

MINUTES OF THE MEETING  
HIGHWAYS AND TRANSPORTATION COMMITTEE  
MONTANA STATE SENATE

January 25, 1977

The fourth meeting of the Highways and Transportation Committee was called to order by Chairman Manning on the above date in Room 404 of the State Capitol Building at 9:30 a.m.

ROLL CALL: All members were present, with Senator Hager arriving at 9:37 a.m.

The following witnesses were present to testify:

James Beck	Department of Highways
Jack Beckert	Department of Highways
Don Copley	Department of Highways
Morris Nichols	Department of Revenue
Dean Zennicker	Montana Association of Counties

CONSIDERATION OF SENATE BILL 112: Senator Mathers of district 26, chief sponsor of SB 112, indicated that this bill had been introduced at the request of the Department of Highways. Senator Mathers explained that SB 112 repeals a law that is no longer applicable, dealing with a section of the codes that requires that a tax be levied on vehicles that enter the state with 20 gallons of gasoline or more. When stopping at the first open state scale, such vehicles must pay an added tax on the imported gasoline. With many cars with tanks larger than 20 gallons and most trucks now using diesel (this law does not apply to diesel fuel), this law has become outdated.

Mr. Don Copley of the Department of Highways explained that the Gross Vehicle Weight Division of the Department of Highways has operated for a number of years as the collecting agent for the Department of Revenue. In recent years the change in the mode of transportation has reduced the number of vehicles subject to this tax; pickups and passenger cars are not required to stop at weigh stations even though they may be importing 20 gallons or more of gasoline. In the past two fiscal years the income to the state from this tax has been minimal: in the fiscal year ending in June of 1976 the income to the state was \$11,463 with administrative costs running \$7,709; in the fiscal year ending in June 1975 the income was \$12,189 with administrative costs running \$8,971. There really is no way to collect these taxes.

Senator Smith asked if the bordering states have this same type of tax. Mr. Copley answered that he was not sure if they did.

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In answer to a question from Senator Graham concerning the effect of the passage of this bill Mr. Copley indicated that the state had only realized about \$4,000 from this tax in each of the past two years. Senator Mathers added that the law doesn't apply to diesel, so there is no tax revenue realized from most trucks. The cost of administration was just not worth it.

Senator Aber asked how the taxes were collected. Mr. Copley replied that when the transient stopped at the weigh station and was found to be importing more than 20 gallons of fuel, a form was sent to the company indicating the amount of taxes owed. The companies also submit monthly reports that sometimes indicate the amount of imported gasoline and the taxes owed.

Senator Aber commented that he was not aware of any other states with such a law. In the travel that he had done over the years he had never been asked at a weigh station to indicate the amount of gas being imported. Mr. Copley noted that the enforcement of this law has been a problem. Some of the border stations check to see how much gasoline is being imported, some do not.

CONSIDERATION OF SENATE BILL 103: Senator Lockrem of district 32, chief sponsor of the bill, reported to the committee that SB 103 would amend the law to apportion off-system highway funds received from the federal government strickly to areas that were neither primary or secondary roads. The allocation would be done in the same way that primary and secondary funds are now allocated with the criteria including: Land area, land value, rural population and road mileage. Senator Lockrem noted that the program has not been funded in the past due to red tape and that this proposal had received a lukewarm reception from the Montana Association of Counties. It is hoped that this program will be funded in the future. With passage of this bill, when the funding takes place, the funds can be allocated equitably.

Mr. Jim Beck from the Department of Highways testified that this bill was merely a device to allocate the money to the counties in the event the appropriations are forthcoming. The formula is the same as that for the secondary road system. Even though it is a small program, if funded, the department will need a formula for distribution of the funds.

Mr. Dean Zennicker of the Montana Association of Counties testified that in discussion with the League of Cities and Towns this measure was accepted as a compromise proposal. The program at present is not in the executive budget submitted to Congress by President Ford, but there is still hope that the new administration will put it back into the new budget. Mr. Zennicker indicated that Mr. Meisner of the League of Cities and Towns had requested that his support of the bill be relayed to the committee.

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Senator Manning asked if the federal share amounted to about three-fourths of the total cost of the program if funded. Mr. Jack Beckert of the Department of Highways said that the program comes to about \$4 million total for the coming year. The program was funded last year, so it is really not too "iffy". In 1976 the appropriations were \$4,609,888 federal share, \$1,623,060 state share, for a total of \$6,232,948. As of November 1, 1976 \$4.9 million of that had been obligated. Mr. Beckert noted that there was a lot of red tape in order to fulfill the federal requirements. The allocations must be made on a fair and equitable basis and SB 103 meets that federal requirement.

Mr. Beck commented that the question may arise as to how the department was able to allocate the 1976 funds with no bill like this in effect. The Department of Highways has the authority in the interim to make allocations of federal funds if they come to the legislature the next session to confirm that authority or to change it.

Chairman Manning asked for the formula for distribution again. Mr. Beck referred to §32-2607 R.C.M. 1947. The formula that follows is used to distribute the federal funds to the financial districts and then the same formula is used within the financial district to distribute the funds to the counties.

- 1:4 ratio of land area to state land area
- 1:4 ratio rural population to state rural population
- 1:4 ratio rural road mileage to state rural road mileage
- 1:4 ratio rural lands value to state rural lands value.

Chairman Manning asked for a definition of rural population. Mr. Beck responded that all population outside areas of 5000 persons or more was considered rural population.

Chairman Manning asked the total mileage of off-system roads. Mr. Beckert responded that the figure was probably between 50 and 60 thousand miles. Mr. Zennicker commented that there were 56,000 miles of county roads alone.

Senator Aber asked if the bill would force the counties to check with all cities under 5000, incorporated or not, and then decide the priorities. Mr. Beckert responded that the bill would require that only incorporated cities of 5000 or less would be contacted.

Senator Aber asked what the federal-state matching ratio was. Mr. Beckert answered that the ratio was 76:24.

Senator Aber asked if the counties would apply to the state for matching funds or whether the state sought out the counties. Mr. Beckert responded that currently the counties come into the Department of Highways and tell their needs and priorities.

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The Department of Highways makes sure that proposed construction is realistic and under the regulations, then they authorize the counties to proceed. There really is quite a little administration involved.

Senator Aber asked if the Department of Highways would check to see if the counties had checked with all of the cities under 5000 population. Mr. Beckert answered that the Department did. Senator Aber then asked if the counties had been coming up with their priorities. Mr. Beckert answered that most counties were very knowledgeable about the programs available.

Chairman Manning noted that this bill was merely confirming the procedure that was followed in the past.

Senator Aber asked if the blessing of the cities were needed before beginning. Mr. Beckert responded that it was not. Mr. Zennicker noted that there were ten cities that were now apportioned off-system funds. The majority of the counties work well with their cities.

CONSIDERATION OF SENTATE BILL 133: Senator Bergren of district 46, chief sponsor of the bill, explained to the committee that the purpose of this bill was to amend the statutes relating to the computation of fees for proportional registration of fleet vehicles. Presently the wording of the law states that the owner is required to send in the fee with the application for registration. Owners do not know how to compute the fees and therefore there are constant over and under payments. This bill would remove the requirements that the fees accompany the application, and would allow the Department of Highways to send a bill indicating the fee that was due after having to received the application. With this bill the owners would not have to wait for registration when the fee that was sent was incorrect.

Mr. Copley of the Department of Highways testified that this bill was requested because of the administrative problems with the law. More transactions are required when the fees must accompany the application and the problems are compounded. The bill simply changes the wording of the law from shall to may.

Senator Smith asked what the procedure was on overpayments. Mr. Copley answered that if duplication of payment was received for any fee the individual had to be contacted to see if they would like the overpayment credited for future payments or if they wished that they be refunded the money.

CONSIDERATION OF SENATE BILL 134: Senator Smith of district 8, chief sponsor of the bill, testified that SB 134 would repeal the 1975 requirement that motor vehicles be inspected. Senator Smith indicated that the law had been passed because of federal

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threats to withhold funds if such a safety law were not passed. Fortunately, the legislature never provided funding for the enforcement of the program and no such funds were in the 1977-79 budget. The 1976 Federal Highway Act was more lenient with the states, so federal pressures were reduced. Reasons why motor vehicle inspection won't work include: the garage liability, the problems with the fees not being high enough to cover the costs of inspection, and the fact that periodic inspection would do little to stop highway deaths. In the last session, statistics for the last three years had indicated that in no instance could it be shown that mechanical failure resulted in one death in Montana.

Senator Graham asked if there was any possibility of losing the 10% of federal highway funds. Mr. Beck responded that the 1976 Federal Highway Act contained no threat of withholding funds for failure in this safety area. There were some veiled references that if states did not have safety programs that were acceptable to the Secretary of Transportation that safety funds could be withheld.

Senator Graham indicated that research showed that hardly any accidents can be tied to mechanical inadequacies.

Chairman Manning noted that he was surprised that a number of the proponents of safety inspection in previous years were not here today. He asked if the Highway Department people thought it would be best to repeal the law outright or just allow it to "die on the vine". Mr. Beck indicated that he had no opinion on that.

Senator Smith commented that there were safety inspections required for school buses and that there were inspections by the Highway Patrol in their holiday blockades, thereby providing enough safety inspection.

Senator Aber commented that with four year inspections and the number of trades that some people make, some cars would never get inspected. It would take two men to do all of the checking required and the minimal fee charged would hardly be enough to cover costs for the garages. If we jeopardize federal funds, then we could say that we have inspection laws and just not fund enforcement. Otherwise he would be in favor of repeal.

Chairman Manning thanked all of the witnesses.

DISPOSITION OF SB 112: Senator Lockrem moved that SB 112 do pass. Senator Aber seconded it. With no discussion, the motion carried unanimously.

DISPOSITION OF SB 103: Senator Lockrem moved that SB 103 do pass. Senator Smith seconded the motion. With no discussion, the motion carried unanimously.

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DISPOSITION OF SB 133: Senator Smith moved that SB 133 do pass. Senator Graham seconded the motion. With no discussion, the motion carried unanimously.

DISPOSITION OF SB 134: Senator Smith moved that SB 134 do pass. Senator Graham seconded the motion. With no discussion, the motion carried unanimously.

Chairman Manning indicated to the committee that four more bills would be posted for next Tuesday. The committee will meet on Thursday informally to discuss pending legislation.

ADJOURNMENT: There being no further business, the meeting was adjourned at 10:30 a.m.

*Dave Manning*

SENATOR DAVE MANNING, CHAIRMAN

ROLL CALL

HIGHWAYS AND TRANSPORTATION COMMITTEE

45th LEGISLATIVE SESSION - - 1977

Date 1/25/77

NAME	PRESENT	ABSENT	EXCUSED
Dave Manning, Chairman	✓		
Larry Aber, Vice Chairman	✓		
Tom Hager	9:35 ✓		
Frank Hazelbaker	✓		
Lloyd Lockrem	✓		
Mark Etchart	✓		
Carroll Graham	✓		
John Healy	✓		
Richard Smith	✓		
Russell Bergren	✓		

SENATE *HIGHWAY & TRANSPORTATION* COMMITTEE

n. BILL 103, 112, 133, 134

## VISITORS' REGISTER

DATE 7/25/77

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY



NAME:

Don Poyaley

DATE:

1-25-77

ADDRESS:

Helena

PHONE:

449 - 2476

REPRESENTING WHOM?

Dept. of Highways

APPEARING ON WHICH PROPOSAL:

SB 112 + SB 133

DO YOU:

SUPPORT?

AMEND?

OPPOSE?

COMMENTS:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME:

*Maria Melich*

DATE:

*1/25/77*

ADDRESS:

PHONE:

REPRESENTING WHOM?

*Dept of Revenue*

APPEARING ON WHICH PROPOSAL:

*S.B. 112*

DO YOU:

SUPPORT?

AMEND?

OPPOSE?

COMMENTS:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME:

William J. Jannicko

DATE:

1-25-77

ADDRESS:

Helena

PHONE:

442-8209

REPRESENTING WHOM?

Mt. Ararat Co.

APPEARING ON WHICH PROPOSAL:

103

DO YOU:

SUPPORT?

☒

AMEND?

OPPOSE?

COMMENTS:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

# STANDING COMMITTEE REPORT

.....January 25.....1977.....

MR. President.....

We, your committee on.....Highways and Transportation.....

having had under consideration .....Senate..... Bill No. 103.....

Respectfully report as follows: That.....Senate..... Bill No. 103.....

DO PASS

G.A.

# STANDING COMMITTEE REPORT

January 25, 19 77

MR. President

We, your committee on Highways and Transportation

having had under consideration Senate Bill No. 112

Respectfully report as follows: That Senate Bill No. 112

DO PASS

*Pl*

# STANDING COMMITTEE REPORT

January 25,

19 77

President

MR. ....

We, your committee on ..... **Highways and Transportation** .....

having had under consideration ..... **Senate** .....

Bill No. **133** .....

Respectfully report as follows: That ..... **Senate** .....

Bill No. **133** .....

DO PASS

*g.c.*

# STANDING COMMITTEE REPORT

.....January.....25.....19 77.....

MR. President.....

We, your committee on Highways and Transportation.....

having had under consideration Senate..... Bill No. 134.....

Respectfully report as follows: That.....Senate..... Bill No. 134.....

DO PASS

*Bl.*