

HOUSE BILL NO. 16

1st Special Session

Introduced and Referred to Committee on Taxation: 11/21/81

Hearing: 11/21/81

Report: 11/23/81, Do Not Pass

Report Adopted: 11/23/81

1 HOUSE BILL NO. 16 Special Session I
2 INTRODUCED BY B. L. Anderson

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CREATE A PERMANENT
5 HIGHWAY RECONSTRUCTION PROGRAM; TO INCREASE THE GASOLINE
6 LICENSE TAX BY 5 CENTS PER GALLON AND TO INCREASE THE TAX ON
7 DIESEL FUEL AND OTHER VOLATILE LIQUIDS BY 6 CENTS PER GALLON
8 TO FUND THE RECONSTRUCTION PROGRAM; TO MAKE PERMANENT THE
9 TEMPORARY 1 CENT PER GALLON FUEL TAX INCREASES PROVIDED BY
10 CHAPTER 632, LAWS OF 1979; REPEALING SECTIONS 2 AND 3 OF
11 CHAPTER 632, LAWS OF 1979; AMENDING SECTIONS 15-70-204,
12 15-70-321, AND 60-3-203, MCA; AND PROVIDING THAT THE
13 PROPOSED ACT BE SUBMITTED TO THE ELECTORS OF THE STATE OF
14 MONTANA."

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

17 NEW SECTION. Section 1. Highway reconstruction
18 program -- creation -- purpose. There is a permanent highway
19 reconstruction program. This program is created in
20 recognition that the highways located on the primary and
21 secondary systems of Montana are deteriorating at such a
22 rate that existing programs will be unable to construct and
23 reconstruct them to safe and acceptable standards and that
24 the prospects of increased federal assistance to solve this
25 problem are unlikely.

1 NEW SECTION. Section 2. Duties of the department. The
2 department shall administer the highway reconstruction
3 program to initiate, plan, design, construct, and
4 reconstruct projects on the primary and secondary highway
5 systems. The department shall select such projects from
6 throughout the state according to need, and the funds
7 expended for these projects are not subject to the
8 provisions of 60-3-203.

9 **NEW SECTION.** Section 3. Highway reconstruction
10 program -- funding. (1) For the purpose of funding the
11 highway reconstruction program created in [section 1], 6
12 cents per gallon of the special fuel tax collected under
13 15-70-321 and 5 cents per gallon of the gasoline license tax
14 collected under 15-70-204 are allocated to the highway
15 reconstruction program.

16 (2) In addition, all funds in the highway earmarked
17 revenue account not needed by the department for general
18 operations, maintenance, or matching federal aid may be used
19 by the department in the reconstruction program.

20 NEW SECTION. Section 4. Use of funds allocated to
21 highway reconstruction program. The funds allocated to the
22 highway reconstruction program under [section 3] may only be
23 used to initiate, plan, design, construct, and reconstruct
24 projects on the primary and secondary highway systems.

25 Section 5. Section 15-70-204, MCA, is amended to read:

1 "15-70-204. Gasoline license tax — rate. (1) Every
 2 distributor shall pay to the department of revenue a license
 3 tax for the privilege of engaging in and carrying on
 4 business in this state in an amount equal to 1 cent for each
 5 gallon of aviation gasoline, which shall be allocated to the
 6 department of commerce as provided by 67-1-301, as amended,
 7 and 0 14 cents for each gallon of all other gasoline
 8 distributed by him within the state and upon which the
 9 gasoline license tax has not been paid by any other
 10 distributor.

11 (2) Gasoline exported or sold for export out of the
 12 state shall not be included in the measure of the
 13 distributor's license tax.

14 (3) Gasohol shall be subject to gasoline license taxes
 15 in accordance with the following schedule:

16 (a) beginning April 1, 1979, gasohol shall be taxed at
 17 the rate of 2 cents per gallon;

18 (b) beginning April 1, 1985, gasohol shall be taxed at
 19 the rate of 4 cents per gallon;

20 (c) beginning April 1, 1987, gasohol shall be taxed at
 21 the rate of 6 cents per gallon.

22 (4) If at any time the gasoline license tax is lower
 23 than the current applicable tax on gasohol, the lower tax
 24 rate shall be adopted for gasohol."

25 Section 6. Section 15-70-321, MCA, is amended to read:

1 "15-70-321. Tax on diesel fuel and volatile liquids.
 2 The department shall, under the provisions of rules issued
 3 by it, collect or cause to be collected from the owners or
 4 operators of motor vehicles a tax in an amount equal to 10
 5 12 cents for each gallon of diesel fuel or other volatile
 6 liquid, except liquid petroleum gas, of less than 46 degrees
 7 A.P.I. (American petroleum institute) gravity test when
 8 actually sold or used to produce motor power to propel motor
 9 vehicles upon the public highways or streets within the
 10 state or used in motor vehicles, motorized equipment, and
 11 the internal combustion of any and all engines, including
 12 stationary engines, used in connection with any and all work
 13 performed under any and all contracts pertaining to the
 14 construction, reconstruction, or improvement of any highway
 15 or street and their appurtenances awarded by any and all
 16 public agencies, including federal, state, county,
 17 municipal, or other political subdivisions."

18 Section 7. Section 60-3-203, MCA, is amended to read:

19 "60-3-203. Districts for apportionment of department
 20 funds. ~~Att Except as provided in [sections 1 through 4]~~ all
 21 money available to the department for highway construction
 22 purposes shall be apportioned among these financial
 23 districts, each composed of the counties named:

24 District 1. Lincoln, Flathead, Lake;

25 District 2. Glacier, Toole, Liberty, Hill, Blaine;

1 District 3. Phillips, Valley, Daniels, Sheridan,
2 Roosevelt;

3 District 4. McCone, Richland, Dawson, Prairie,
4 Wibaux;

5 District 5. Fergus, Garfield, Petroleum;

6 District 6. Pondera, Teton, Chouteau, Cascade, Judith
7 Basin;

8 District 7. Lewis and Clark, Jefferson, Broadwater;

9 District 8. Sanders, Mineral, Missoula, Ravalli,
10 Granite, Powell;

11 District 9. Beaverhead, Deer Lodge, Silver Bow,
12 Madison;

13 District 10. Park, Gallatin, Sweet Grass, Meagher,
14 Wheatland;

15 District 11. Golden Valley, Musselshell, Stillwater,
16 Yellowstone, Carbon, Big Horn, Treasure;

17 District 12. Rosebud, Custer, Fallon, Powder River,
18 Carter."

19 Section 8. Codification instruction. Sections 1
20 through 4 are intended to be codified as an integral part of
21 Title 60, Chapter 3, part 2 and the provisions of Title 60
22 apply to sections 1 through 4.

23 Section 9. Repealer. Sections 2 and 3, Chapter 632,
24 Laws of 1979, are repealed.

25 Section 10. Effective date. Sections 1 through 9 are

1 effective January 1, 1983.

2 Section 11. Submission to electorate. The question of
3 whether this act becomes effective shall be submitted to the
4 electors of the state of Montana at the general election to
5 be held in November, 1982, by printing on the ballot the
6 full title of this act and the following:

7 FOR raising the gasoline license tax and the tax on
8 diesel fuel and volatile liquids.
9 AGAINST raising the gasoline license tax and the tax
10 on diesel fuel and volatile liquids.

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