

MINUTES OF THE MEETING
HIGHWAYS AND TRANSPORTATION COMMITTEE
MONTANA STATE SENATE

February 3, 1979

The twelfth meeting of the Highways and Transportation Committee was called to order by Chairman Mark Etchart on the above date in Room 410 of the State Capitol Building at 12:30 p.m.

ROLL CALL: All members of the committee were present with the exception of Senator Manning who was excused.

CONSIDERATION OF HOUSE BILL 74: Representative Budd Gould District 98 from Missoula told the committee this bill was an act to amend section 61-9-204 and 61-9-205 to decrease the minimum height requirement for taillamps and reflectors from 20 inches to 15 inches to conform to Federal Regulations. It is a simple bill. He introduced Larry Majerus to the Committee for further explanation.

Larry Majerus from the Department of Highways told the committee the Department had requested this bill to bring Montana Statutes in line with Federal requirements. It would decrease the minimum height requirement for taillamps and reflectors from 20 inches to 15 inches. All this bill would do is bring the statute into conformity with federal regulations.

Gerald F. Raunig from the Montana Auto Dealers Association told the committee he is in agreement with Larry Majerus, and supports HB 74.

Chairman Mark Etchart asked if there were any opponents to House Bill 74. He asked the committee if they had any questions. There being none, the hearing on HB 74 was closed.

CONSIDERATION OF SENATE BILL 304: Senator Turnage is the Chief Sponsor of SB 304. He told the committee it is a bill to amend section 15-70-301, MCA, to provide that the definition of "special fuel dealer" includes any person providing a facility from which more than one special fuel user obtains special fuel. He read to the committee portions of the existing law, see Page 3, Subsection 7, of SB 304. He told the committee some people who are involved in this area have apparently challenged the Department of Highways, saying they are not a dealer because they do not squeeze a nozzle and put fuel into a tank. He said they have two witnesses from the Department of Highways. He introduced Norris Nichols.

Norris Nichols, from the Department of Revenue said as the present act reads, if you are a dealer and place fuel into a fuel tank, you have to become licensed and post a bond and submit reports and tax to the Department. In the last several years, we have

run into key lock systems. They issue keys to customers and the theory is, because they do not place the fuel into that vehicle, they are not a special fuel dealer. This bill would alleviate this.

Jack Miller from the Dept. of Revenue said fuel locks first came into use about 5 or 7 years ago. Within the last 2 or 3 years the key locks have become a big item. They are still putting fuel into the fuel tanks. They are not licensed as a special fuel dealer. What they have come up with is a lease type deal. They lease the tank and prepay for a certain amount of fuel. Then the people take a portion, they are selling fuel in bulk. The fuel is then withdrawn by various people with keys. Since the dealer is not licensed, there are no reports filed. We have no way of knowing how many gallons people are withdrawing. The pump looks like any service station pump. The pump has twenty keys and the dealer will issue the keys. The people can come in anytime day or night and withdraw fuel. The dealer will read the meter the 1st or last of the month and that is what the person is billed for. There are a lot of key pumps around the state. There is no major problem with them. The people who are making sales into vehicles are all licensed now.

Chairman Etchart asked the committee if they had any questions.

Senator Graham asked the men from the Department about a trucking firm that is running night and day and they buy fuel and put it into tanks. The truckers come along and refuel when they want to. Does that bulk dealer that is selling these tanks collect the fuel tax on this.

Mr. Miller said if the dealer put the fuel into the tank and billed the users for the amount of fuel in the tank, this is a bulk dealer. He can sell it tax included or not tax included. That is optional.

Senator Graham said if the dealer knows it would be highway use, it looks like the dealer should pay the tax on it and at the same time.

Mr. Miller said the users decide whether the tax be included or not. Some outfits may be running from state to state. If he bought all his fuel, tax paid, in Montana and went into Washington, then he would have to get a credit in Montana and still owe the State of Washington. If they pay their own tax, it balances out.

Senator Graham wanted to be sure and get this clear and said "if you are a truckline and you are operating outside a bulk storage, if you buy fuel from a licensed dealer, you can pay the dealer tax or you can pay tax based on miles traveled to the department.

Senator Etchart said he still had problems with this bill.

In Glasgow we have a bulk tank that twenty people are using. We can gas up after hours and on Sundays. A lot of the farmers and ranchers don't want to have a bulk tank out on their farm because it is just an invitation to vandalism. A lot of the guys have tanks in their trucks and gas them up.

Mr. Miller said this was no problem, because the sale is then made into a tank. As long as it is that type of sale he would not have to be licensed. When the user submits their monthly tax report, he has to show where he buys the fuel. One of the departments specific jobs is to see where the person is buying fuel and check if they are licensed. You can usually tell if it is a delivery into a supply tank.

Senator Graham asked Mr. Miller, You are assuring me it does not change the status for the one truck line who has his own bulk storage.

Mr. Miller said yes.

There being no further question, the hearing was closed.

CONSIDERATION OF HOUSE BILL 27: Jim Beck from the Department of Highways told the committee Representative Baeth could not make it to the Hearing and he would explain the bill. He told the committee it is an act to amend section 60-5-106, MCA, pertaining to controlled-access highways. This bill was requested by the Department of Highways and would clear up two problems. See Exhibit "A".

Chairman Etchart asked if there were any opponents to HB 27. He asked if there were any questions from the committee.

Senator Graham asked Mr. Beck if this bill had been before the Legislature once before.

Mr. Beck said Yes, at that time we amended the bill.

Senator Healy asked Mr. Beck if this wouldn't be a good safety factor.

Mr. Beck said yes, the bill is designed for safety. It does, however, not forestall development. It just forces the county to put in roads parallel to the existing highway.

There being no further questions, the hearing was closed on HB27.

ACTION ON SENATE BILL 304: Chairman Etchart remarked the key lock pump deal worried him.

Senator Healy said he did not see any trouble with it.

Senator Etchart suggested holding SB 304 over until Tuesday and this would give him a chance to study it further and talk

to some people from Glasgow about it.

ACTION ON HOUSE BILL 27: Senator Healy made the motion to DO PASS House Bill 27. Senator Hazelbaker seconded the motion. The motion passed unanimously. Senator Healy will carry HB 27.

ACTION ON HOUSE BILL 74: Senator Kolstad made the motion to DO PASS House Bill 74. Senator Hazelbaker seconded the motion. The motion carried unanimously.

There being no further business of the committee the meeting ended at 1:30 p.m.

Mark Etchart

CHAIRMAN MARK ETCHART

Back

House Bill 27 was introduced at the request of the Department of Highways. The purpose of the bill is to clarify the laws relating to controlled access highways. The bill proposes to clear up two problems.

The first relates to the controlled access resolution. At the present time, the law is unclear whether private approaches can be specifically allowed in the resolution. The language inserted in page 1, lines 20 to 23 would clear up that question. This would permit the department, by resolution, to permit private approaches. Such approaches are not permitted on the Interstate System, but are permitted on limited access primary and secondary roads.

The second problem relates to who can permit the installation of approaches on a controlled access highway. This would affect controlled access secondaries only, since the primary roads are under the jurisdiction of the Department of Highways. The law is unclear whether the county could permit such approaches. The Department would like it made clear that no approaches would be permitted to such a controlled access road without its prior consent and approval.

It would be unwise for the department to establish a limited access secondary road and then allow someone else to release the control of access without their approval.

NAME: Gerald F. Rawnig DATE: 2-3-79

ADDRESS: 501 N. SANDERS HELENA

PHONE: 442-1233

REPRESENTING WHOM? Montana Auto Dealers Assoc.

APPEARING ON WHICH PROPOSAL: HB 74

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

SENATE COMMITTEE Highways & Transportation

Date 2-3-79 House Bill No. 27 Time _____

NAME	YES	NO
Mark Etchart, Chairman	✓	
Tom V. Hager, Chairman	✓	
Frank W. Hazelbaker	✓	
Allen C. Kolstad	✓	
Carroll A. Graham	✓	
Dave Manning	<i>absent</i>	
John E. Healy	✓	

Carroll A. Graham
Secretary

Mark Etchart
Chairman

Motion: Do Pass

(include enough information on motion--put with yellow copy of committee report.)

SENATE COMMITTEE Highways & Transportation

Date 2-3-79 House Bill No. 74 Time _____

NAME	YES	NO
Mark Etchart, Chairman	✓	
Tom V. Hager, Chairman	✓	
Frank W. Hazelbaker	✓	
Allen C. Kolstad	✓	
Carroll A. Graham	✓	
Dave Manning	<i>absent</i>	
John E. Healy	✓	

Carol Fossier
Secretary

Mark Etchart
Chairman

Motion: Do Pass

(include enough information on motion--put with yellow copy of committee report.)

STANDING COMMITTEE REPORT

..... February 6 19 79

MR. **President:**


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

having had under consideration **House** ... Bill No. **74**

Respectfully report as follows: That **House** ... Bill No. **74**

DO PASS

.....
SENATOR MARK ETCHART


.....
Chairman.

STANDING COMMITTEE REPORT

February 6 19 79

MR. **President:**

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

having had under consideration **House** Bill No. **27**

Respectfully report as follows: That **House** Bill No. **27**

DO PASS

Jan 1 1979
SENATOR MARK ETCHART Chairman.