

MINUTES OF THE MEETING OF THE HOUSE HIGHWAYS AND  
TRANSPORTATION COMMITTEE, JANUARY 25, 1983

The meeting was called to order by Chairman Abrams on Tuesday, January 25, 1983 at 12:30pm in Room 129, State Capitol. All members of the Committee were present.

HEARINGS

HOUSE BILL 205. REP. JAY FABREGA, District 44, Cascade County, testified as chief sponsor of the bill which would provide any work in excess of \$1,000 be amended to \$10,000 for competitive bidding on projects approved by the Highway Commission.

PROPONENTS

MR. BILL OLSON, Secretary-Manager, Montana Contractors Association, said he supported the bill with reference to actual contracts awarded by the Highway Commission and not those awarded by Maintenance. He told the Committee Section 2, lines 18-20 should be stricken from the bill for the benefit of future Highway Commissioners and said he supported Section 3 of the bill, in particular, as it requires accountability for bids from the County Commissioners to the Highway Commission.

OPPONENTS

There were no opponents of the bill.

QUESTIONS

REP. LYBECK asked if the \$10,000 figure were adequate and reasonable. Mr. Olson replied there would be a lot of competition for bids of even this size because of the economy.

The hearing was closed on House Bill 205.

HOUSE BILL 320. REP. JOE HAMMOND, District 24, Mineral County, testified a sponsor of the bill, which would give local governments the option of purchasing property owned by the State, at appraised value, benefiting municipalities. He said the State presently sells land via the bid process, which costs more than \$100 to set up each time land is sold, adding there are legal problems with successor's in interest.

PROPONENTS

MR. JIM BECK, Department of Highways, explained costs involved in determining who is a successor in interest, adding the provision impedes the Department in disposing of excess real estate. He said the Department presently holds onto the property rather than risk a suit when the proper successor in interest cannot be determined, adding House Bill 320 would clarify the situation.

OPPONENTS

There were no opponents of the bill.

QUESTIONS

REP. KEYSER, referring to "impractical" on page 3 of the bill, said he saw a problem with allowing the Department so much latitude, but otherwise thought the bill was appropriate. He commented he would like to see a definition of where the sale of "successor in interest" land was to be sold. Mr. Beck replied he had no objection to the suggestion, adding land sold via the sealed bid process would require the bids be opened in Helena.

REP. KEYSER said he made the request because the Department had not been open and honest in the past. Mr. Beck said he thought there was a good case for use of sealed bids versus public auctions.

REP. KEYSER asked if sealed bids were pointed out in House Bill 320. Mr. Beck replied "auction" had been omitted from page 3, line 4 of the bill.

REP. KEYSER said language states the sale may be conducted by either public auction or sealed bid. Mr. Beck replied the Department should get as much as possible from the sale of such lands, adding the Department has received less than appraised value through public auctions and more through sealed bids.

REP. LYBECK told committee members he agreed with Rep. Keyser, as most property is presently sold through competitive bidding at public auctions.

REP. KEYSER commented he would prefer to amend the bill in executive session and the hearing was closed.

EXECUTIVE SESSION

HOUSE BILL 198. REP. ZABROCKI moved the bill Do Pass.

MR. GREG PETESCH, Legislative Council Attorney, told the Committee there was a problem with two kinds of right of way and permits on paragraph 3 of the Statement of Intent, one being the haying permit and the other an occupancy permit, adding language in the bill gives the Department fairly broad discretion (exhibit).

REP. SHONTZ made a motion to adopt the Statement of Intent with the addition of "The Legislature intends that the fees for permits issued apply only to new permits. The Department shall not use this rule-making authority as a revenue measure." The motion was seconded by Rep. Keyser and unanimously approved by the Committee.

REP. BROWN moved the Committee insert "to recover the cost of issuing and renewing permits to use or occupy state highway right of ways.", be inserted on page 2, line 1, following "fees". The motion was seconded by Rep. Hammond and given unanimous committee approval.

REP. SHONTZ moved the bill Do Pass as Amended. The motion was seconded by Rep. O'Connell and unanimously approved by the Committee.

HOUSE BILL 205. REP. O'CONNELL moved the bill Do Pass.

REP. BROWN commented he saw no problem with the bill as there have been only two incidents of competitive bidding within the past two years that were in the \$10,000 range.

The motion was seconded by Rep. Solberg and given unanimous committee approval.

HOUSE BILL 17. MR. PETESCH provided committee members with a copy of the bill as it would read if proposed amendments were incorporated (gray bill exhibit).

REP. BROWN moved the bill Do Pass and Rep. Keyser moved the amendments be approved.

REP. LYBECK said he still found page 2, line 12 to be a problem, with regard to the annual fee in lieu of alternate fuels tax, as many vehicles would exceed the estimated 10,000 miles, adding a refund subsequent to payment of the tax would be more appropriate.

REP. HARP commented it is difficult to get a number on those vehicles using alternate forms of fuel, adding Department Director, Gary Wicks, wanted the diesel fuel tax included in the bill so a vehicle without a decal would pay that tax at the pump.

REP. SOLBERG asked Rep. Harp how the dealer kept track of who had a decal and who did not, when gas was pumped. Rep. Harp replied dealers have been keeping the records for some time with no problem.

REP. STOBIE asked how the State would check up on the dealer. Rep. Harp said checks would be made referencing decal numbers.

REP. SOLBERG commented pumps are presently taxed while bulk plants are not.

REP. LYBECK asked Rep. Harp how he proposed to prevent agricultural persons from using bulk diesel fuel in their non-farm vehicles. Rep. Harp told the Committee, Canadians use colored fuel and stop vehicles randomly for inspection.

REP. LYBECK asked why Montana could not use the gasoline method for special fuels. Rep. Harp replied special fuels and gasoline are under two separate categories in the statutes.

REP. SHONTZ said the reporting system is already in place and he believes the decals will not resolve the farm use problem.

REP. KOEHNKE asked Rep. Lybeck if her were in favor of the prepaid diesel fuel tax, with the unused portion refunded at the end of the year. Rep. Lybeck replied he was. Rep. Koehnke advised he disagreed with the proposal as it would give others use of the funds for the entire year.

REP. SOLBERG asked of what use the bill would be if users were not required to purchase a decal.

Highways Committee Minutes  
January 25, 1983  
Page 5

REP. STOBIE asked if diesel fuel taxes paid by a farmer for fuel used for agricultural purposes would be refunded to the farmer as proposed by Rep. Lybeck. Rep. Lybeck answered him, saying it would be and the farmer would be required to retain receipts on the highway vehicle for the entire year for inspection purposes, while essentially operating on an honor system.

REP. O'CONNELL called for the question on the motion. The amendments to House Bill 17 were approved with all members voting aye, except Representatives Howe and Lybeck.

REP. O'CONNELL moved the bill Do Pass as Amended.

REP. BROWN made a substitute motion the bill Do Not Pass as Amended.

REP. SHONTZ made a substitute motion for all motions pending that House Bill 17 be tabled. The motion was seconded by Rep. Brown and given unanimous committee approval.

The meeting was adjourned at 1:40pm.

  
REP. HUBERT ABRAMS, CHAIRMAN

Joann T. Gibson, Secretary



1983

	Date: 1/13 No: HB 32	Date: 1/25 No: HB 198	Date: 1/25 No: HB 17 amend	Date: 1/25 No: HB 17 Do Pass as Amend.	Date: 1/25 No: HB 17 Reconsid.	Date: 1/25 No: HB 17 Table	Date: 1/25 No: HB 205 Do Pass
ABRAMS	Y	Y	Y	N	Y	Y	Unanimous
ZABROCKI	Y	Y	Y	Y	Y		
BROWN	N	N	Y	N	Y		
COMPTON	Y	Y	Y	N	Y		
HAMMOND	Y	Y	Y	N	Y		
HARP	Y	Y	Y	Y	Y		
HEMSTAD	--	--	Abstain	Abstain	Y		
HOWE	Y	Y	N	N	Y		
KENNERLY	Y	Y	Y	Y	Y		
KEYSER	Y	Y	Y	Y	Y		
KOEHNKE	N	N	Y	N	Y		
LYBECK	Y	Y	N	N	Y		
O'CONNELL	Y	Y	Y	Y	Y		
SHONTZ	Y	Y	Y	N	Y		
SOLBERG	N	Y	Y	N	Y		
STOBIE	N	Y	Y	Y	Y		
UNDERDAL	N	Y	Y	Y	Y		

# STANDING COMMITTEE REPORT

JANUARY 25

19 83

MR. **SPEAKER:** .....

We, your committee on **HIGHWAYS AND TRANSPORTATION** .....

having had under consideration ..... **HOUSE** Bill No. **205** .....

reading report ( ..... )  
Color

**A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE  
DISCRETIONARY AUTHORITY OF THE HIGHWAY COMMISSION REGARDING  
PROJECTS FOR COMPETITIVE BIDDING; CLARIFYING THE EXCEPTION  
TO COMPETITIVE BIDDING; AMENDING SECTION 60-2-112, MCA."**

Respectfully report as follows: That ..... **HOUSE** Bill No. **205** .....

DO PASS

**MR. HUBERT ABRAMS** .....

Chairman.

# STANDING COMMITTEE REPORT

JANUARY 25

19 83

MR. SPEAKER:

We, your committee on HIGHWAYS AND TRANSPORTATION

having had under consideration HOUSE Bill No. 193

first reading ( white )  
color

A BILL FOR AN ACT ENTITLED: "AN ACT TO EMPOWER THE  
DEPARTMENT OF HIGHWAYS TO SET FEES FOR THE ISSUANCE OF  
PERMITS FOR THE USE OR OCCUPANCY OF STATE HIGHWAY  
RIGHTS-OF-WAY; AMENDING SECTION 60-2-201, MCA."

Respectfully report as follows: That HOUSE Bill No. 198

- 1) Page 2, Line 1  
Following: "fees"  
Strike: "for"  
Insert: "to recover the cost of"

AS AMENDED

DO PASS

STATEMENT OF INTENT ATTACHED

MR. HUBERT BURNES

Chairman.



MR. SPEAKER

WE YOUR COMMITTEE ON HIGHWAYS AND TRANSPORTATION, HAVING HAD UNDER CONSIDERATION HOUSE BILL NO. 198, FIRST READING COPY (white), ATTACH THE FOLLOWING STATEMENT OF INTENT:

**"STATEMENT OF INTENT"**  
**HOUSE BILL NO. 198**

A statement of intent is required for this bill because it grants rulemaking authority to the Department of Highways to adopt rules setting fees for the issuance of permits to use or occupy state highway rights-of-way.

The legislature intends that the Department have discretion to set such fees. Use of highway right-of-way is a benefit to adjoining landowners as well as other private users. The costs involved in issuing those permits should be borne by those who have the benefit rather than the public at large.

In exercising its discretion the Department should consider such factors as administrative costs, necessary inspections to insure compliance with the conditions under which such permits are issued, and value of the use of which a permit is issued.

The Department should also address whether the permit allows utilization of excess right-of-way or right-of-way long the roadway, and the purpose for which the permit is issued.

The legislature intends that the fees for permits issued apply only to new permits. The Department shall not use this rulemaking authority as a revenue measure.

REP. HUBERT ABRAMS

## VISITOR'S REGISTER

HOUSE

COMMITTEE

BILL

DATE \_\_\_\_\_

SPONSOR

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## VISITOR'S REGISTER

HOUSE

# Highways

COMMITTEE

BILL

14 B 320

DATE \_\_\_\_\_

1/25/83

SPONSOR

London

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## Bill Summaries

### House Highways and Transportation Committee

HB 205 revises the authority of the highway commission relating to work requiring competitive bidding. The bill allows the commission to let contracts up to \$10,000 without competitive bidding and allows the commission to contract with the county commissioners of a county when it finds that the contract work can be accomplished at lower costs through the contract.

HB 320 revises the method by which the highway department disposes of real property. The bill deletes the requirement that a successor-in-interest to the person from whom the land was originally required must be notified of the department's intention to sell the property and removes the provision that the successor-in-interest may match the highest bid on the property. The bill raises to \$500 the value of land that can be sold at a private sale and provides for a local government's purchase of the land. The bill removes the requirement that the department comply with statutes regulating the sale of state lands by the board of land commissioners.

STATEMENT OF INTENT  
HOUSE BILL NO. 198

A statement of intent is required for this bill because it grants rulemaking authority to the Department of Highways to adopt rules setting fees for the issuance of permits to use or occupy state highway rights-of-way.

The legislature intends that the Department have discretion to set such fees. Use of highway right-of-way is a benefit to adjoining landowners as well as other private users. The costs involved in issuing those permits should be borne by those who have the benefit rather than the public at large.

In exercising its discretion the Department should consider such factors as administrative costs, necessary inspections to insure compliance with the conditions under which such permits are issued, and value of the use of which a permit is issued.

The Department should also address whether the permit allows utilization of excess right-of-way or right-of-way along the roadway, and the purpose for which the permit is issued.

The legislature intends that the fees for permits issued apply only to new permits. The Department shall not use this rulemaking authority as a revenue measure.

1-25-83



## GREAT FALLS GAS COMPANY

P.O. Box 2229 • Great Falls, Montana • 59403

January 24, 1983

Rep. Hubert Abrams, Chairman  
Highways and Transportation Committee  
Montana State Capital  
Capital Station  
Helena, Mt 59601

Dear Mr. Abrams,

I would like to express my deep appreciation to you and the members of the committee for reopening discussion on House Bill #17 and allowing me to speak before you last Thursday.

As I pointed out in my testimony, should the committee decide to include compressed natural gas (CNG) in this bill, then I would encourage you to specify that only the decals would be acceptable on CNG vehicles.

Trying to meter natural gas at 3600 P.S.I. is extremely difficult and not economically feasible at this time. Not only must you be concerned with the pressure, but the temperature and moisture in the gas effect accurate measuring. When you couple this with trying to determine the BTU content of natural gas at different elevations, you can see why it would be a very expensive proposition for the State and for any CNG supplier to try to administer the tax at 14.5¢ for a gallon equivalency.

It may seem strange to say this, but nothing would please me more than if the State could collect millions from the sale of decals on CNG vehicles. However - I'm affraid that this will take a few years to accomplish, considering the few vehicles now on CNG and the slow rate of growth.

Sincerely,

GREAT FALLS GAS COMPANY

James F. Ziegenhage

JFZ/ch

Copy: to all committee members

TO: Joint Sub-committee on Highways  
SUBJECT: House Bill #17

Page 1.

Our concerns regarding this proposed legislation revolve around the decal, or permits, verses the 14.5¢/gallon tax.

First, the method of determining an equivalent gallon of CNG would not be taxed at "100 cu ft = 1 gallon". Even at sea level this would be inequitable. Gasoline contains about 120,000 BTU's/gallon and at sea level 100 cu ft of natural gas would only contain 100,000 BTU's. So, you can see that at sea level it would take 120 cu ft to equal 1 gallon of gasoline.

In Montana, we are certainly above sea level and have a much lower atmospheric pressure; the higher you go the less BTU output you'll get from a cubic foot of natural gas, due to the decrease in pressure. If you are going to tax natural gas, then it should be on the BTU content at that delivery point. For example: the equivalent BTU content at Great Falls would be about 135 cu ft to 1 gallon of gasoline.

Another point I would like to bring out here is the administration of the tax. Metering devices are very expensive since it is difficult to measure CNG at 3,600 P.S.I. It is not as simple as a gasoline pump.

Rather than consider this 14.5¢ tax on natural gas, it would be much simpler to use decals exclusively - one decal for under 8000 lbs gross and another decal for over 8000 lbs gross for any over-the-road vehicle. If the vehicle does not have a decal then no sale can be made. The exception would be out-of-state vehicles. If decals are to be used - then lower the fee to \$40.00 for vehicles under 8000 lbs. The reason for this is that CNG vehicles have a range limitation and usually have to switch to gasoline for any extended trip.

At the present time I doubt if there are over 75 CNG vehicles in the entire state of Montana, so at \$60.00 the \$4,500 is a very small revenue, and it is very doubtful that this figure will change in the future due to the cost of conversion. It would seem that Montana would want to encourage the use of alternate fuels, like CNG, with tax credits so that we won't get caught in the same position we were in a few years ago. The time will come when we will be required to find alternate fuel source and reduce our dependency on foreign oil and CNG will be one of the best alternatives. So why not start now to encourage - rather than discourage - CNG use? I don't believe CNG should even be considered in this bill, but instead adopt a new

TO: Joint Sub-committee on Highways

Page 2.

SUBJECT: House Bill #17

bill that would give a minimum tax credit of \$500.00 for each vehicle converted to CNG and perhaps a 50% tax credit for each compressor. If we don't - then what we're going to end up with would be like putting a 200 lb weight on a new colt and three years later remove this weight and expect the colt to run like a fast race horse.

I have some additional questions that I have attached, which should be considered, if you actually end-up taxing CNG.

James F. Ziegenhagel

GREAT FALLS GAS COMPANY



TO: Joint Sub-committee on Highways

January 20, 1983

SUBJECT: House Bill #17  
Additional Questions

There are a number of questions that I have regarding House Bill #17.

Page 3 - starting at Line 22: As a special fuel dealer or special fuel users, Great Falls Gas Company apparently would have to post a bond. What would the cost of this bond be?

Page 4 - Line 6: If we elect not to post a bond then how much do we have to post as a deposit?  
As I understand this bill, we would have to do one or the other of these even if it is only for our own use?

Page 5 - starting at Line 14: Great Falls Gas would be subject to all the requirements of a "special fuel dealer" even if we let someone use our filling facility to test-out his vehicles?

How are these regulations going to be enforced? How can you tell which portions of the gas is sold to vehicles with decals or permits and how much was sold to vehicles without the decal or sticker? Does the price on the pump include the tax and then after the sale we have to deduct the 14.5¢ if the vehicle qualifies or is the tax added on after the sale?

Page 6 - Line 1: Any government agency in the state of Montana is exempt from the need for decals or the 14.5¢ tax? But if a U.S. Government vehicle is using LPG or CNG then it must have a decal or pay the tax?

Page 6 - Line 12-18: What is the cost of a special fuel dealers license and permit?

Page 6 - Line 18: What is the cost of the permit for vehicles over 8,000 lbs. gross? What is the difference between a permit or decal?

Page 7 - starting at Line 6: A vehicle from out of state must pay the 14.5¢ tax or else must have a Montana decal?

Page 7 - Line 20: A taxi or bus from Montana or out-of-state does not have to have the decal or permit, would this also include school busses, that are privately owned, that have contracted to haul students in the state of Montana?

## AMENDMENTS TO HB17

- 1) Title, line 6  
Following: "FUELS"  
Insert: "AND ALTERNATE FUELS"  
Following: "VEHICLES OF"  
Strike: "8,000"  
Insert: "10,000"
- 2) Title, line 8:  
Following: "DEFINING"  
Strike: remainder of line 8 through "SPECIAL" on line 9  
Insert: "ALTERNATE"
- 3) Title, line 13  
Following: "PENALTY"  
Insert: "INCREASING LICENSE TAX FEES FOR ALTERNATE FUEL  
VEHICLES AND PROVIDING FOR ALTERNATE FUEL TEMPORARY  
TRIP PERMITS;"
- 4) Title, line 14  
Following: "15-70-321,"  
Strike: "AND"  
Insert: "15-71-101, AND 15-71-102,"
- 5) Title, line 15  
Following: line 14  
Strike: "REPEALING SECTIONS 15-71-101 THROUGH 15-71-105, MCA;"
- 6) Page 1, Line 20  
Following: line 19  
Insert: "and alternate fuels"
- 7) Page 1, Line 22  
Following: "of"  
Strike: "8,000"  
Insert: "10,000"
- 8) Page 1, Line 23  
Following: "or"  
Strike: "electricity"  
Insert: "alternate fuels"
- 9) Page 1, Line 24  
Following: "fuels"  
Insert: "or alternate fuels"
- 10) Page 1, Line 25  
Following: "issue a"  
Insert: "distinctive"
- 11) Page 2, Line 3  
Following: "fuels"  
Insert: "or alternate fuels"

AMENDMENTS TO HB17

Page 2 of 4

- 12) Page 2, Line 4  
Following: "fuel"  
Insert: "or alternate fuel"
- 13) Page 2, Line 6  
Following: "fuels"  
Insert: "or alternate fuels"
- 14) Page 2, Line 7  
Following: "vehicle of"  
Strike: "8,000"  
Insert: "10,000"
- 15) Page 2, Line 8  
Following: "fuels"  
Insert: "or alternate fuels"
- 16) Page 2, Line 15  
Following: Line 14  
Insert: "or alternate fuels"
- 17) Page 3, Line 4  
Following: "fuel"  
Insert: "or alternate fuel"
- 18) Page 3, Line 6  
Following: "to"  
Strike: "special"  
Insert: "alternate"
- 19) Page 3, Line 7  
Following: "of"  
Strike: "special"  
Insert: "alternate"
- 20) Page 3, Line 11  
Following: "displays a"  
Strike: "fee-in-lieu-of-special-fuels-tax"
- 21) Page 3, Line 12  
Following: Line 11  
Insert: "issued pursuant to subsection (1)"
- 22) Page 3, Line 14  
Following: "fuel"  
Insert: "or alternate fuel"
- 23) Page 3, Line 16  
Following: "fuels"  
Insert: "or alternate fuels"
- 24) Page 3, Line 22  
Following: Line 21  
Insert: "(1) 'Alternate fuel' means liquified petroleum gas, compressed natural gas, hydrogen, and electricity when actually sold for use or used in

AMENDMENTS TO HB17

Page 3 of 4

motor vehicles propelled upon the public roads  
and highways or streets within the state of  
Montana."

Renumber: subsequent subsections

- 25)Page 3, Line 23  
Following: "by"  
Insert: "an alternate fuel dealer or"
- 26)Page 4, Line 4  
Following: "such"  
Insert: "alternate fuel dealer of"
- 27)Page r, Line 6  
Following: "by"  
Insert: "an alternate fuel dealer or"
- 28)Page 5, Line 10  
Following: "except"  
Strike: "including"  
Insert: "except"
- 29)Page 5, Line 11  
Following: "gas"  
Strike: " , and compressed natural gas"
- 30)Page 6, Line 21  
Following: Line 20  
Strike: "8,000"  
Insert: "10,000"
- 31)Page 7, Line 10  
Following: "of"  
Strike: "8,000"  
Insert: "10,000"
- 32)Page 7, Line 15  
Following: "vehicle of"  
Strike: "8,000"  
Insert: "10,000"
- 33)Page 8, Line 12  
Following: "fuel"  
Insert: "and"  
Following: "liquids"  
Strike: " , "
- 34)Page 8, Line 13  
Following: Line 12  
Strike: "and compressed natural gas"
- 35)Page 8, Line 16  
Following: "~~10~~"  
Strike: "14.5"  
Insert: "10"

AMENDMENTS TO HB17  
Page 4 of 4

- 36) Page 8, Line 17  
Following: "except"  
Strike: "including"  
Insert: "except"
- 37) Page 8, Line 19  
Following: "test"  
Strike: remainder of line 19 through "gas" on line 20.
- 38) Page 10, Following Line 5  
Insert:  
Section 6. Section 15-71-101, MCA, is amended to read:

*15-71-101. Tax to be collected on motor vehicles self-propelled*  
*by a liquefied petroleum gas alternate fuel.* (1) The department of highways shall, under the rules issued by the department of revenue, collect or cause to be collected from owners or operators of motor vehicles powered by any liquefied petroleum gas, an annual license tax fee on each such vehicle, which license tax fee is prorated on a quarterly basis and may be paid quarterly, semiannually, or annually according to the following schedule:

*attend fuel*

(a) ~~passenger cars and pickups whose licensed gross vehicle weight is 10,000 pounds or less, \$60;~~  
(b) ~~motor trucks and truck tractors whose licensed gross vehicle weight is over 10,000 pounds and less than 18,000 pounds, \$80;~~ *7110*  
(c) ~~motor trucks and truck tractors whose licensed gross vehicle weight is 18,000 pounds or more and less than 48,000 pounds, \$200;~~ *7270*  
(d) ~~motor trucks and truck tractors whose licensed gross vehicle weight is 48,000 pounds or more, \$1,000.~~ *51,320*

(2) Upon payment of the tax required by this section, the department of highways shall provide a certificate to be carried in each vehicle, which is valid for a period no less than a calendar quarter or for such further calendar period for which the tax is paid.

*Section 7. Section 15-71-102, MCA, is amended to read:*

*15-71-102. Temporary trip permit required.* (1) Upon entering the state, a nonresident operating any motor vehicle powered by liquefied petroleum gas is required to purchase a liquid petroleum gas temporary trip permit. The permits will be issued by scale house personnel, gross vehicle weight patrol crews, Montana highway patrolmen, and such other enforcing agents as the department of revenue may prescribe.

*alternate fuel*

(2) A temporary liquid petroleum gas permit shall cost \$20. The permit is valid for a period of time not to exceed 72 hours and will be automatically void if the vehicle leaves the state during this period. Special liquid petroleum gas permits, remittance forms, and any other papers necessary for the enforcement of this chapter shall be furnished by the department of highways.

*alternate fuel*

*30 days*

*alternate fuel*

- 39) Page 10, Lines 6 and 7  
Strike: Section 6 in its entirety  
Renumber: subsequent sections
- 40) Page 10, Line 10  
Following: "70"  
Strike: "part 3,"
- 41) Page 10, Line 11  
Following: "70"  
Strike: "part 3,"

HOUSE BILL NO. 17

INTRODUCED BY ELLIOTT, WALDRON, TVEIT,

STIMATZ, PISTORIA, LYNCH

BY REQUEST OF THE JOINT SUBCOMMITTEE ON HIGHWAYS

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A FEE IN LIEU OF SPECIAL FUELS AND ALTERNATE FUELS TAX FOR VEHICLES OF ~~8,000~~ 10,000 POUNDS OR LESS GROSS WEIGHT; PROVIDING FOR ISSUANCE OF WINDSHIELD DECALS AS EVIDENCE OF TAX EXEMPTION; DEFINING ~~LIQUID-PETROLEUM-GAS-AND-COMPRESSED-NATURAL-GAS--AS~~ SPECIAL ALTERNATE FUELS; SETTING AND INCREASING SPECIAL FUELS USE TAX RATES; PROVIDING FOR DEPOSIT OF THE FEE IN THE HIGHWAY EARMARKED SPECIAL REVENUE FUND AND PROHIBITING ITS USE TO PAY HIGHWAY PATROL SALARIES; PROVIDING FOR A PENALTY; INCREASING LICENSE TAX FEES FOR ALTERNATE FUEL VEHICLES AND PROVIDING FOR ALTERNATE FUEL TEMPORARY TRIP PERMITS; AMENDING SECTIONS 15-70-301, 15-70-302, 15-70-321, AND 15-70-322, 15-71-101, AND 15-71-102, MCA; ~~REPEALING SECTIONS 15-71-101 THROUGH 15-71-105, -MCA;~~ AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Fee in lieu of special fuels AND ALTERNATE FUELS tax -- rates -- nonrefundable -- disposition -- penalty. (1) Upon registration or

1 reregistration of a privately operated motor vehicle of  
2 ~~8,000~~ 10,000 pounds or less gross weight, powered by any  
3 special fuel or ~~electricity~~ ALTERNATE FUELS, the owner shall  
4 pay a fee in lieu of special fuels OR ALTERNATE FUELS tax.  
5 In evidence of the payment the county treasurer shall issue  
6 a DISTINCTIVE decal, provided by the department, that must  
7 be displayed on the windshield of the motor vehicle  
8 registered and that, while valid, authorizes any special  
9 fuels OR ALTERNATE FUELS dealer to deliver into the supply  
10 tank of the motor vehicle any special fuel OR ALTERNATE FUEL  
11 free of the tax imposed under this part.

12 (2) The annual fee in lieu of special fuels OR  
13 ALTERNATE FUELS tax is \$60 for a vehicle of ~~8,000~~ 10,000  
14 pounds or less gross weight.

15 (3) The fee in lieu of special fuels OR ALTERNATE  
16 FUELS tax is not refundable or transferable; however, if a  
17 motor vehicle registered under this section is replaced by  
18 another motor vehicle prior to 1 month in advance of  
19 expiration of registration, the unexpired portion,  
20 calculated at one-twelfth of the annual fee for each totally  
21 unexpired month, must be credited to the fee in lieu of  
22 special fuels OR ALTERNATE FUELS tax for the replacement  
23 motor vehicle.

24 (4) No later than the 10th day of January, April,  
25 July, and October of each year, the county treasurer, after

1 retaining 5% for the county general fund, shall remit the  
2 remainder of the collections received under this section  
3 during the immediately previous calendar quarter to the  
4 state treasurer for deposit to the credit of the department  
5 of highways in the earmarked special revenue fund, no part  
6 of which may be expended to pay salaries or other benefits  
7 to members of the highway patrol.

8 (5) Any person is guilty of a misdemeanor and subject  
9 to penalty as provided in 15-70-336 who:

10 (a) fails to notify the county treasurer that a  
11 vehicle for which he is seeking registration is powered by a  
12 special fuel OR ALTERNATE FUEL;

13 (b) fails to notify the county treasurer within 20  
14 days after converting a motor vehicle to ~~special~~ ALTERNATE  
15 fuel use and fails to pay the fee in lieu of ~~special~~  
16 ALTERNATE fuels tax for the remainder of the period of  
17 registration, computed at one-twelfth of the annual fee  
18 established in subsection (2) for each full month of the  
19 unexpired registration;

20 (c) displays a ~~fee-in-lieu-of-special-fuels-tax~~ decal  
21 ISSUED PURSUANT TO SUBSECTION (1) on any motor vehicle other  
22 than that for which the decal was issued; or

23 (d) delivers or receives any special fuel OR ALTERNATE  
24 FUEL into the supply tank of a motor vehicle for which a fee  
25 in lieu of special fuels OR ALTERNATE FUELS tax is required



1 and has not been paid and for which a decal has not been  
2 issued and affixed to the windshield.

3 Section 2. Section 15-70-301, MCA, is amended to read:

4 "15-70-301. Definitions. As used in this part, the  
5 following definitions shall apply:

6 (1) "ALTERNATE FUEL" MEANS LIQUIFIED PETROLEUM GAS,  
7 COMPRESSED NATURAL GAS, HYDROGEN, AND ELECTRICITY WHEN  
8 ACTUALLY SOLD FOR USE OR USED IN MOTOR VEHICLES PROPELLED  
9 UPON THE PUBLIC ROADS AND HIGHWAYS OR STREETS WITHIN THE  
10 STATE OF MONTANA.

11 ~~(1)~~ (2) "Bond" means:

12 (a) a bond duly executed by AN ALTERNATE FUEL DEALER  
13 OR a special fuel dealer or special fuel user as principal  
14 with a corporate surety qualified under the laws of Montana,  
15 which bond shall be payable to the state of Montana,  
16 conditioned upon faithful performance of all requirements of  
17 this part, including the payment of all taxes, penalties,  
18 and other obligations of such ALTERNATE FUEL DEALER OR  
19 special fuel dealer or special fuel user arising out of this  
20 part; or

21 (b) a deposit with the department by AN ALTERNATE FUEL  
22 DEALER OR the special fuel dealer or special fuel user,  
23 under such terms and conditions as the department of revenue  
24 may prescribe, of certificates of deposit or irrevocable  
25 letters of credit issued by a bank and insured by the

1 federal deposit insurance corporation.

2 ~~(2)~~(3) "Department" means the department of revenue.

3 ~~(3)~~(4) "Motor vehicle" means any vehicle which is  
4 self-propelled upon the highways.

5 ~~(4)~~(5) "Person" means and includes any person, firm,  
6 association, joint-stock company, syndicate, partnership, or  
7 corporation; whenever used in any clause prescribing and  
8 imposing a fine or imprisonment, or both, as applied to a  
9 firm, association, syndicate, or partnership, means and  
10 includes the partners or members thereof and, as applied to  
11 joint-stock companies and corporations, the officers  
12 thereof.

13 ~~(5)~~(6) "Public roads and highways of this state" shall  
14 mean all streets, roads, highways, and related structures as  
15 have been or shall be built and maintained with appropriated  
16 funds of the United States and which have been or shall be  
17 built and maintained with funds of the state of Montana or  
18 any political subdivision thereof or which have been or  
19 shall be dedicated to public use or have been acquired by  
20 eminent domain or have been acquired by adverse use by the  
21 public, jurisdiction having been assumed by the state or any  
22 political subdivision thereof.

23 ~~(6)~~(7) "Special fuel" means those combustible gases  
24 and liquids commonly referred to as diesel fuel or any other  
25 volatile liquid of less than 46 degrees A.P.I. (American

1 petroleum institute) gravity test, ~~except including~~ EXCEPT  
2 liquid petroleum gas, ~~and compressed natural gas~~, when  
3 actually sold for use or used in motor vehicles propelled  
4 upon the public highways or streets within the state of  
5 Montana.

6 ~~(7)~~(8) "Special fuel dealer" means any person in the  
7 business of handling special fuel who delivers any part  
8 thereof into the fuel supply tank or tanks of a motor  
9 vehicle not then owned or controlled by him or any person  
10 who provides any facility, with or without attended  
11 services, from which more than one special fuel user obtains  
12 special fuel for use in the fuel supply tank of a motor  
13 vehicle not then controlled by such dealer. For this  
14 purpose the term "fuel supply tank or tanks" does not  
15 include cargo tanks even though fuel is withdrawn directly  
16 therefrom for propulsion of the vehicle.

17 ~~(8)~~(9) "Special fuel user" means any person other than  
18 a county, incorporated city or town, or school district of  
19 this state who consumes in this state special fuel for the  
20 propulsion of motor vehicles owned or controlled by him upon  
21 the highways of this state.

22 ~~(9)~~(10) "Use" means either the receipt, delivery, or  
23 placing of special fuels by a special fuel dealer into the  
24 fuel supply tank or tanks of any motor vehicle not owned or  
25 controlled by him while such vehicle is within this state or

1 the consumption by a special fuel user of special fuels in  
2 propulsion of a motor vehicle on the highways of this  
3 state."

4 Section 3. Section 15-70-302, MCA, is amended to read:

5 "15-70-302. Special fuel dealer's licenses and special  
6 fuel user's permits required -- exceptions. (1) It shall be  
7 unlawful for any person to act as a special fuel dealer in  
8 this state unless such person is the holder of an uncanceled  
9 fuel dealer's license issued to him by the department.

10 (2) Every special fuel user shall obtain annually from  
11 the department, prior to the use of such special fuel for  
12 the propulsion of a motor vehicle or vehicles of more than  
13 ~~8,000~~ 10,000 pounds gross weight in this state, a special  
14 fuel user's permit and shall at all times display the  
15 original or a reproduced copy of the permit in each such  
16 vehicle or vehicles operated by him upon the highways as  
17 herein defined which shall be exhibited for inspection on  
18 request of any checking station officer, Montana highway  
19 patrol officer, authorized employee of the department, or  
20 any other law enforcement officer. The special fuel user  
21 shall be responsible for reproducing clear and legible  
22 copies of the permit.

23 (3) (a) A special fuel user's permit is not required  
24 of any person:

25 (i) whose sole use of special fuel is for the

1 propulsion of a privately operated passenger--automobile  
2 motor vehicle of ~~8,000~~ 10,000 pounds or less gross weight  
3 registered under the laws of another state, provided the  
4 person purchases special fuel, tax paid, from a licensed  
5 special fuel dealer in this state; or

6 (ii) who at the time of registration or reregistration  
7 of the motor vehicle of ~~8,000~~ 10,000 pounds or less gross  
8 vehicle weight under [section 1] pays a fee in lieu of  
9 special fuels tax and receives in evidence a decal that is  
10 permanently affixed and displayed on the windshield of the  
11 motor vehicle.

12 (b) For purposes of this exemption, a privately  
13 operated passenger ~~motor~~ vehicle does not include a motor  
14 vehicle used for the transportation of persons for hire or  
15 for compensation ~~or-designed, used, or-maintained--primarily~~  
16 ~~for-transportation-of-property.~~

17 (4) Any out-of-state user who operates a special fuel  
18 vehicle solely for recreation or for religious, charitable,  
19 educational, or other eleemosynary purposes shall secure a  
20 special fuel user's courtesy vehicle permit. The permit  
21 shall not be transferable and shall be valid for 90 days.  
22 Permits will be issued at no cost to the user by the  
23 department, scale house personnel, and gross vehicle weight  
24 patrol crews. The department may require the user who has  
25 fuel capacity in excess of 30 gallons to file a report and

1 each and every gallon of special fuel in any motor vehicle  
 2 while operated upon the highways equivalent to the lawful  
 3 tax levied on motor fuel under 15-70-321. Said tax, with  
 4 respect to all special fuel delivered by a special fuel  
 5 dealer into supply tanks of motor vehicles in this state,  
 6 shall attach at the time of such delivery and shall be  
 7 collected by such special fuel dealer from the special fuel  
 8 user and shall be paid over to the department as hereinafter  
 9 provided. Said tax, with respect to special fuel acquired by  
 10 any special fuel user in any manner other than by delivery  
 11 by a special fuel dealer into a fuel supply tank of a motor  
 12 vehicle, shall attach at the time of the consumption of such  
 13 fuel in the propulsion of a motor vehicle upon the highways  
 14 of the state and shall be paid over to the department by the  
 15 special fuel user as hereinafter provided. The United  
 16 States, Montana and all other states, and the counties,  
 17 incorporated cities and towns, and school districts of this  
 18 state are exempt from the levy and imposition of this tax.

19 (2) Special fuel delivered into the supply tank of a  
 20 vehicle bearing a valid fee-in-lieu-of-special-fuels-tax  
 21 decals issued under [section 1] is exempt from tax under this  
 22 part."

23 SECTION 6. SECTION 15-71-101, MCA, IS AMENDED TO READ:

24 "15-71-101. Tax to be collected on motor vehicles  
 25 self-propelled by ~~a-tiquefied-petroleum-gas~~ alternate fuels.

1 (1) The department of highways shall, under the rules issued  
 2 by the department of revenue, collect or cause to be  
 3 collected from owners or operators of motor vehicles powered  
 4 by any ~~liquefied-petroleum-gas~~ alternate fuel an annual  
 5 license tax fee on each such vehicle, which license tax fee  
 6 is prorated on a quarterly basis and may be paid quarterly,  
 7 semiannually, or annually according to the following  
 8 schedule:

9 ~~{a)--passenger-cars-and-pickups--whose--licensed--gross~~  
 10 ~~vehicle-weight-is-10,000-pounds-or-less,-\$60;~~

11 ~~{b)}~~(a) motor trucks and truck tractors whose licensed  
 12 gross vehicle weight is over 10,000 pounds and less than  
 13 18,000 pounds, ~~\$80~~ \$110;

14 ~~{c)}~~(b) motor trucks and truck tractors whose licensed  
 15 gross vehicle weight is 18,000 pounds or more and less than  
 16 48,000 pounds, ~~\$200~~ \$270;

17 ~~{d)}~~(c) motor trucks and truck tractors whose licensed  
 18 gross vehicle weight is 48,000 pounds or more, ~~\$1,000~~  
 19 \$1,330.

20 (2) Upon payment of the tax required by this section,  
 21 the department of highways shall provide a certificate to be  
 22 carried in each vehicle, which is valid for a period no less  
 23 than a calendar quarter or for such further calendar period  
 24 for which the tax is paid."

25 SECTION 7. SECTION 15-71-102, MCA, IS AMENDED TO READ:

1       "15-71-102. Temporary trip permit required. (1) Upon  
 2 entering the state, a nonresident operating any motor  
 3 vehicle powered by ~~liquefied-petroleum-gas~~ alternate fuel is  
 4 required to purchase ~~a--liquid-petroleum-gas~~ an alternate  
 5 fuel temporary trip permit. The permits will be issued by  
 6 ~~state--house--personnel--gross-vehicle-weight-patrol-crews~~  
 7 ~~Montana-highway-patrolmen--and-such-other--enforcing--agents~~  
 8 alternate fuel dealers under rules and bonds as the  
 9 department of revenue may prescribe.

10       (2) A temporary ~~liquid-petroleum-gas~~ alternate fuel  
 11 permit shall cost \$20. The permit is valid for a period of  
 12 time not to exceed ~~72-hours-and-will-be--automatically--void~~  
 13 ~~if--the-vehicle-leaves-the-state-during-this-period~~ 30 days.  
 14 Special ~~liquid--petroleum--gas~~ alternate fuel permits,  
 15 remittance forms, and any other papers necessary for the  
 16 enforcement of this chapter shall be furnished by the  
 17 department of highways."

18       ~~NEW-SECTION. Section 6. Repealer. Sections 15-71-101~~  
 19 ~~through-15-71-105, MCA, are repealed.~~

20       ~~NEW-SECTION.~~ Section 8. Codification instruction.  
 21 Section 1 is intended to be codified as an integral part of  
 22 Title 15, chapter 70, ~~part-3~~ and the provisions of Title  
 23 15, chapter 70, ~~part-3~~ apply to section 1.

24       ~~NEW-SECTION.~~ Section 9. Effective date. This act is  
 25 effective on January 1, 1984.



-End-