

CHAPTER NO. 625

SENATE BILL NO. 415

INTRODUCED BY B. BROWN, LOCKREM

IN THE SENATE

February 8, 1979	Introduced and referred to Committee on Taxation.
February 9, 1979	Fiscal note requested.
February 14, 1979	Fiscal note returned.
February 17, 1979	Committee recommend bill do pass as amended. Report adopted.
February 19, 1979	Printed and placed on members' desks.
February 20, 1979	Second reading, do pass.
February 21, 1979	Considered correctly engrossed.
February 22, 1979	Third reading, passed. Transmitted to second house.

IN THE HOUSE

February 23, 1979	Introduced and referred to Committee on Taxation.
April 11, 1979	Committee recommend bill be concurred in. Report adopted.
April 12, 1979	Second reading, concurred in.
April 16, 1979	Third reading, concurred in.

IN THE SENATE

April 16, 1979	Returned from second house. Concurred in. Sent to enrolling. Reported correctly enrolled.
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1 *Amended* BILL NO. *415*
 2 INTRODUCED BY *Bob Brown Lockrem*

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 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE
 5 DEPARTMENT OF REVENUE TO WAIVE THE SPECIAL FUEL DEALER'S OR
 6 SPECIAL FUEL USER'S BOND REQUIREMENT UPON APPLICATION OF A
 7 LICENSED PUBLIC CONTRACTOR; AMENDING SECTION 15-70-304,
 8 MCA."

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

11 Section 1. Section 15-70-304, MCA, is amended to read:

12 "15-70-304. Bonding, release of surety, and additional
 13 bond. (1) Except as herein provided, no special fuel
 14 dealer's license or special fuel user's license shall be
 15 issued to any person or continued in force unless such
 16 person has furnished bond, as defined in 15-70-301 and in
 17 such form as the department may require, to secure its
 18 compliance with this part and the payment of any and all
 19 taxes, interest, and penalties due and to become due
 20 hereunder. Upon application, the department may waive the
 21 bond requirement of any resident special fuel user who
 22 establishes to the reasonable satisfaction of the department
 23 that the tax as herein provided is not delinquent or that
 24 interest or penalties are not accrued under the provisions
 25 of this part. ~~Upon application, the department shall waive~~

1 ~~the bond requirement of any public contractor licensed under~~
 2 ~~Title 15, chapter 50.~~

3 (2) The total amount of the bond or bonds required of
 4 any special fuel dealer or special fuel user shall be
 5 equivalent to twice his estimated monthly tax payments as
 6 hereinafter provided, determined in such manner as the
 7 department may deem proper; provided, however, that the
 8 total amount of the bond or bonds shall never be less than
 9 \$5,000 for any special fuel user awarded a contract in
 10 accordance with 15-70-321 or less than \$500 for any other
 11 special fuel user and not less than \$1,000 for a special
 12 fuel dealer.

13 (3) Any surety on a bond furnished by a special fuel
 14 dealer or special fuel user as provided herein shall be
 15 released and discharged from any and all liability to the
 16 state accruing on such bond after the expiration of 30 days
 17 from the date upon which such surety shall have lodged with
 18 the department a written request to be released and
 19 discharged, but this provision shall not operate to relieve,
 20 release, or discharge the surety from any liability already
 21 accrued or which shall accrue before the expiration of the
 22 30-day period. The department shall, promptly upon receiving
 23 any such request, notify the special fuel dealer or special
 24 fuel user who furnished the bond, and unless the special
 25 fuel dealer or special fuel user shall, on or before the

1 expiration of the 30-day period, file a new bond in
2 accordance with the requirements of this section or make a
3 deposit in lieu thereof as provided in 15-70-301(1), the
4 department forthwith shall cancel the special fuel dealer's
5 or special fuel user's license.

6 (4) The department may require a special fuel dealer
7 or special fuel user to give a new or additional surety bond
8 or to deposit additional securities of the character
9 specified in 15-70-301(1) if, in its opinion, the security
10 of the surety bond theretofore filed by such special fuel
11 dealer or special fuel user or the market value of the
12 properties deposited as security by such special fuel dealer
13 or special fuel user shall become impaired or inadequate,
14 and upon failure of the special fuel dealer or special fuel
15 user to give such new additional surety bond or to deposit
16 additional securities within 30 days after being requested
17 so to do by the department, said department forthwith shall
18 cancel his license."

-End-

STATE OF MONTANA

REQUEST NO. 297-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 9, 19 79, there is hereby submitted a Fiscal Note for Senate Bill 415 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.

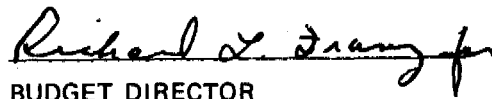
DESCRIPTION

This proposed bill requires the Department of Revenue to waive the Special Fuel Dealer's or Special Fuel User's Bond requirement upon application of a licensed public contractor.

FISCAL IMPACT

No Fiscal Impact.

PREPARED BY DEPARTMENT OF REVENUE


BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/13/79

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A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE DEPARTMENT OF REVENUE TO WAIVE THE SPECIAL FUEL DEALER'S OR SPECIAL FUEL USER'S BOND REQUIREMENT UPON APPLICATION OF A LICENSED PUBLIC CONTRACTOR; AMENDING SECTION 15-70-304, MCA."

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

Section 1. Section 15-70-304, MCA, is amended to read:

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the bond requirement of any public contractor licensed under Title 15, chapter 50, MMD HAS POSTED A PERFORMANCE BOND CONDITIONED ON PAYMENT OF ALL LAWFUL TAXES WITH THE CONTRACTING ENTITY.

(2) The total amount of the bond or bonds required of any special fuel dealer or special fuel user shall be equivalent to twice his estimated monthly tax payments as hereinafter provided, determined in such manner as the department may deem proper; provided, however, that the total amount of the bond or bonds shall never be less than \$5,000 for any special fuel user awarded a contract in accordance with 15-70-321 or less than \$500 for any other special fuel user and not less than \$1,000 for a special fuel dealer.

(3) Any surety on a bond furnished by a special fuel dealer or special fuel user as provided herein shall be released and discharged from any and all liability to the state accruing on such bond after the expiration of 30 days from the date upon which such surety shall have lodged with the department a written request to be released and discharged, but this provision shall not operate to relieve, release, or discharge the surety from any liability already accrued or which shall accrue before the expiration of the 30-day period. The department shall, promptly upon receiving any such request, notify the special fuel dealer or special

1 fuel user who furnished the bond, and unless the special
2 fuel dealer or special fuel user shall, on or before the
3 expiration of the 30-day period, file a new bond in
4 accordance with the requirements of this section or make a
5 deposit in lieu thereof as provided in 15-70-301(1), the
6 department forthwith shall cancel the special fuel dealer's
7 or special fuel user's license.

8 (4) The department may require a special fuel dealer
9 or special fuel user to give a new or additional surety bond
10 or to deposit additional securities of the character
11 specified in 15-70-301(1) if, in its opinion, the security
12 of the surety bond theretofore filed by such special fuel
13 dealer or special fuel user or the market value of the
14 properties deposited as security by such special fuel dealer
15 or special fuel user shall become impaired or inadequate,
16 and upon failure of the special fuel dealer or special fuel
17 user to give such new additional surety bond or to deposit
18 additional securities within 30 days after being requested
19 so to do by the department, said department forthwith shall
20 cancel his license."

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~~the bond requirement of any public contractor licensed under Title 15, chapter 50, who has posted a performance bond conditioned on payment of all lawful taxes with the contracting entity.~~

(2) The total amount of the bond or bonds required of any special fuel dealer or special fuel user shall be equivalent to twice his estimated monthly tax payments as hereinafter provided, determined in such manner as the department may deem proper; provided, however, that the total amount of the bond or bonds shall never be less than \$5,000 for any special fuel user awarded a contract in accordance with 15-70-321 or less than \$500 for any other special fuel user and not less than \$1,000 for a special fuel dealer.

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13 dealer or special fuel user or the market value of the
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