

MINUTES OF THE MEETING OF THE HOUSE HIGHWAYS AND  
TRANSPORTATION COMMITTEE, JANUARY 6, 1983

The meeting was called to order by Chairman Abrams on Thursday, January 6, 1983 at 12:30pm in Room 129, State Capitol. All members of the Committee were present.

EXECUTIVE SESSION

MR. GARY WICKS, Director, Montana Department of Highways, explained issues which would be affecting the Department this session. He said prior to recent federal legislation, the Department had outlined projects by district and told the Committee funding would increase from the present \$66 million level to \$109 million in 1983 and in 1984, \$118 million in 1985, and \$127 million in 1986.

MR. WICKS said the problem the first year is that the Department has \$15.8 million for interstate construction which would be raised to \$17.7 million and then remain constant the second through fourth years. He explained primary highways are presently at \$19 million and would increase to \$22 million the first year, remaining constant in years two through four. Mr. Wicks told the Committee the secondary and urban highways would receive a small first year increase and remain constant as will the other highway systems. He said 4R funds for rehabilitation of highways and bridges would increase from \$12 million to \$29 million and \$5 million to \$10 million, respectively, remaining constant the next three years. He stressed the need to determine what projects could be funded federally and said additional revenue was necessary as highway earmarked funds will be depleted by 1985.

MR. WICKS said the Department would ask for state funds to match available federal dollars adding, the Department is still looking at 10 years to complete interstate gaps. He suggested a bonding program at the 60 mill level would permit the Department to complete the system three years ahead of time, while retiring the debt with federal funds of \$40 million. Mr. Wicks advised cash flow would have to be analyzed after the interstate projects were completed to determine where state funds were needed for federal matches to 1985.

MR. WICKS told the Committee the cost would be \$8 million annually, if the primary system were addressed for preventive maintenance. He said reconstruction costs would require additional funds and it would be recommended to the Governor that the Highway Patrol be eliminated from the Highway Earmarked Account and obtain its revenue from the Coal Tax Account

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MR. WICKS said the Department would like to introduce a reconstruction trust bill, which would require readjustment of the entire Departmental budget, adding he hoped to be able to provide recommendations on revenue bills within the coming week. He said the Governor has introduced a bonding bill for the interstate system, in addition to the reconstruction trust bill and that the Department would provide a list of funding bills.

CHAIRMAN ABRAMS advised the Committee there may be a bill introduced to charge a fee for trailers entering the State, in lieu of a proposed GVW increase.

MR. BEN HAVDAL, Montana Motor Carriers Association, said his organization was opposed to the GVW increase of a fuel tax increase. He advised the Committee, the total potential increase in state and federal taxes was estimated at 59% by 1988. Mr. Havdal proposed a \$10 permit for vehicles up to 7% overweight, which would carry the vehicle until the driver was able to adjust the weight or arrive at his destination, if close by. He said log weight is limited to 78,000 pounds, due to length.

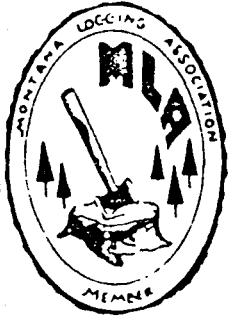
MR. MIKE RICE, Montana Motor Carriers Association, said he has yet to see a tractor-trailer accident due to configuration and accidents were mainly from other causes. He explained to the Committee the use of longer vehicles would decrease fuel consumption, the number of vehicles on the road, brake and axle action.

The meeting was adjourned at 1:30pm.

  
REP. HUBERT ABRAMS, CHAIRMAN

Joann T. Gibson, Secretary





# MONTANA LOGGING ASSOCIATION

P.O. Box 1716, Kalispell, Montana 59901

(406) 755-3185

*Rep. Abrams*  
34

February 8, 1983

Mr. Gary Wicks, Director  
Department of Highways  
Helena, MT. 59601

Dear Director Wicks:

The Montana Logging Association wishes to express our appreciation for your attention to our concerns as you endeavor to develop a legislative package intended to fund the Department of Highways without placing an undue burden upon the trucking industry. We sincerely appreciate the difficulty of this task and wish to go on record in support of the following legislation.

3/1 SB 106 An act to increase the penalties of overweight vehicles. The MLA believes this bill will effectively serve as a deterrent to illegal loads.

2/3 HB 437 An act to increase maximum legal weights and maximum legal lengths for highway trucks. This bill will increase the productivity of large trucks, thus, allowing the trucking industry to recover some of the enormous federal and state tax increases.

2/3 HB 539 An act permitting logging trucks for 80,000 pounds gross vehicle weight, and, amending the existing tolerance allowed overweight trucks from 7% of gross weight to 5% of axle weight. This bill will not only increase productivity for log haulers, it will also minimize damage to highways by restricting the overweight tolerance by axle.

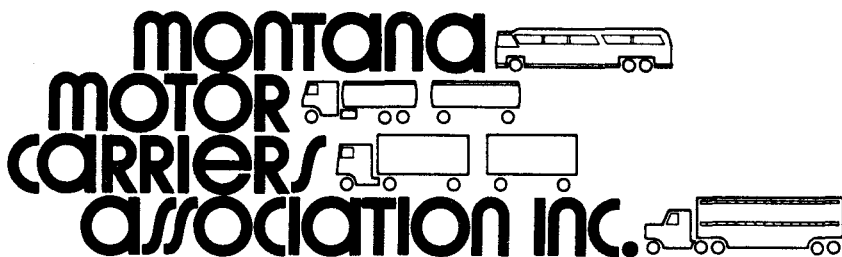
The MLA further expresses our support for HB 16, your Departments request to increase state fuel taxes by 3 cents per gallon, effective July 1st, 1983, and by an additional 2 cents per gallon, effective January 1st, 1985. We agree that these increases are necessary to adequately fund your Departments highways program through 1987.

Our Association shall continue to lobby for the use of coal tax money to help fund highway programs. Director Wicks, the MLA is pleased that the excellent relationship the logging industry enjoys with the Department of Highways is stronger than ever.

Respectfully yours,

*Keith L. Olson*  
Keith L. Olson  
Executive Director

cc: MLA Board of Directors  
House Highways and Transportation Committee  
Senate Highways and Transportation Committee



1-6-83

B. G. HAVDAHL, EXECUTIVE VICE PRESIDENT  
P. O. BOX 1714, HELENA, MONTANA 59624  
TELEPHONE: AREA CODE 406 442-6600

January 3, 1983

TO : All MMCA Members

FROM: B. G. HAVDAHL, Executive Vice President

RE : Highlights of Surface Transportation Act of 1982 (HR 6211)

Both Houses of Congress adopted the Conference Committee Report on H.R. 6211 and it has been signed into law.

The basic tax provisions of the bill are as follows:

(1) Increase the present Federal tax on gasoline and diesel fuel from \$.04 per gallon to \$.09 per gallon (\$.05 increase or 125%), Effective date April 1, 1983;

(2) Increase the excise tax on tires from present rate, \$.0975 per pound on all tires to:

(a) No tax first 40 pounds;

(b) \$.15 per pound in excess of 40 pounds;

(c) \$4.50 plus \$.30 per pound in excess of 70 pounds;

(d) \$10.50 plus \$.50 per pound in excess of 90 pounds;

Effective date, January 1, 1984;

(3) Repeal the present taxes of \$.05 per pound on tread rubber and \$.10 per pound on inner tubes, Effective Date, January 1, 1984.

(4) Increase the present excise tax on new trucks over 10,000 lbs. GVW from 10% of manufacturer's price to 12% on retail for trucks over 33,000 lbs. GVW and 12% on retail for trailers over 26,000 lbs. GVW - Effective date, April 1, 1983;

(5) Repeal the present excise tax on truck parts of 8% of manufacturer's price on all truck parts - Effective date, April 1, 1983;



REPRESENTING THE TRUCKING INDUSTRY IN MONTANA

(6) Increase the heavy vehicle use tax from \$3 per 1,000# GVW on all vehicles over 26,000# GVW to heavy vehicles with a gross weight of 33,000# GVW and up as follows:

- (a) 33,000#, but less than 55,000#, \$50 per year plus \$25 for each 1,000# over 33,000#;
- (b) 55,000#, but less than 80,000#, \$600 per year plus applicable rate as per (d) below;
- (c) 80,000# or more, the maximum tax per year as per (d) below;
- (d) July 1, 1984, applicable rate \$40, maximum \$1,600;  
July 1, 1985, applicable rate \$40, maximum \$1,600;  
July 1, 1986, applicable rate \$44, maximum \$1,700;  
July 1, 1987, applicable rate \$48, maximum \$1,800;  
July 1, 1988, applicable rate \$52, maximum \$1,900;
- (e) The following exemptions and modifications apply to the heavy vehicle use tax - (1) an exemption is applied if truck does not travel in excess of 5,000 miles per year and if tax is paid, is eligible for a refund or credit - (2) In the case of a small owner-operator, with no more than 5 vehicles to which tax is imposed, will be granted an additional year for payment of tax in each category in paragraph (d) above;
- (f) The bill requires the Secretary of Transportation by January 1, 1985, to submit a study to Congress on alternative means of taxing heavy trucks; i.e., on a weight distance or ton mile basis;
- (g) The tax is to be collected by the State at the time of registration and proof of payment must be shown before registration can be issued. The Secretary of DOT can reduce the State's apportionment by 25% if State does not enforce collection after September 30, 1984;

(7) Repeal the present tax of \$.06 per gallon on lubricating oil.

All MMCA Members

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January 3, 1983

The basic size and weight provisions of the bill are as follows:

(1) States must allow axle weights 20,000# single and 34,000# tandem minimum and maximum on Interstate and Defense Highway Systems (no mention is made of other roads); effective upon enactment.

(2) States must allow gross weight of 80,000# minimum and maximum on Interstate and Defense Highway Systems (no mention is made of other roads) by application of formula B ( $W=500 (LN/N -1 +12N +36)$ ); effective upon enactment

Grandfather Clause - "This section shall not be construed to deny apportionment to any State allowing the operation within such State of vehicles or combinations thereof which the State determines could be lawfully operated within such State on July 1, 1956, except in the case of overall gross weight of any group of TWO OR MORE CONSECUTIVE AXLES, on the date of enactment of the Federal Aid Highway Act of 1974." (Language following "determines", "in consultation with the Secretary of DOT" were stricken from the Act.)

(3) Length of a semitrailer is mandated at not less than 48 feet and no state can impose less than 48 feet on a semitrailer and less than 28 feet on length of any semitrailer or trailer operating in a truck tractor-semitrailer-trailer combination. States must allow access and applies to National System of Interstate and Defense Highways and any other qualifying Federal-aid Primary System Highway. Effective date is 90 days after enactment.

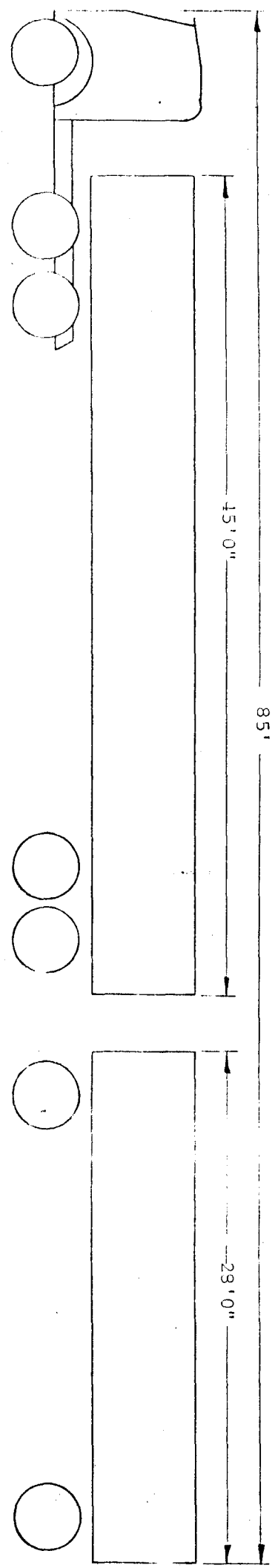
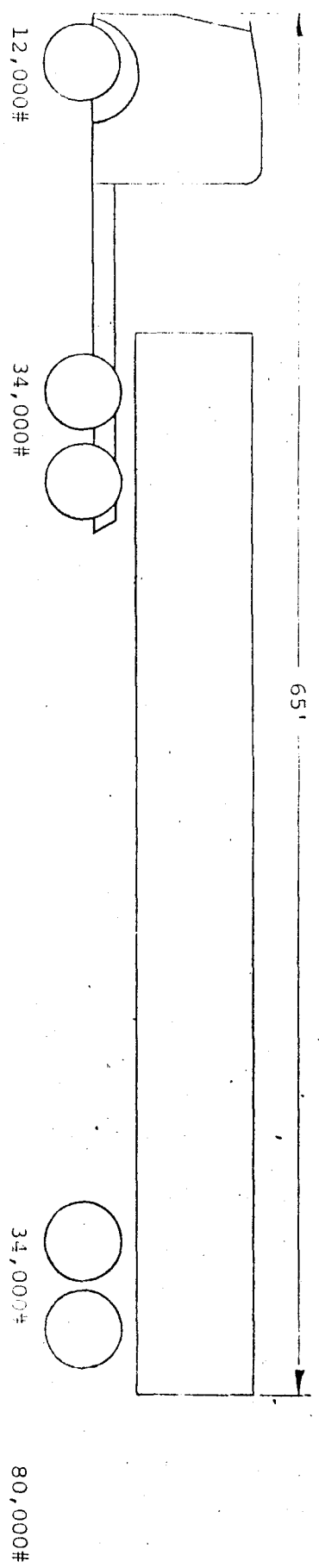
(4) Mandates 102 inch width on Interstate Highways or other qualifying federal-aid highways as designated by Secretary of Transportation with traffic lane designed to be a width of 12 feet or more. States must allow access. Effective date is October 1, 1983.

NOTE: President has not signed H.R. 6211 and is scheduled to Thursday, January 6, 1983. The President has signed an appropriation bill including the 102" width provision with effective date October 1, 1983.

B. G. HAVDAHL

BGH:ap

1-6-83

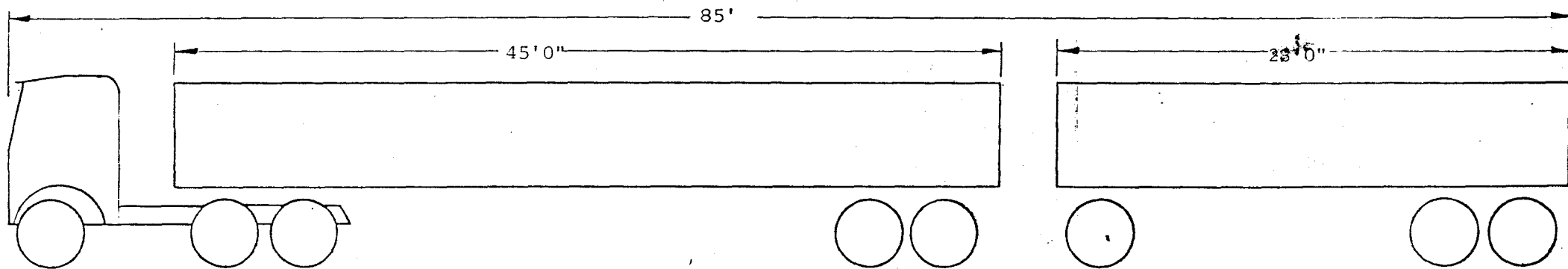
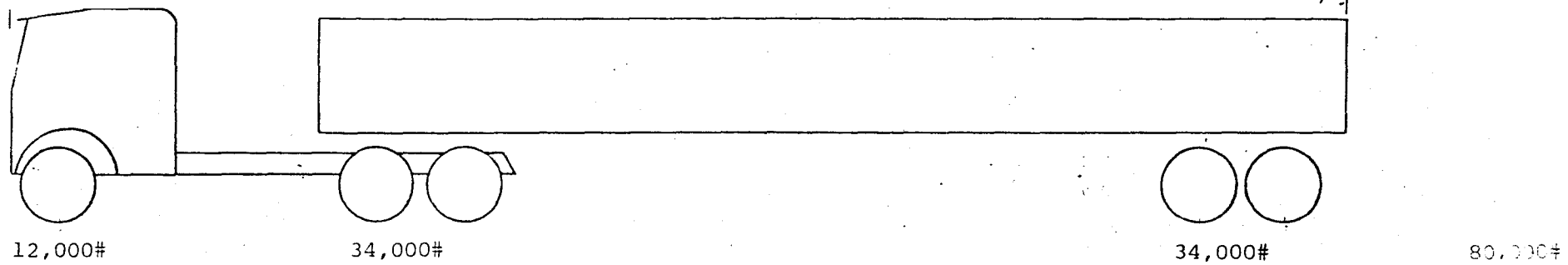


AXLE MAXIMUM 12,000# 34,000# 34,000# 20,000# 20,000# 120,000#

85' CURRENT FORMULA 10,000# 31,500# 28,000# 19,000# 17,000# 105,500#

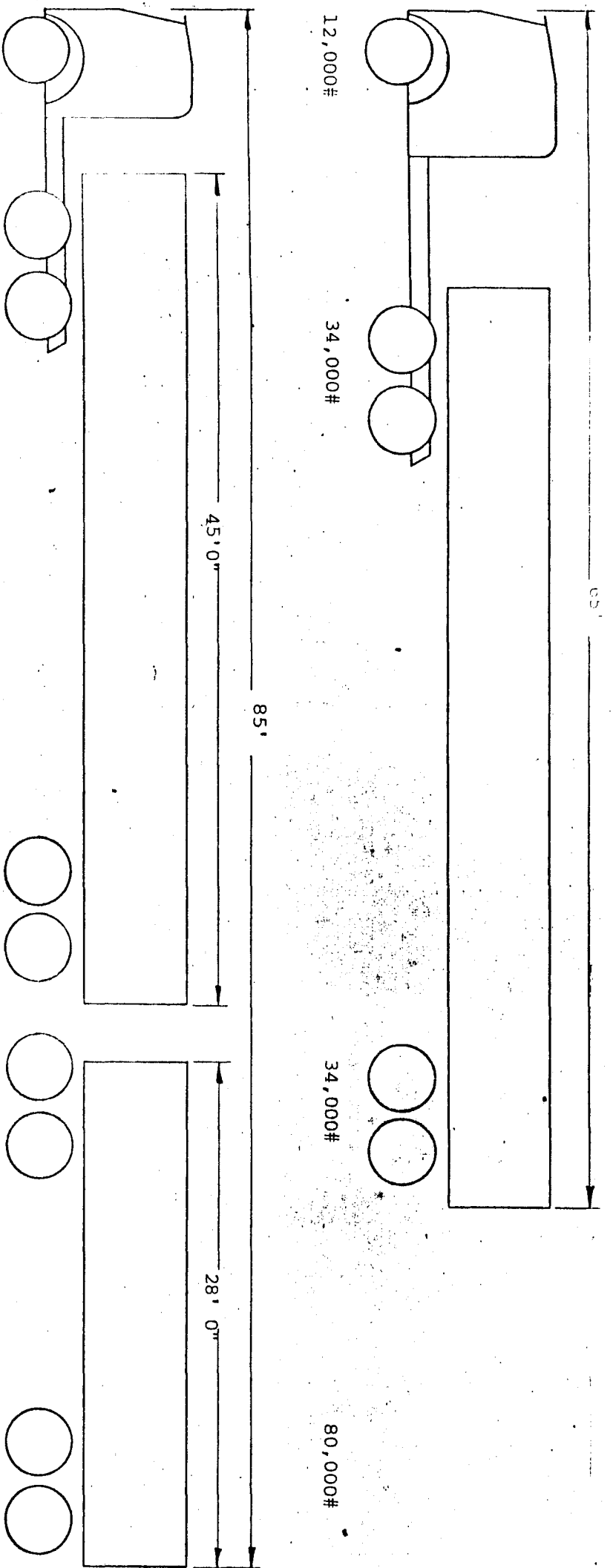
85' FORMULA 'B' 10,000# 32,000# 28,500# 19,165# 17,000# 106,665#

95' FORMULA 'B' 10,500# 33,500# 30,500# 19,700# 18,250# 112,500#



AXLE MAXIMUM	12,000#	34,000#	34,000#	20,000#	34,000#	134,000#
85' CURRENT FORMULA	10,500#	32,000#	31,000#	16,000#	16,000#	105,500#
85' FORMULA 'B'	10,500#	33,000#	32,000#	16,000#	20,210#	111,710#
95' FORMULA 'B'	11,345#	33,500#	32,000#	16,000#	24,580#	117,425#





AXLE MAXIMUM	12,000#	34,000#	34,000#	34,000#	148,000#
85' CURRENT FORMULA	10,000#	23,875#	23,875#	23,875#	105,500#
85' FORMULA 'B'	10,000#	26,750#	26,750#	26,750#	117,000#
95' FORMULA 'B'	10,005#	28,155#	28,155#	28,155#	122,625#

1-6-83

Taxes paid by a typical 80,000 pound 5-axle tractor semitrailer operating intrastate; comparison unit is a 1980 International tractor, valued at \$46,592 and 1980 Trailmobile trailer valued at \$13,925 -based on 70,000 miles of annual travel at 4.5 miles per gallon of fuel.

TAX DESCRIPTION	CURRENT TAX	ACTUAL AND PROPOSED ADDITIONAL TAX	TOTAL CURRENT AND PROPOSED TAX	PERCENTAGE INCREASE
*Montana GVW Taxes	\$1,774.00	\$ 620.90	\$2,394.90	35%
Montana Misc. Truck Taxes	139.00	-0-	139.00	-0-
*Montana Diesel Fuel Taxes	1,711.11	547.55	2,258.66	32%
Montana County Property Taxes	1,071.00	-0-	1,071.00	-0-
TOTAL MONTANA TAXES	\$4,695.11	\$1,168.45	\$5,863.56	25%
*Federal Diesel Fuel Taxes	622.22	777.78	1,400.00	125%
**Federal Misc. Truck Taxes	953.00	188.00	1,141.00	20%
***Federal Heavy Truck Tax	210.00	1,690.00	1,900.00	805%
TOTAL FEDERAL TAXES	\$1,785.22	\$2,655.78	\$4,441.00	149%
<u>TOTAL MONTANA &amp; FEDERAL TAXES</u>	<u>\$6,480.33</u>	<u>\$3,824.26</u>	<u>\$10,304.56</u>	59%

\*The Montana current diesel fuel tax is 11¢ per gallon and would be increased by 3½¢ per gallon and GVW fees proposed to be increased 35%. The Federal diesel tax is 4¢ per gallon and is to be increased by 5¢ per gallon.

**Federal Misc. Truck Tax	Current	Proposed
Excise Tax	\$757.00	\$998.00
Tire Tax	99.00	143.00
Retread Rubber Tax	29.00	-0-
Inner Tube Tax	11.00	-0-
Parts & Accessories Tax	48.00	-0-
Lubricating Oil Tax	9.00	-0-
	<u>\$953.00</u>	<u>\$1,414.00</u>

Annual average for 8 year period

\*\*\*Federal Heavy Truck Tax (As adopted by Congress 12/82)

The current tax rate is \$3 per thousand pounds.

- 1984 - \$1,600
- 1986 - \$1,700
- 1987 - \$1,800
- 1988 - \$1,900