

MINUTES OF THE MEETING
HIGHWAY AND TRANSPORTATION
MONTANA STATE SENATE

January 15, 1981

The first meeting of the Highways and Transportation Committee was called to order on the above date in Room 410 of the State Capitol Building by Vice Chairman Hager at 1:00 P.M.

ROLL CALL: All members were present with the exception of Senator Mark Etchart, who was excused and Senator Stimatz, who was absent.

The meeting was an organizational meeting.

CONSIDERATION OF SENATE BILL 66: Senate Bill 66, by request of the Department of Revenue; Chief Sponsor Senator Hazelbaker, told the committee this is an act to permit the Department of Revenue to accept a cash compliance bond for temporary operation by a special fuel user and requiring the user to obtain a permanent bond or forfeit the temporary bond. Senator Hazelbaker introduced Norris Nichols, Chief of the Division for Motor Fuel Tax.

Norris Nichols reported that SB 66 provides for a temporary cash compliance bond for special fuel users operating in Montana. The bill codifies a practice that the Department of Revenue has implemented by rule. The rule itself has been in effect since at least 1972. In reviewing Department rules, it was felt that stronger legislative authority for the practice was desirable. As a result, SB 66 has been introduced at the Department's request.

He told the committee the bill provides for a 30-day operating period upon payment of a \$100 cash bond. The cash is refundable if the special fuel user obtains the required \$500 surety bond and otherwise complies with the laws and rules governing special fuel users. Failure to obtain the surety bond or to comply with the law results in forfeiture of the \$100. The system has arisen to meet the needs of truckers crossing or entering Montana on an infrequent basis. These operators prefer the cash bond to the alternative of waiting for a surety bond to be issued, a bond which would usually be in excess of the trucker's liability for special fuel tax.

He reported that in Section 1, the new material establishes the cash compliance bond and provides for the conditions governing operation under the temporary bond and refund of the \$100. Section 2 contains the codification instructions.

Mr. Nichols proposed the following amendments to Section 1:

SB 66 Amendments proposed by Norris Nichols:

Line 15: Insert "on each vehicle" after compliance bond

Line 15: Strike "." after station
Insert ", or any authorized agent."

Line 15: Delete "No more than one permit may be obtained during a calendar year."

Senator Hager asked if there were any questions.

Senator Elliott asked if this was a new section of the law?

Mr. Nichols replied yes.

Senator Elliott asked Mr. Nichols are the people capable of handling the money.

Mr. Nichols reported the money was handled by the GVW people and banked daily into local banks and then deposited with the state treasurer.

Mr. Elliott asked Mr. Nichols if they have fiscal control?

Mr. Nichols replied yes.

Senator Elliott asked Mr. Nichols to be more specific about who is authorized to handle this money.

Mr. Nichols said the Motor Vehicle Division and the Highways Division Offices throughout the state handle the money.

Senator Hager asked if there were any further questions? There were none.

Senator Hager asked if there were any further amendments? There were none.

Senator Hager asked if someone would like to move the amendment.

Senator Hazelbaker made the motion that the amendments as proposed on SB 66 do pass. All in favor. Motion passed.

Senator Hager asked Mr. Paul Verdon, the Legislative Researcher if he was comfortable with these amendments, so the committee could take action on the bill. He said he did not see a problem with the amendments.

Senator Graham made the motion to DO PASS this SB 66.

Senator Elliott said he would like to wait to take action on this bill until he had a chance to talk to the truckers in the Flathead area about the bill.

Senator Graham withdrew his motion to DO PASS SB 66.

Senator Hager said the Committee would hold action on this bill until the next meeting of the Highways and Transportation Committee.

Senator Hager asked if there were any further questions.

There being no further questions, Senator Hager adjourned the first meeting of the Highways and Transportation Committee at 1:16 P.M.



SENATOR TOM HAGER, Vice Chairman

ROLL CALL

SENATE HIGHWAYS & TRANSPORTATION COMMITTEE

47th LEGISLATIVE SESSION - - 1981

Date 1-15-81

NAME	PRESENT	ABSENT	EXCUSED
SENATOR MARK ETCHART	✓ <i>late</i>		✓
<i>pc</i> SENATOR TOM HAGER	✓		
<i>pc</i> SENATOR FRANK W. HAZELBAKER	✓		
<i>pc</i> SENATOR ROGER H. ELLIOTT	✓		
<i>pc</i> SENATOR LARRY J. TVEIT	✓		
SENATOR DAVE MANNING	✓		
<i>pc</i> SENATOR CARROLL GRAHAM	✓		
<i>pc</i> SENATOR JACK HEALY	✓		
SENATOR LAWRENCE G. STIMATZ		✓	
VERDON - Legislative Council	✓		

Each day attach to minutes.

DATE _____

COMMITTEE ON _____

Highways

^{S2}
BILL NO. *66*

VISITOR'S REGISTER

NAME	REPRESENTING	Check One	
		Support	Oppose
<i>Norris Nichols</i>	<i>Dept. of Revenue</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(Please leave prepared statement with Secretary)

DEPARTMENT OF REVENUE

SENATE BILL NO. 66

SB 66 provides for a temporary cash compliance bond for special fuel users operating in Montana. The bill codifies a practice that the Department of Revenue has implemented by rule. The rule itself has been in effect since at least 1972. In reviewing Department rules, it was felt that stronger legislative authority for the practice was desirable. As a result, SB 66 has been introduced at the Department's request.

The bill provides for a 30-day operating period upon payment of a \$100 cash bond. The cash is refundable if the special fuel user obtains the required \$500 surety bond and otherwise complies with the laws and rules governing special fuel users. Failure to obtain the surety bond or to comply with the law results in forfeiture of the \$100. The system has arisen to meet the needs of truckers crossing or entering Montana on an infrequent basis. These operators prefer the cash bond to the alternative of waiting for a surety bond to be issued, a bond which would usually be in excess of the trucker's liability for special fuel tax.

Section Analysis

Section 1. New material. This section establishes the cash compliance bond and provides for the conditions governing operation under the temporary bond and refund of the \$100.

Section 2. Codification instruction.