



## 1 SENATE BILL NO. 22

2 INTRODUCED BY GAGE

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

7  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Section 15-70-304, MCA, is amended to read:

10 "15-70-304. Bonding, release of surety, and additional  
11 bond. (1) Except as provided in this section, a special fuel  
12 dealer's license or special fuel user's permit may not be  
13 issued to any a person or continued in force unless the  
14 person has furnished bond, as defined in 15-70-301 and in a  
15 form as the department may require, to secure its compliance  
16 with this part and the payment of any ~~and--all~~ taxes,  
17 interest, and penalties due and to become due under this  
18 part. The department shall waive the bond requirement of any  
19 a special fuel user not subject to subsection (2)(a) or  
20 (2)(b). Upon application, the department shall waive the  
21 bond requirement of any a public contractor licensed under  
22 Title 15, chapter 50, who has posted a performance bond  
23 conditioned on payment of all lawful taxes with the  
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~~  
4 must be equivalent to twice his estimated quarterly tax  
5 payments as provided in this part, determined as the  
6 department considers proper; ~~provided;~~ however, that the  
7 total amount of the bond or bonds may not be less than:

8 (a) \$5,000 for any a special fuel user awarded a  
9 contract in accordance with 15-70-321;

10 (b) \$500 for any other special fuel user who:

11 ~~{i}--possesses-special-fuel--in--bulk--storage--in--this~~  
12 ~~state-on-which-the-tax-has-not-been-paid;~~13 ~~{ii}(i)~~ requests a special fuel user's permit to be  
14 reissued after being canceled for cause; or15 ~~{iii}(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  
25 operate to relieve, release, or discharge the surety from

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  
6. special fuel user, on or before the expiration of the 30-day  
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  
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  
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  
21. securities within 30 days after being requested ~~so~~ to do so  
22. by the department, the department shall cancel his license."

-End-

APPROVED BY COMMITTEE  
ON TAXATION

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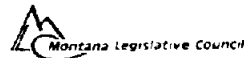
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