### SENATE BILL NO. 22

## INTRODUCED BY GAGE

IN THE SENATE

DECEMBER 28, 1990 INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.

JANUARY 7, 1991 FIRST READING.

JANUARY 11, 1991 COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.

JANUARY 12, 1991 PRINTING REPORT.

SECOND READING, DO PASS.

JANUARY 14, 1991 ENGROSSING REPORT.

THIRD READING, PASSED. AYES, 50; NOES, 0.

TRANSMITTED TO HOUSE.

### IN THE HOUSE

JANUARY 15, 1991

MARCH 6, 1991

MARCH 9, 1991

MARCH 11, 1991

INTRODUCED AND REFERRED TO COMMITTEE ON HIGHWAYS & TRANSPORTATION.

FIRST READING.

COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.

SECOND READING, CONCURRED IN.

THIRD READING, CONCURRED IN. AYES, 98; NOES, 1.

RETURNED TO SENATE.

IN THE SENATE

MARCH 12, 1991

RECEIVED FROM HOUSE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 INTRODUCED BY GAGE 2 3 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE BONDING 4 REQUIREMENT FOR CERTAIN BULK FUEL USERS; AND AMENDING 5 SECTION 15-70-304, MCA." 6

SENATE BILL NO. 22

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 8

Section 1. Section 15-70-304, MCA, is amended to read: 9 "15-70-304. Bonding, release of surety, and additional 10 bond. (1) Except as provided in this section, a special fuel 11 dealer's license or special fuel user's permit may not be 12 issued to any a person or continued in force unless the . 13 person has furnished bond, as defined in 15-70-301 and in a 14 form as the department may require, to secure its compliance 15 with this part and the payment of any and--all taxes, 16 interest, and penalties due and to become due under this 17 part. The department shall waive the bond requirement of any 18 a special fuel user not subject to subsection (2)(a) or 19 (2)(b). Upon application, the department shall waive the 20 bond requirement of any a public contractor licensed under 21 Title 15, chapter 50, who has posted a performance bond 22 conditioned on payment of all lawful taxes with the 23 contracting entity. 24

(2) The total amount of the bond or bonds required of 25



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1 any a special fuel dealer shall must be equivalent to twice 2 his estimated monthly tax payments, and the total amount of ٦ the bond or bonds required of any a special fuel user shall must be equivalent to twice his estimated quarterly tax payments as provided in this part, determined as the 5 б department considers proper; provided; however, that the total amount of the bond or bonds may not be less than: 7 (a) \$5,000 for any a special fuel user awarded a 8 9 contract in accordance with 15-70-321; 10 (b) \$500 for any other special fuel user who: 11 fi)--possesses-special-fuel--in--bulk--storage--in--this 12 state-on-which-the-tax-has-not-been-paid; 13 (i) requests a special fuel user's permit to be 14 reissued after being canceled for cause; or 15 (ii) fails to file timely reports and pay tax due 16 as required by 15-70-325 and 15-70-327; and 17 (c) \$1,000 for a special fuel dealer. 18 (3) Any A surety on a bond furnished by a special fuel 19 dealer or special fuel user, as provided in this section, 20 shall must be released and discharged from any and-all 21 liability to the state accruing on the bond after the 22 expiration of 30 days from the date upon-which when the 23 surety has lodged with the department a written request to 24 be released and discharged, but this provision may not

> operate to relieve, release, or discharge the surety from -2- INTRODUCED BILL

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any liability already accrued or which-shall-accrue that 1 2 accrues before the expiration of the 30-day period. The 3 department shall, promptly upon receiving a release request, 4 notify the special fuel dealer or special fuel user who furnished the bond, and unless the special fuel dealer or 5 6 special fuel user, on or before the expiration of the 30-day period, files a new bond in accordance with the requirements 7 8 of this section or makes a deposit in lieu of a bond as 9 provided in 15-70-301(2), the department shall cancel the 10 special fuel dealer's license or special fuel user's permit. 11 (4) The department may require a special fuel dealer or 12 special fuel user to give a new or additional surety bond or 13 to deposit additional securities of the character specified in 15-70-301(2) if, in its opinion, the security of the 14 surety bond previously filed by the special fuel dealer or 15 special fuel user or the market value of the properties 16 17 deposited as security by the special fuel dealer or special fuel user becomes impaired or inadequater--and--upon. Upon 18 19 failure of the special fuel dealer or special fuel user to 20 give a new additional surety bond or to deposit additional securities within 30 days after being requested so to do so 21 22 by the department, the department shall cancel his license." -End-

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# APPROVED BY COMMITTEE ON TAXATION

1 SENATE BILL NO. 22

INTRODUCED BY GAGE

A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE BONDING
REQUIREMENT FOR CERTAIN BULK FUEL USERS; AND AMENDING
SECTION 15-70-304, MCA."

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

Section 1. Section 15-70-304, MCA, is amended to read: 9 "15-70-304. Bonding, release of surety, and additional 10 bond. (1) Except as provided in this section, a special fuel 11 dealer's license or special fuel user's permit may not be 12 issued to any a person or continued in force unless the 13 person has furnished bond, as defined in 15-70-301 and in a 14 form as the department may require, to secure its compliance 15 with this part and the payment of any and--all taxes, 16 interest, and penalties due and to become due under this 17 part. The department shall waive the bond requirement of any 18 a special fuel user not subject to subsection (2)(a) or 19 (2)(b). Upon application, the department shall waive the 20 bond requirement of any a public contractor licensed under 21 Title 15, chapter 50, who has posted a performance bond 22 conditioned on payment of all lawful taxes with the 23 24 contracting entity.

25 (2) The total amount of the bond or bonds required of



1 any a special fuel dealer shall must be equivalent to twice 2 his estimated monthly tax payments, and the total amount of 3 the bond or bonds required of any a special fuel user shall must be equivalent to twice his estimated quarterly tax 4 payments as provided in this part, determined as the 5 department considers proper; provided, however, that the 6 total amount of the bond or bonds may not be less than: 7 (a) \$5,000 for any a special fuel user awarded a 8 9 contract in accordance with 15-70-321; (b) \$500 for any other special fuel user who: 10 11 (i)--possesses-special-fuel--in--bulk--storage--in--this 12 state-on-which-the-tax-has-not-been-paid; 13 (i) requests a special fuel user's permit to be 14 reissued after being canceled for cause; or 15 (ii) fails to file timely reports and pay tax due 16 as required by 15-70-325 and 15-70-327; and 17 (c) \$1,000 for a special fuel dealer. (3) Any <u>A</u> surety on a bond furnished by a special fuel 18

dealer or special fuel user, as provided in this section, shall must be released and discharged from any and-all liability to the state accruing on the bond after the expiration of 30 days from the date upon-which when the surety has lodged with the department a written request to be released and discharged, but this provision may not operate to release, or discharge the surety from

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SECOND READING

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1 any liability already accrued or which-shall-accrue that 2 accrues before the expiration of the 30-day period. The 3 department shall, promptly upon receiving a release request, 4 notify the special fuel dealer or special fuel user who 5 furnished the bond, and unless the special fuel dealer or special fuel user, on or before the expiration of the 30-day 6 7 period, files a new bond in accordance with the requirements 8 of this section or makes a deposit in lieu of a bond as 9 provided in 15-70-301(2), the department shall cancel the 10 special fuel dealer's license or special fuel user's permit. 11 (4) The department may require a special fuel dealer or special fuel user to give a new or additional surety bond or 12 13 to deposit additional securities of the character specified 14 in 15-70-301(2) if, in its opinion, the security of the 15 surety bond previously filed by the special fuel dealer or 16 special fuel user or the market value of the properties 17 deposited as security by the special fuel dealer or special 18 fuel user becomes impaired or inadequate7--and--upon. Upon 19 failure of the special fuel dealer or special fuel user to give a new additional surety bond or to deposit additional 20 securities within 30 days after being requested so to do so 21 22 by the department, the department shall cancel his license."

-End-

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	SENATE BILL NO. 22	
1		l any a special fuel dealer shall must be equivalent to twice
2	INTRODUCED BY GAGE	2 his estimated monthly tax payments, and the total amount of
3		3 the bond or bonds required of any a special fuel user shall
4	A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE BONDING	4 must be equivalent to twice his estimated quarterly tax
5	REQUIREMENT FOR CERTAIN BULK FUEL USERS; AND AMENDING	5 payments as provided in this part, determined as the
6	SECTION 15-70-304, MCA."	6 department considers proper; provided, however, that the
7		7 total amount of the bond or bonds may not be less than:
8	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	8 (a) \$5,000 for any a special fuel user awarded a
9	Section 1. Section 15-70-304, MCA, is amended to read:	<pre>9 contract in accordance with 15-70-321;</pre>
10	*15~70-304. Bonding, release of surety, and additional	10 (b) \$500 for any other special fuel user who:
11	bond. (1) Except as provided in this section, a special fuel	<pre>11 (i)possesses-special-fuelinbulkstorageinthis</pre>
12	dealer's license or special fuel user's permit may not be	12 state-on-which-the-tax-has-not-been-paid;
13	issued to any a person or continued in force unless the .	<pre>13 (ii) requests a special fuel user's permit to be</pre>
14	person has furnished bond, as defined in 15-70-301 and in a	14 reissued after being canceled for cause; or
15	form as the department may require, to secure its compliance	15 (iii) fails to file timely reports and pay tax due
16	with this part and the payment of any andall taxes,	16 as required by 15-70-325 and 15-70-327; and
17	interest, and penalties due and to become due under this	17 (c) \$1,000 for a special fuel dealer.
18	part. The department shall waive the bond requirement of any	18 (3) Any <u>A</u> surety on a bond furnished by a special fuel
19	a special fuel user not subject to subsection (2)(a) or	19 dealer or special fuel user, as provided in this section,
20	(2)(b). Upon application, the department shall waive the	20 shall must be released and discharged from any and-all
21	bond requirement of any a public contractor licensed under	21 liability to the state accruing on the bond after the
22	Title 15, chapter 50, who has posted a performance bond	22 expiration of 30 days from the date upon-which when the
23	conditioned on payment of all lawful taxes with the	23 surety has lodged with the department a written request to
24	contracting entity.	24 be released and discharged, but this provision may not
25	(2) The total amount of the bond or bonds required of	25 operate to relieve, release, or discharge the surety from



THIRD READING

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any liability already accrued or which-shall-accrue that 1 2 accrues before the expiration of the 30-day period. The 3 department shall, promptly upon receiving a release request, notify the special fuel dealer or special fuel user who 4 5 furnished the bond, and unless the special fuel dealer or special fuel user, on or before the expiration of the 30-day 6 period, files a new bond in accordance with the requirements 7 of this section or makes a deposit in lieu of a bond as 8 9 provided in 15-70-301(2), the department shall cancel the 10 special fuel dealer's license or special fuel user's permit. 11 (4) The department may require a special fuel dealer or 12 special fuel user to give a new or additional surety bond or 13 to deposit additional securities of the character specified 14 in 15-70-301(2) if, in its opinion, the security of the 15 surety bond previously filed by the special fuel dealer or 16 special fuel user or the market value of the properties 17 deposited as security by the special fuel dealer or special fuel user becomes impaired or inadequate --- and -- upon. Upon 18 19 failure of the special fuel dealer or special fuel user to 20 give a new additional surety bond or to deposit additional 21 securities within 30 days after being requested so to do so 22 by the department, the department shall cancel his license." -End-

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1	SENATE BILL NO. 22	l any a special fuel dealer shall m	<u>ust</u> be equivalent to twice
2	INTRODUCED BY GAGE	2 his estimated monthly tax paymen	ts <u>,</u> and the total amount of
3		3 the bond or bonds required of any	<u>a</u> special fuel user <b>sha</b> ll
4	A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE BONDING	4 must be equivalent to twice	his estimated quarterly tax
5	REQUIREMENT FOR CERTAIN BULK FUEL USERS; AND AMENDING	5 payments as provided in this	part, determined as the
6	SECTION 15-70-304, MCA."	6 department considers proper; pro	wided, however, that the
7		7 total amount of the bond or bonds	may not be less than:
8	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	8 (a) \$5,000 for <del>any</del> a spe	cial fuel user awarded a
9	Section 1. Section 15-70-304, MCA, is amended to read:	9 contract in accordance with 15-70	-321;
10	*15-70-304. Bonding, release of surety, and additional	10 (b) \$500 for any other speci	al fuel user who:
11	bond. (1) Except as provided in this section, a special fuel	11 <del>(i)possesses-special-fuel</del>	·inbuikstorageinthis
12	dealer's license or special fuel user's permit may not be	12 state-on-which-the-tax-has-not-be	en-paid;
13	issued to any a person or continued in force unless the	13 (ii) requests a special	. fuel user's permit to be
14	person has furnished bond, as defined in 15-70-301 and in a	14 reissued after being canceled for	cause; or
15	form as the department may require, to secure its compliance	15 ( <del>iii)</del> fails to file timel	ly reports and pay tax due
16	with this part and the payment of any andall taxes,	16 as required by 15-70-325 and 15-7	/0-327; and
17	interest, and penalties due and to become due under this	17 (c) \$1,000 for a special fue	el dealer.
18	part. The department shall waive the bond requirement of any	18 (3) Any A surety on a bond	furnished by a special fuel
19	<u>a</u> special fuel user not subject to subsection (2)(a) or	19 dealer or special fuel user <u>,</u> as p	provided in this section,
20	(2)(b). Upon application, the department shall waive the	20 shall must be released and (	lischarged from any and-all
21	bond requirement of any a public contractor licensed under	21 liability to the state accruince	g on the bond after the
22	Title 15, chapter 50, who has posted a performance bond	22 expiration of 30 days from	the date upon-which when the
23	conditioned on payment of all lawful taxes with the	23 surety has lodged with the depart	tment a written request to
24	contracting entity.	24 be released and discharged,	but this provision may net
25	(2) The total amount of the bond or bonds required of	25 operate to relieve, release, or a	discharge the surety from

Montana Legislative Council

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SB 22 REFERENCE BILL

1 any liability already accrued or which-shall-accrue that 2 accrues before the expiration of the 30-day period. The 3 department shall, promptly upon receiving a release request, notify the special fuel dealer or special fuel user who 4 5 furnished the bond, and unless the special fuel dealer or special fuel user, on or before the expiration of the 30-day 6 7 period, files a new bond in accordance with the requirements 8 of this section or makes a deposit in lieu of a bond as provided in 15-70-301(2), the department shall cancel the 9 10 special fuel dealer's license or special fuel user's permit. 11 (4) The department may require a special fuel dealer or 12 special fuel user to give a new or additional surety bond or to deposit additional securities of the character specified 13 14 in 15-70-301(2) if, in its opinion, the security of the 15 surety bond previously filed by the special fuel dealer or 16 special fuel user or the market value of the properties deposited as security by the special fuel dealer or special 17 18 fuel user becomes impaired or inadequate ---and---upon. Upon 19 failure of the special fuel dealer or special fuel user to 20 give a new additional surety bond or to deposit additional securities within 30 days after being requested so to do so 21 22 by the department, the department shall cancel his license."

-End-

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