [section 6(3)(b)]:

21 Axle-Weight Mileage Tax Rate Table B

22 Declared Combined	22 Number of Axles				
23 Weight Groups	5	6	7	8	9 or
24 (Pounds)	24 (Mills)				
25 0 to 80,000	134.0	122.0	115.0	111.0	106.0
					more

1	80,001 to 82,000	139.0	125.0	117.0	113.0	108.0
2	82,001 to 84,000	145.0	128.0	120.0	115.0	110.0
3	84,001 to 86,000	152.0	132.0	123.0	118.0	112.0
4	86,001 to 88,000	160.0	136.0	126.0	121.0	114.0
5	88,001 to 90,000	170.0	141.0	129.0	124.0	116.0
6	90,001 to 92,000	181.0	148.0	133.0	126.0	118.0
7	92,001 to 94,000	193.0	156.0	137.0	129.0	121.0
8	94,001 to 96,000	206.0	165.0	142.0	133.0	124.0
9	96,001 to 98,000		175.0	147.0	137.0	127.0
10	98,001 to 100,000		187.0	153.0	142.0	130.0
11	100,001 to 102,000			159.0	147.0	133.0
12	102,001 to 104,000			166.0	152.0	136.0
13	104,001 to 105,500			174.0	157.0	140.0

14 (3) For the purposes of this section, 1 mill is equal
15 to one-tenth of a cent.

16 **NEW SECTION. Section 8. Motor carrier tax**
17 **supplemental.** The motor carrier tax imposed by [section 6]
18 is in addition to all other licenses required or fees or
19 taxes imposed on motor vehicles in this state in
20 consideration for the use of the public highways of this
21 state.

22 **NEW SECTION. Section 9. Taxes required of interstate**
23 **motor carriers.** A motor carrier engaged exclusively in the
24 conduct of interstate transportation shall pay to the
25 department the motor carrier tax imposed by [section 6].

1 **NEW SECTION. Section 10. Violation -- penalty.** A motor
2 carrier who violates any provision of [sections 1 through
3 20] is guilty of a misdemeanor and is subject to a fine of
4 not more than \$500.

5 **NEW SECTION. Section 11. Exemptions.** (1) The following
6 motor vehicles are exempt from the fees imposed by [section
7 4] and the taxes imposed by [section 6]:

8 (a) motor vehicles owned or operated by the United
9 States, the state of Montana, or any county, municipality,
10 district, or other political subdivision of the state;

11 (b) motor vehicles used for the transportation of
12 unprocessed agricultural products from fields to processing
13 plants or storage points;

14 (c) vehicles exempt from property taxation under
15 15-6-201(1)(a), (1)(c) through (1)(e), (1)(g), (1)(o), and
16 (1)(q).

17 (2) For the purposes of this section, "agricultural
18 products" means crops, livestock, or products produced in
19 farming operations or crops, livestock, or products in their
20 unmanufactured or unprocessed states.

21 **NEW SECTION. Section 12. Credit for fuel tax.** A tax
22 paid under 15-70-204, 15-70-321, or 15-70-322, either
23 directly by the collection of the tax by the vendor from the
24 customer or indirectly by adding the amount of the tax to
25 the price paid for the fuel by the customer, is a credit

1 against the amount of tax imposed by [section 6]. A credit
2 under this section is allowed when the person claiming the
3 credit submits on forms prescribed by the department the
4 amount of tax paid under 15-70-204, 15-70-321, or 15-70-322.

5 NEW SECTION. **Section 13.** Statement to accompany
6 payment -- records -- collection of tax -- refunds. (1)
7 Except as provided in [section 14], each motor carrier
8 shall, on or before the last day of each month, complete on
9 forms prescribed by the department a statement showing the
10 extreme mileage traveled in the state and the declared
11 combined weight for each motor vehicle operated in the state
12 in the preceding calendar month, together with the total
13 amount of tax due, and shall pay to the department the total
14 amount due shown by the statement.

15 (2) The department shall examine each statement and
16 compute the tax due. The amount computed by the department
17 is the tax imposed, assessed against, and payable by the
18 motor carrier making the statement for the month for which
19 the statement is filed. If the tax found to be due is
20 greater than the amount paid, the deficiency must be paid by
21 the motor carrier to the department within 10 days after
22 written notice of the amount of the deficiency is mailed by
23 the department to the motor carrier. If the tax imposed is
24 less than the amount paid, the difference must be applied as
25 a credit against tax liability for subsequent months or

1 refunded if there is no subsequent tax liability.

2 (3) If the tax is not paid on or before the due date,
3 there must be assessed a penalty of 10% of the amount of the
4 tax, unless it is shown that the failure was due to
5 reasonable cause and not due to neglect. If any tax under
6 this chapter is not paid when due, interest must be added to
7 the tax at the rate of 1% a month or fraction of a month,
8 computed on the total amount of tax and penalty from the due
9 date until paid.

10 NEW SECTION. **Section 14.** Annual and quarterly reports
11 -- payment. (1) Whenever the department determines that the
12 estimated annual tax payable by a motor carrier will be less
13 than \$100 and each motor vehicle operated by the motor
14 carrier is less than 30,000 pounds combined weight, the
15 department may authorize the motor carrier to file an annual
16 statement in lieu of the monthly statement required by
17 [section 13]. Annual statements must be filed and payments
18 must be made on or before February 28 for the preceding
19 calendar year.

20 (2) Whenever the department determines that the
21 estimated annual tax payable by a motor carrier will be less
22 than \$3,600, the department may authorize the motor carrier
23 to file quarterly statements in lieu of the monthly
24 statement required by [section 13]. Quarterly statements
25 must be filed and payments must be made on or before the due

1 date as follows:

- 2 (a) for the first calendar quarter, May 31;
 3 (b) for the second calendar quarter, August 31;
 4 (c) for the third calendar quarter, November 30; and
 5 (d) for the fourth calendar quarter, February 28.
 6 (3) The department may withdraw the authorization upon
 7 the mailing of notice to the motor carrier at the motor
 8 carrier's last-known address. The provisions of [section 13]
 9 apply to the statements and taxes due under this section.

10 NEW SECTION. Section 15. Bonding, release of surety,
 11 and additional bond -- exceptions. (1) Except as provided in
 12 this section, a motor carrier subject to the provisions of
 13 [sections 1 through 20] is required to furnish bond in a
 14 form prescribed by the department to secure its compliance
 15 with [sections 1 through 20] and the payment of all taxes,
 16 interest, and penalties due under [sections 1 through 20].

17 (2) The department shall fix the amount of the bond
 18 required of a motor carrier equivalent to twice the
 19 estimated:

- 20 (a) monthly tax payments if the motor carrier is
 21 required to file monthly reports as provided in [section
 22 13]; or
 23 (b) annual or quarterly tax payments if the motor
 24 carrier is authorized by the department to file annual or
 25 quarterly reports as provided in [section 14].

1 (3) A surety on a bond furnished by a motor carrier as
 2 provided in this section must be released and discharged
 3 from any liability to the state accruing on the bond after
 4 the expiration of 30 days from the date upon which the
 5 surety has lodged with the department a written request to
 6 be released and discharged, but this provision may not
 7 operate to relieve, release, or discharge the surety from
 8 any liability already accrued or that may accrue before the
 9 expiration of the 30-day period. Upon receiving a release
 10 request, the department shall promptly notify the motor
 11 carrier who furnished the bond, and unless the motor
 12 carrier, on or before the expiration of the 30-day period,
 13 files a new bond in accordance with the requirements of this
 14 section or makes a deposit in lieu of a bond as provided in
 15 subsection (6), the department shall require the motor
 16 carrier to surrender the motor carrier tax identification
 17 plate or marker for every vehicle covered by the bond.

18 (4) The department may require a motor carrier to give
 19 a new or additional surety bond if, in the department's
 20 opinion, the security of the surety bond previously filed by
 21 the motor carrier becomes impaired or inadequate. Upon
 22 failure of the motor carrier to give a new or additional
 23 surety bond within 30 days after being requested to do so by
 24 the department, the department shall require the motor
 25 carrier to surrender the motor vehicle tax identification

1 plate or marker for every vehicle covered by the bond.

2 (5) If a bond under this section becomes inoperative,
3 the authority under the certificate of public convenience
4 issued under Title 69, chapter 12, part 3, or a permit
5 issued under [sections 1 through 20] is suspended for any
6 affected motor vehicles until the requirements of this
7 section have been met by the motor carrier.

8 (6) A motor carrier may, instead of giving the bond
9 required by this section, deposit with the department money
10 in the amount of the bond directed to be furnished.

11 (7) The department, upon good cause, may reduce the
12 bond amount or waive the bond required by this section.

13 **NEW SECTION. Section 16.** Procedure to compute tax in
14 absence of statement -- penalty and interest -- hearing. (1)
15 If a person fails to file a statement required by [section
16 13 or 14] within the time required, the department shall,
17 immediately after the time for filing has expired, make a
18 proposed assessment of the amount of taxes due, based on
19 information available to the department, for the period that
20 the person failed to file a statement. The department shall
21 add to the amount of motor carrier taxes due a penalty of
22 10% of the tax due plus interest at the rate of 1% a month
23 or fraction of a month computed on the total amount of motor
24 carrier taxes and penalty. Interest must be computed from
25 the date the motor carrier taxes were due to the date of

1 payment. The department shall mail to the motor carrier
2 required to file a statement under [section 13 or 14] and to
3 pay the motor carrier tax, a letter setting forth the amount
4 of motor carrier tax, penalty, and interest due. The letter
5 must also contain a statement that if payment is not made, a
6 warrant for distraint may be filed. The department may waive
7 the 10% penalty if reasonable cause for the failure to file
8 the statement required by [section 13 or 14] is provided to
9 the department.

10 (2) A motor carrier against whom an assessment is made
11 under this section may file with the department a written
12 protest against the proposed assessment and a request for an
13 oral hearing in the manner prescribed by [section 17].

14 **NEW SECTION. Section 17.** Assessment -- deficiency
15 assessment -- hearing -- interest. (1) When the department
16 determines that the amount of tax due is greater than the
17 amount disclosed by a return, it shall mail to the motor
18 carrier a notice of the additional tax proposed to be
19 assessed. Within 30 days after mailing of the notice, the
20 motor carrier may file with the department a written protest
21 against the proposed additional tax, setting forth the
22 grounds upon which the protest is based, and may request in
23 the protest an oral hearing or an opportunity to present
24 additional evidence relating to the tax liability. If no
25 protest is filed, the amount of the tax proposed to be

1 assessed becomes final upon the expiration of the 30-day
 2 period. If a protest is filed, the department shall
 3 reconsider the proposed assessment and, if the motor carrier
 4 has so requested, shall grant the motor carrier an oral
 5 hearing. After consideration of the protest and the evidence
 6 presented at an oral hearing, the department's action upon
 7 the protest is final when it mails notice of its action to
 8 the motor carrier.

9 (2) When a deficiency is determined and the tax becomes
 10 final, the department shall mail a notice and demand for
 11 payment to the motor carrier. The tax is due and payable at
 12 the expiration of 10 days from the date of the notice and
 13 demand. A deficiency assessment bears interest until paid at
 14 the rate of 1½ a month or fraction of a month, computed from
 15 the original due date of the return.

16 NEW SECTION. **Section 18.** Warrant for distraint. If all
 17 or a part of the tax imposed by [sections 1 through 20] is
 18 not paid when due, the department may issue a warrant for
 19 distraint in the manner provided in Title 15, chapter 1,
 20 part 7. The resulting lien has precedence over any other
 21 claim, lien, or demand that may be subsequently filed and
 22 recorded.

23 NEW SECTION. **Section 19.** Daily records and monthly
 24 reports -- audits -- cooperative agreements. (1) A motor
 25 carrier shall keep daily records, on forms prescribed by the

1 department, for all motor vehicles used during the current
 2 month.

3 (2) Except as provided in [section 14], on or before
 4 the last day of the following month, the motor carrier shall
 5 certify to the department, on forms prescribed by the
 6 department, the true and correct summaries of the daily
 7 records, showing the extreme mileage traveled in this state
 8 during the preceding month, the amount of fuel tax paid, and
 9 other information that the department may require.

10 (3) The department may audit the books and records of a
 11 motor carrier to ensure that the proper amount of tax
 12 imposed by [sections 1 through 20] has been paid. An audit
 13 may be done on the premises of the motor carrier or at any
 14 other convenient location.

15 (4) The department may require the motor carrier to
 16 provide the department with records, books, or other
 17 documents necessary to verify the correct amount of tax.

18 (5) The motor carrier shall maintain and have available
 19 for inspection by the department records, books, or other
 20 documents for the preceding 5 years.

21 (6) Except in the case of a person who, with intent to
 22 evade the tax, purposely or knowingly files a false or
 23 fraudulent return violating the provisions of [sections 1
 24 through 20], the amount of tax due under a return must be
 25 determined by the department within 5 years after the return

1 is made, and thereafter the department is barred from
 2 revising the return or recomputing the tax due and no
 3 proceeding in court for the collection of the tax may be
 4 instituted unless notice of additional tax was provided
 5 within the 5-year period.

6 (7) An application for revision may be filed with the
 7 department by a motor carrier within 5 years from the
 8 original due date of the return.

9 (8) The department may enter into a cooperative
 10 agreement with another state or states for exchange of
 11 information and auditing of motor carriers who operate motor
 12 vehicles interstate. An agreement, arrangement, declaration,
 13 or amendment is not effective until stated in writing and
 14 filed with the department. The agreement may provide for
 15 determining which motor carriers each state will audit,
 16 motor carrier records requirements, audit procedures,
 17 exchange of motor carrier information, and other provisions
 18 that facilitate the administration of the agreement. Each
 19 state shall forward the findings of the audits to the other
 20 state as stipulated in the agreement. The department may
 21 serve the findings of an audit conducted by another state of
 22 a motor carrier operating in this state on the motor carrier
 23 in the form of an assessment as though the audit was
 24 conducted by the department.

25 NEW SECTION. **Section 20.** Distribution of tax proceeds.

1 The proceeds of the motor carrier tax imposed by [section 6]
 2 must be deposited in an account in the state special revenue
 3 fund to the credit of the department. The department may
 4 spend an amount from that account in accordance with an
 5 appropriation by the legislature, based on an estimate of
 6 the costs of collecting and disbursing the proceeds of the
 7 tax. The balance of the motor carrier tax proceeds received
 8 each reporting period is allocated to the highway
 9 reconstruction trust fund account in the state special
 10 revenue fund.

11 NEW SECTION. **Section 21.** Codification instruction.
 12 [Sections 1 through 20] are intended to be codified as an
 13 integral part of Title 61, and the provisions of Title 61
 14 apply to [sections 1 through 20].

15 NEW SECTION. **Section 22.** Effective dates --
 16 applicability. (1) Except for the purposes of subsection
 17 (2), [this act] is effective December 31, 1991, and applies
 18 to motor carriers operating in the state after December 31,
 19 1991.

20 (2) For the purposes of promulgating administrative
 21 rules to implement [sections 1 through 20], [this act] is
 22 effective on passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0985, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

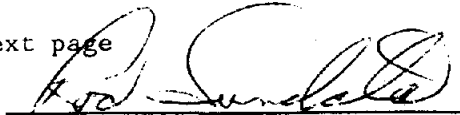
An act imposing a tax on motor vehicles weighing more than 26,000 pounds; requiring motor carriers to obtain a motor carrier tax identification plate or marker; establishing motor carrier tax rates based on weight and distance traveled; establishing differential tax rates for vehicles weighing more than 80,000 pounds based on weight, distance traveled, and number of axles; providing an exemption for certain vehicles; providing a credit against the motor carrier tax for fuel taxes paid; requiring motor carriers to furnish a bond; providing for penalties; providing for interstate agreements; providing for the distribution of motor carrier tax proceeds.

ASSUMPTIONS:

1. Under current law, motor carriers pay an annual fee based on the gross vehicle weight of the vehicle.
2. In addition to all current taxes, under the proposed legislation, motor carriers would pay a tax based on the weight of cargo hauled per mile. The GVW Division of the Department of Highway would submit motor carriers a bill for taxes due based on a monthly report submitted by the motor carrier. The GVW Division would assist motor carriers in logging the weight per mile hauled at various locations throughout the state.
3. Fuel taxes paid by the motor carrier will be credited against the amount of taxes due from the motor carrier. Some motor carriers would receive a refund.
4. Due to the need to log the mileage and weight of cargo haul at various locations throughout the state, three new weigh stations would need to be constructed. The estimated cost to construct three weigh stations is \$1,250,000.
5. An additional 57.00 FTE compliance officers (grade 12) would be employed. Of these, 10.00 FTE would be roving officers who would require 10 additional vehicles.
6. An additional 20.00 FTE auditors (grade 12) would be employed to audit the records of the trucking industry. These auditors would be traveling half of the year.
7. Administrative and support staff would also be increased by 13.00 FTE clerks (grade 8), 2.00 FTE technicians (grade 10), and 1.00 FTE supervisor (grade 13).
8. Fifteen computer terminals would be installed for the additional administrative and audit staff.
9. Applications, permits, and plates or markers would be need to purchased and distributed.
10. Other costs including telephone, per diem, office supplies, and other operating expenses would increase.
11. The estimated number of temporary passes is based on the temporary trip license permits currently issued each year.
12. All figures are based on the current level of trucking with no increase or decrease assumed.

FISCAL IMPACT:

see next page


ROD SUNDSTED, BUDGET DIRECTOR
Office of Budget and Program Planning

DATE 3-15-91

BOB RANEY, PRIMARY SPONSOR

DATE

Fiscal Note for HB0985, as introduced

HB 985-1

Fiscal Note Request, HB0985, as introduced

Form BD-15

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FISCAL IMPACT:

Department of Highways:

	FY '92			FY '93		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Expenditures:</u>						
FTE	0	93.00	93.00	0	93.00	93.00
Personal Services	0	2,105,625	2,105,625	0	2,105,625	2,105,625
Operating Costs	0	652,177	652,177	0	452,177	452,177
Capital Outlay	0	<u>1,050,000</u>	<u>1,050,000</u>	0	<u>0</u>	<u>0</u>
Total	0	3,807,802	3,807,802	0	2,557,802	2,557,802
<u>Funding:</u>						
State Special	0	3,807,802	3,807,802	0	2,557,802	2,557,802
<u>Revenue:</u>						
State Special Revenue	0	11,918,330	11,918,330	0	11,618,330	11,618,330
<u>Net Impact:</u>	0	8,110,528	8,110,528	0	9,060,528	9,060,528

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

1. The proposed tax increases the amount of funds available for constructing either federally-subsidized or non-federally subsidized road construction projects. Using current federal/state matching ratios, the proposed tax could leverage approximately \$45 million in federal funds for road construction.
2. The proposed tax may decrease the tonnage of freight carried through the state and/or the number of motor carriers operating in the state.

HB 985-1