

CHAPTER NO. 607

SENATE BILL NO. 172

INTRODUCED BY STORY, R. SMITH

IN THE SENATE

January 19, 1979	Introduced and referred to Committee on Taxation.
January 22, 1979	Fiscal note requested.
January 26, 1979	Fiscal note returned.
February 5, 1979	Committee recommend bill do pass. Report adopted.
February 6, 1979	Printed and placed on members' desks.
February 7, 1979	Second reading, do pass.
February 8, 1979	Considered correctly engrossed.
February 9, 1979	Third reading, passed. Transmitted to second house.

IN THE HOUSE

February 10, 1979	Introduced and referred to Committee on Taxation.
April 10, 1979	Committee recommend bill be not concurred in as amended. Report adopted. Objection raised to adverse committee report. Bill placed on second reading.
April 11, 1979	Second reading, concurred in. Segregated from Committee of the Whole report. On motion, taken from second reading and referred to Committee on Rules.

April 16, 1979

On motion, taken from Committee on Rules and referred to third reading.

April 17, 1979

Third reading, concurred in as amended.

IN THE SENATE

April 17, 1979

Returned from second house. Concurred in as amended.

April 18, 1979

Second reading, amendments adopted.

On motion, rules suspended. Bill placed on Calendar for third reading this day.

Third reading, amendments adopted. Sent to enrolling.

Reported correctly enrolled.

1 *State* BILL NO. *172*
 2 INTRODUCED BY *Steve Lambert*
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
 5 60-3-201, MCA, TO INCREASE THE PERCENTAGE OF THE RECEIPTS OF
 6 THE GASOLINE DEALERS' LICENSE TAX TO BE DEPOSITED IN THE
 7 SNOWMOBILE ACCOUNT OF THE EARMARKED REVENUE FUND."

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

10 Section 1. Section 60-3-201, MCA, is amended to read:
 11 "60-3-201. Distribution and use of proceeds of
 12 gasoline dealers' license tax. (1) All money received in
 13 payment of license taxes under the Distributor's Gasoline
 14 License Tax Act, except those amounts paid out of the
 15 department of revenue's suspense account for gasoline tax
 16 refund, shall be used and expended as provided in this
 17 section. So much of that money on hand at any time as may be
 18 needed to pay highway bonds and interest thereon when due
 19 and to accumulate and maintain a reserve therefor, as
 20 provided in laws and in resolutions of the state board of
 21 examiners authorizing such bonds, shall be deposited in the
 22 highway bond account in the sinking fund established by
 23 17-2-102. Subject to that provision, 9/10 of 1% of all money
 24 shall be deposited in the state park account and ~~3/10~~ 6/10
 25 of 1% of all money shall be deposited in a snowmobile

1 account in the earmarked revenue fund. All of the remainder
 2 of the money shall be used and expended by the department of
 3 highways on the federal-aid highways in this state selected
 4 and designated under the Federal-Aid Act, approved July 11,
 5 1916, and the Federal Highway Act, approved November 9,
 6 1921, and all amendments thereto, and on highways leading
 7 from each county seat in the state to the federal highway
 8 system of federal-aid roads where the county seat is not on
 9 the system and on the other roads which have been or may be
 10 authorized by the laws of Montana and for collection of the
 11 license taxes and the enforcement of the Montana highway
 12 code under Article VIII, section 6, of the constitution of
 13 this state.

14 (2) The department shall, in expending this money,
 15 carry forward construction from year to year, using the
 16 money expended through the matching up of federal-aid
 17 allotments to Montana upon the federal highway system in the
 18 various parts of the state in accordance with 60-3-204
 19 through 60-3-206. Nothing in this [act] conflicts with
 20 those federal-aid highway acts and the rules by which they
 21 are administered.

22 (3) The department may enter into cooperative
 23 agreements with the national park service and the federal
 24 highway administration for the purpose of maintaining
 25 national park approach roads in Montana.

1 (4) Money credited to the state park account in the
2 earmarked revenue fund shall be used only for the creation,
3 improvement, and maintenance of state parks where motor
4 boating is allowed, except for the payment of refunds under
5 15-70-221 through 15-70-226. The legislature hereby finds as
6 a fact that of all the fuel sold in the state for
7 consumption in internal combustion engines, not less than
8 9/10 of 1% is used for propelling boats on waterways of this
9 state.

10 (5) Money credited to the snowmobile account may be
11 used only to develop and maintain facilities open to the
12 general public at no admission cost, and to promote
13 snowmobile safety. For the 2 years following July 1, 1977,
14 15% of the amount deposited in the snowmobile fund each year
15 shall be used to promote snowmobile safety. Thereafter, 10%
16 of the amount deposited in the snowmobile fund shall be used
17 to promote snowmobile safety. The legislature finds that of
18 all fuels sold in this state for consumption in internal
19 combustion engines, not less than ~~3/10~~ 6/10 of 1% is used
20 for propelling snowmobiles on public lands of this state."

-End-

STATE OF MONTANA

Request No. 74-79

FISCAL NOTE

Form BD-15

In compliance with a written request received January 22, 1979, there is hereby submitted a Fiscal Note for Senate Bill 172 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

This bill increases the percentage of the receipts of the gasoline dealers' license tax to be deposited in the snowmobile account of the Earmarked Revenue Fund.

ASSUMPTIONS

- There will be a redistribution of funds within the Earmarked Revenue Fund

	<u>Current Law</u>	<u>Proposed Law</u>
State Park Account	.9%	.9%
Snowmobile Account	.3%	.6%
Federal-Aid Highways	98.8%	98.5%
- Taxable gallons of gasoline will grow 3%-4% per year

	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>
3%	514.4 M	529.8 M	545.7 M	562.1 M
4%	514.4 M	535.0 M	556.4 M	578.6 M
- The effective tax rate is 7.88¢/Gallon.
- Administrative costs will remain unchanged.

FISCAL IMPACT

Redistribution of Earmarked Revenue	<u>FY 80</u>	<u>FY 81</u>
Federal-Aid Highways		
under current law	\$42.485 M to 43.318 M	\$43.761 M to 45.047 M
under proposed law	42.356 M to 43.186 M	43.629 M to 44.910 M
Estimated Decrease	<u>(\$.129 M to .132 M)</u>	<u>(\$.132 M to .137 M)</u>
 Snowmobile Account		
under current law	\$.129 M to .131 M	\$.133 M to .137 M
under proposed law	.258 M to .263 M	.265 M to .274 M
Estimated Increase	<u>\$.129 M to .132 M</u>	<u>\$.132 M to .137 M</u>
 State Park Account		
under current law	\$.387 M to .395 M	\$.399 M to .410 M
under proposed law	.387 M to .395 M	.399 M to .410 M
Estimated Increase	<u>No Change</u>	<u>No Change</u>

Richard L. Drury
 BUDGET DIRECTOR
 Office of Budget and Program Planning
 Date: _____

Approved by Committee
on Taxation

1 Senate BILL NO. 172
2 INTRODUCED BY Stacy Schultz
3

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12 gasoline dealers' license tax. (1) All money received in
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14 License Tax Act, except those amounts paid out of the
15 department of revenue's suspense account for gasoline tax
16 refund, shall be used and expended as provided in this
17 section. So much of that money on hand at any time as may be
18 needed to pay highway bonds and interest thereon when due
19 and to accumulate and maintain a reserve therefor, as
20 provided in laws and in resolutions of the state board of
21 examiners authorizing such bonds, shall be deposited in the
22 highway bond account in the sinking fund established by
23 17-2-102. Subject to that provision, 9/10 of 1% of all money
24 shall be deposited in the state park account and ~~3/10~~ 6/10
25 of 1% of all money shall be deposited in a snowmobile

1 account in the earmarked revenue fund. All of the remainder
2 of the money shall be used and expended by the department of
3 highways on the federal-aid highways in this state selected
4 and designated under the Federal-Aid Act, approved July 11,
5 1916, and the Federal Highway Act, approved November 9,
6 1921, and all amendments thereto, and on highways leading
7 from each county seat in the state to the federal highway
8 system of federal-aid roads where the county seat is not on
9 the system and on the other roads which have been or may be
10 authorized by the laws of Montana and for collection of the
11 license taxes and the enforcement of the Montana highway
12 code under Article VIII, section 6, of the constitution of
13 this state.

14 (2) The department shall, in expending this money,
15 carry forward construction from year to year, using the
16 money expended through the matching up of federal-aid
17 allotments to Montana upon the federal highway system in the
18 various parts of the state in accordance with 60-3-204
19 through 60-3-206. Nothing in this [act] conflicts with
20 those federal-aid highway acts and the rules by which they
21 are administered.

22 (3) The department may enter into cooperative
23 agreements with the national park service and the federal
24 highway administration for the purpose of maintaining
25 national park approach roads in Montana.

1 (4) Money credited to the state park account in the
2 earmarked revenue fund shall be used only for the creation,
3 improvement, and maintenance of state parks where motor
4 boating is allowed, except for the payment of refunds under
5 15-70-221 through 15-70-226. The legislature hereby finds as
6 a fact that of all the fuel sold in the state for
7 consumption in internal combustion engines, not less than
8 9/10 of 1% is used for propelling boats on waterways of this
9 state.

10 (5) Money credited to the snowmobile account may be
11 used only to develop and maintain facilities open to the
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14 15% of the amount deposited in the snowmobile fund each year
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16 of the amount deposited in the snowmobile fund shall be used
17 to promote snowmobile safety. The legislature finds that of
18 all fuels sold in this state for consumption in internal
19 combustion engines, not less than ~~3/10~~ 6/10 of 1% is used
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-End-

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Senate BILL NO. *172*
Stacy L. Smith

INTRODUCED BY _____

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(2) The department shall, in expending this money, carry forward construction from year to year, using the money expended through the matching up of federal-aid allotments to Montana upon the federal highway system in the various parts of the state in accordance with 60-3-204 through 60-3-206. Nothing in this [act] conflicts with those federal-aid highway acts and the rules by which they are administered.

(3) The department may enter into cooperative agreements with the national park service and the federal highway administration for the purpose of maintaining national park approach roads in Montana.

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2 INTRODUCED BY STORY, R. SMITH

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23 17-2-102. Subject to that provision, ~~9/10~~ ~~of 1%~~
24 ~~shall be deposited in the state park account and ~~3/16~~ ~~of 1%~~~~
25 ~~1/2~~ of 1% of all money shall be deposited in a snowmobile

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2 of the money shall be used and expended by the department of
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17 to promote snowmobile safety. The legislature finds that of
18 all fuels sold in this state for consumption in internal
19 combustion engines, not less than ~~3 1/10~~ ~~6 1/10~~ 1/2 of 1% is
20 used for propelling snowmobiles on public lands of this
21 state."

-End-

HOUSE OF REPRESENTATIVES
April 10, 1979

Committee on Taxation Amendments to Senate Bill No. 172, third reading copy,
as follows:

1. Page 1, line 24.

Following: "~~3/10~~"

Strike: "6/10"

Insert: "1/2"

2. Page 3, line 19.

Following: "~~3/10~~"

Strike: "6/10"

Insert: "1/2"

AND AS AMENDED
BE NOT CONCURRED IN

OBJECTION TO ADVERSE COMMITTEE REPORT