

1 House BILL NO. 769
 2 INTRODUCED BY W. Boeth
 3 BY REQUEST OF THE DEPARTMENT OF HIGHWAYS

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO DESIGNATE A STATE
 6 MAINTENANCE SYSTEM FOR PUBLIC HIGHWAYS AND TO PROVIDE
 7 ADDITIONAL FUNDING THEREFOR BY INCREASING THE TAX ON
 8 GASOLINE AND SPECIAL FUELS BY 1/4 CENT PER GALLON; AMENDING
 9 SECTIONS 84-1832.1 AND 84-1847, R.C.M. 1947."

10
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. There is a new R.C.M. section numbered
 13 32-2407.1 that reads as follows:

14 32-2407.1. State maintenance system. The commission
 15 shall designate the following public highways in the state
 16 to be included in the state maintenance system:

- 17 (1) the federal-aid interstate system as defined by
- 18 32-2203(18);
- 19 (2) the federal-aid primary system as defined by
- 20 32-2203(19) and urban extensions thereto;
- 21 (3) those portions of the federal-aid secondary system
- 22 defined by 32-2203(20) and urban extensions thereto, as are
- 23 designated by the commission;
- 24 (4) other public highways or portions thereof which
- 25 are not included within the systems above named, which are

1 designated by the commission.

2 Section 2. Section 84-1832.1, R.C.M. 1947, is amended
 3 to read as follows:

4 "84-1832.1. Tax to be collected on diesel fuel and
 5 liquid petroleum gas, when. The state department of revenue
 6 shall, under the provisions of rules and regulations issued
 7 by the department, collect or cause to be collected from the
 8 owners or operators of motor vehicles a tax in an amount
 9 equal to ~~nine and three quarters cents (\$09 3/4)~~ 10 cents
 10 for each gallon of diesel fuel or other volatile liquid
 11 except liquid petroleum gas, of less than forty-six degrees
 12 (46°) A.P.I. (American Petroleum Institute) gravity test
 13 when actually sold or used to produce motor power to propel
 14 motor vehicles upon the public highways or streets within
 15 the state of Montana, or used in motor vehicles, motorized
 16 equipment and the internal combustion of any and all engines
 17 including stationary engines used in connection with any and
 18 all work performed under any and all contracts pertaining to
 19 the construction, reconstruction or improvement of any
 20 highway or street and their appurtenances awarded by any and
 21 all public agencies, including federal, state, county,
 22 municipalities, or other political subdivisions."

23 Section 3. Section 84-1847, R.C.M. 1947, is amended to
 24 read as follows:

25 "84-1847. Gasoline license tax — amount. Every

1 distributor shall pay to the state department of revenue a
2 license tax for the privilege of engaging in and carrying on
3 business in this state in an amount equal to one cent (1¢)
4 for each gallon of aviation gasoline, which shall be
5 allocated to the aeronautics commission, as provided by
6 section 1-501, R.C.M. 1947, as amended, and ~~seven and~~
7 ~~three-quarters cents (\$07 3/4)~~ 8 cents for each gallon of
8 all other gasoline distributed by him within the state and
9 upon which the gasoline license tax has not been paid by any
10 other distributor. Gasoline exported or sold for export out
11 of the state of Montana shall not be included in the measure
12 of the distributor's license tax."

13 Section 4. There is a new R.C.M. section numbered
14 32-2407.2 that reads as follows:

15 32-2407.2. Funding highway system maintenance. For the
16 purpose of funding the increased cost of maintaining the
17 state highway system as designated in 32-2407.1, 1/4 cent
18 per gallon of the special fuel tax collected under 84-1832.1
19 and 1/4 cent per gallon of the gasoline license tax
20 collected under 84-1847 are allocated therefor.

-End-

STATE OF MONTANA

REQUEST NO. 505-77

FISCAL NOTE

Form BD-15

In compliance with a written request received February 14, 19 77, there is hereby submitted a Fiscal Note or House Bill 769 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to designate a state maintenance system for public highways and to provide additional funding by increasing the gasoline tax from 7 3/4 cents for each gallon to 8 cents and diesel fuel and liquid petroleum gas from 9 3/4 cents for each gallon to 10 cents per gallon.

ASSUMPTIONS:

- Gallage used will increase by 3% in FY 77, 3.48% in FY 78, and 3.458% in FY 79.
- Local governments may enter into an agreement with the Highway Commission to assume responsibility for maintenance of portions of state highways and be reimbursed by the Highway Commission for expenses incurred while performing such duties.
- The Highway Commission will assume the responsibility for maintaining 334 miles of state highways that are currently being maintained by the units of local government.

FISCAL IMPACT:

	<u>FY 78</u>	<u>FY 79</u>
Increased Revenues		
Gasoline Tax Revenue		
Under current law	\$34,912,325	\$36,119,593
Under proposed law	<u>36,038,525</u>	<u>37,284,593</u>
Increased revenue under proposed law	<u>1,126,200</u>	<u>1,165,000</u>
Diesel Tax Revenue		
Under current law	8,305,217	8,592,411
Under proposed law	<u>8,518,217</u>	<u>8,812,711</u>
Increased revenue under proposed law	<u>213,000</u>	<u>220,300</u>
Total increased revenue under proposed law	<u>1,339,200</u>	<u>1,385,300</u>
Less: Increased Expenditures		
Personal services	435,348	443,613
Operating expenses	425,533	460,312
Buildings	317,500	0
Equipment	<u>752,000</u>	<u>0</u>
Total increased expenditures	<u>1,930,381</u>	<u>903,925</u>
Net fiscal impact	<u>(\$ 591,181)</u>	<u>\$ 481,375</u>

Richard L. Dwyer
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-18-77

Approved by Committee
on Highways & Transportation

HOUSE BILL NO. 769

INTRODUCED BY W. BAETH

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MAINTENANCE SYSTEM FOR PUBLIC HIGHWAYS AND TO PROVIDE
ADDITIONAL FUNDING THEREFOR BY INCREASING THE TAX ON
GASOLINE AND SPECIAL FUELS BY 1/4 CENT PER GALLON; AMENDING
SECTIONS 84-1832.1 AND 84-1847, R.C.M. 1947."

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

Section 1. There is a new R.C.M. section numbered
32-2407.1 that reads as follows:

32-2407.1. State maintenance system. The commission
shall designate the following public highways in the state
to be included in the state maintenance system:

(1) the federal-aid interstate system as defined by
32-2203(18);

(2) the federal-aid primary system as defined by
32-2203(19) and urban extensions thereto;

(3) those portions of the federal-aid secondary system
defined by 32-2203(20) and urban extensions thereto, as are
designated by the commission;

(4) other public highways or portions thereof which
are not included within the systems above named, which are

designated by the commission.

~~SECTION 2. THERE IS A NEW R.C.M. SECTION NUMBERED
32-2402.2 THAT READS AS FOLLOWS:~~

32-2402.2. Highway department maintenance
responsibility. The department shall have the responsibility
for maintenance of all public highways or portions thereof
that it maintained on July 1, 1976.

~~SECTION 3. THERE IS A NEW R.C.M. SECTION NUMBERED
32-2402.3 THAT READS AS FOLLOWS:~~

32-2402.3. Department maintenance agreements with
local governments. The department may enter into an
agreement with a local governing body to maintain portions
of public highways within its boundaries upon such terms and
conditions as may be agreed upon.

Section 4. Section 84-1832.1, R.C.M. 1947, is amended
to read as follows:

*84-1832.1. Tax to be collected on diesel fuel and
liquid petroleum gas, when. The state department of revenue
shall, under the provisions of rules and regulations issued
by the department, collect or cause to be collected from the
owners or operators of motor vehicles a tax in an amount
equal to ~~nine-and-three-quarters-cents-(**09-3/4)~~ 10 cents
for each gallon of diesel fuel or other volatile liquid
except liquid petroleum gas, of less than forty-six degrees
(46C) A.P.I. (American Petroleum Institute) gravity test

SECOND READING

1 when actually sold or used to produce motor power to propel
 2 motor vehicles upon the public highways or streets within
 3 the state of Montana, or used in motor vehicles, motorized
 4 equipment and the internal combustion of any and all engines
 5 including stationary engines used in connection with any and
 6 all work performed under any and all contracts pertaining to
 7 the construction, reconstruction or improvement of any
 8 highway or street and their appurtenances awarded by any and
 9 all public agencies, including federal, state, county,
 10 municipalities, or other political subdivisions."

11 Section 5. Section 84-1847, R.C.M. 1947, is amended to
 12 read as follows:

13 "84-1847. Gasoline license tax -- amount. Every
 14 distributor shall pay to the state department of revenue a
 15 license tax for the privilege of engaging in and carrying on
 16 business in this state in an amount equal to one cent (1¢)
 17 for each gallon of aviation gasoline, which shall be
 18 allocated to the aeronautics commission, as provided by
 19 section 1-501, R.C.M. 1947, as amended, and ~~seven and~~
 20 ~~three quarters cents (\$.07 3/4)~~ 8 cents for each gallon of
 21 all other gasoline distributed by him within the state and
 22 upon which the gasoline license tax has not been paid by any
 23 other distributor. Gasoline exported or sold for export out
 24 of the state of Montana shall not be included in the measure
 25 of the distributor's license tax."

1 Section 6. There is a new R.C.M. section numbered
 2 ~~32-2407.2~~ 32-2407.4 that reads as follows:
 3 ~~32-2407.232-2407.4~~. Funding highway system
 4 maintenance. For the purpose of funding the increased cost
 5 of maintaining the state highway system as designated in
 6 32-2407.1, 1/4 cent per gallon of the special fuel tax
 7 collected under 84-1832.1 and 1/4 cent per gallon of the
 8 gasoline license tax collected under 84-1847 are allocated
 9 therefor.

-End-

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 12 agreement with a local governing body to maintain portions
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15 Section 4. Section 84-1832.1, R.C.M. 1947, is amended
 16 to read as follows:

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 18 liquid petroleum gas, when. The state department of revenue
 19 shall, under the provisions of rules and regulations issued
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 21 owners or operators of motor vehicles a tax in an amount
 22 equal to ~~nine-and-three-quarters-cents-(9*09-3/4)~~ 10 cents
 23 for each gallon of diesel fuel or other volatile liquid
 24 except liquid petroleum gas, of less than forty-six degrees
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1 when actually sold or used to produce motor power to propel
 2 motor vehicles upon the public highways or streets within
 3 the state of Montana, or used in motor vehicles, motorized
 4 equipment and the internal combustion of any and all engines
 5 including stationary engines used in connection with any and
 6 all work performed under any and all contracts pertaining to
 7 the construction, reconstruction or improvement of any
 8 highway or street and their appurtenances awarded by any and
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11 Section 5. Section 84-1847, R.C.M. 1947, is amended to
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 16 business in this state in an amount equal to one cent (1¢)
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1 Section 6. There is a new R.C.M. section numbered
 2 ~~32-2407.2~~ 32-2407.4 that reads as follows:
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 6 32-2407.1, 1/4 cent per gallon of the special fuel tax
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