

HOUSE BILL NO 17

Introduced: 01/03/83

Referred to Committee on Highways & Transportation: 01/03/83

Hearing: 1/20/83

Report: 03/04/83, Do Pass, As Amended

Report: 03/08/83, Do Pass, As Amended

2nd Reading: 03/10/83, Do Pass

2nd Reading: 03/15/83, Do Pass, As Amended

3rd Reading: 03/18/83, Do Pass

Transmitted to Senate: 03/19/83

Referred to Committee on Taxation 03/19/83

Hearing: 3/22/83

Died in Senate Committee

## 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 TAX FOR VEHICLES OF 8,000 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 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; AMENDING SECTIONS 15-70-301, 15-70-302, 15-70-321, AND 15-70-322, 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 tax -- rates -- nonrefundable -- disposition -- penalty. (1) Upon registration or reregistration of a privately operated motor vehicle of 8,000 pounds or less gross weight, powered by any special fuel or electricity, the owner shall pay a fee in lieu of special fuels tax. In evidence of the payment the county treasurer shall issue a decal, provided by the

department, that must be displayed on the windshield of the motor vehicle registered and that, while valid, authorizes any special fuels dealer to deliver into the supply tank of the motor vehicle any special fuel free of the tax imposed under this part.

(2) The annual fee in lieu of special fuels tax is \$60 for a vehicle of 8,000 pounds or less gross weight.

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

(4) No later than the 10th day of January, April, July, and October of each year, the county treasurer, after retaining 5% for the county general fund, shall remit the remainder of the collections received under this section during the immediately previous calendar quarter to the state treasurer for deposit to the credit of the department of highways in the earmarked special revenue fund, no part of which may be expended to pay salaries or other benefits to members of the highway patrol.

(5) Any person is guilty of a misdemeanor and subject

INTRODUCED BILL

1 to penalty as provided in 15-70-336 who:

2 (a) fails to notify the county treasurer that a  
3 vehicle for which he is seeking registration is powered by a  
4 special fuel;

5 (b) fails to notify the county treasurer within 20  
6 days after converting a motor vehicle to special fuel use  
7 and fails to pay the fee in lieu of special fuels tax for  
8 the remainder of the period of registration, computed at  
9 one-twelfth of the annual fee established in subsection (2)  
10 for each full month of the unexpired registration;

11 (c) displays a fee-in-lieu-of-special-fuels-tax decal  
12 on any motor vehicle other than that for which the decal was  
13 issued; or

14 (d) delivers or receives any special fuel into the  
15 supply tank of a motor vehicle for which a fee in lieu of  
16 special fuels tax is required and has not been paid and for  
17 which a decal has not been issued and affixed to the  
18 windshield.

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

20 "15-70-301. Definitions. As used in this part, the  
21 following definitions shall apply:

22 (1) "Bond" means:

23 (a) a bond duly executed by a special fuel dealer or  
24 special fuel user as principal with a corporate surety  
25 qualified under the laws of Montana, which bond shall be

1 payable to the state of Montana, conditioned upon faithful  
2 performance of all requirements of this part, including the  
3 payment of all taxes, penalties, and other obligations of  
4 such special fuel dealer or special fuel user arising out of  
5 this part; or

6 (b) a deposit with the department by the special fuel  
7 dealer or special fuel user, under such terms and conditions  
8 as the department of revenue may prescribe, of certificates  
9 of deposit or irrevocable letters of credit issued by a bank  
10 and insured by the federal deposit insurance corporation.

11 (2) "Department" means the department of revenue.

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

14 (4) "Person" means and includes any person, firm,  
15 association, joint-stock company, syndicate, partnership, or  
16 corporation; whenever used in any clause prescribing and  
17 imposing a fine or imprisonment, or both, as applied to a  
18 firm, association, syndicate, or partnership, means and  
19 includes the partners or members thereof and, as applied to  
20 joint-stock companies and corporations, the officers  
21 thereof.

22 (5) "Public roads and highways of this state" shall  
23 mean all streets, roads, highways, and related structures as  
24 have been or shall be built and maintained with appropriated  
25 funds of the United States and which have been or shall be

1 built and maintained with funds of the state of Montana or  
2 any political subdivision thereof or which have been or  
3 shall be dedicated to public use or have been acquired by  
4 eminent domain or have been acquired by adverse use by the  
5 public, jurisdiction having been assumed by the state or any  
6 political subdivision thereof.

7 (6) "Special fuel" means those combustible gases and  
8 liquids commonly referred to as diesel fuel or any other  
9 volatile liquid of less than 46 degrees A.P.I. (American  
10 petroleum institute) gravity test, except including liquid  
11 petroleum gas, and compressed natural gas, when actually  
12 sold for use or used in motor vehicles propelled upon the  
13 public highways or streets within the state of Montana.

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

25 (8) "Special fuel user" means any person other than a

1 county, incorporated city or town, or school district of  
2 this state who consumes in this state special fuel for the  
3 propulsion of motor vehicles owned or controlled by him upon  
4 the highways of this state.

5 (9) "Use" means either the receipt, delivery, or  
6 placing of special fuels by a special fuel dealer into the  
7 fuel supply tank or tanks of any motor vehicle not owned or  
8 controlled by him while such vehicle is within this state or  
9 the consumption by a special fuel user of special fuels in  
10 propulsion of a motor vehicle on the highways of this  
11 state."

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

13 "15-70-302. Special fuel dealer's licenses and special  
14 fuel user's permits required -- exceptions. (1) It shall be  
15 unlawful for any person to act as a special fuel dealer in  
16 this state unless such person is the holder of an uncanceled  
17 fuel dealer's license issued to him by the department.

18 (2) Every special fuel user shall obtain annually from  
19 the department, prior to the use of such special fuel for  
20 the propulsion of a motor vehicle or vehicles of more than  
21 8,000 pounds gross weight in this state, a special fuel  
22 user's permit and shall at all times display the original or  
23 a reproduced copy of the permit in each such vehicle or  
24 vehicles operated by him upon the highways as herein defined  
25 which shall be exhibited for inspection on request of any

checking station officer, Montana highway patrol officer, authorized employee of the department, or any other law enforcement officer. The special fuel user shall be responsible for reproducing clear and legible copies of the permit.

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

(i) whose sole use of special fuel is for the propulsion of a privately operated passenger ~~automobile~~ motor vehicle of 8,000 pounds or less gross weight registered under the laws of another state, provided the person purchases special fuel, tax paid, from a licensed special fuel dealer in this state; or

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

(b) For purposes of this exemption, a privately operated passenger ~~motor~~ vehicle does not include a motor vehicle used for the transportation of persons for hire or for compensation ~~or designedly used, or maintained, primarily for transportation of property.~~

(4) Any out-of-state user who operates a special fuel

vehicle solely for recreation or for religious, charitable, educational, or other eleemosynary purposes shall secure a special fuel user's courtesy vehicle permit. The permit shall not be transferable and shall be valid for 90 days. Permits will be issued at no cost to the user by the department, scale house personnel, and gross vehicle weight patrol crews. The department may require the user who has fuel capacity in excess of 30 gallons to file a report and pay the tax on fuel used in Montana on which the tax has not been paid."

Section 4. Section 15-70-321, MCA, is amended to read:

"15-70-321. Tax on diesel fuel, ~~and volatile liquids,~~ and compressed natural gas. The department shall, under the provisions of rules issued by it, collect or cause to be collected from the owners or operators of motor vehicles a tax in an amount equal to ~~to 14.5~~ 14.5 cents for each gallon of diesel fuel or other volatile liquid, ~~except including~~ liquid petroleum gas, of less than 46 degrees A.P.I. (American petroleum institute) gravity test ~~and 14.5 cents for each 100 cubic feet of compressed natural gas~~ when actually sold or used to produce motor power to propel motor vehicles upon the public highways or streets within the state or used in motor vehicles, motorized equipment, and the internal combustion of any and all engines, including stationary engines, used in connection with any and all work

performed under any and all contracts pertaining to the construction, reconstruction, or improvement of any highway or street and their appurtenances awarded by any and all public agencies, including federal, state, county, municipal, or other political subdivisions."

Section 5. Section 15-70-322, MCA, is amended to read:

"15-70-322. Tax on use of special fuels -- ~~exemption.~~

(1) There is hereby levied and imposed a tax on the use of each and every gallon of special fuel in any motor vehicle while operated upon the highways equivalent to the lawful tax levied on motor fuel under 15-70-321. Said tax, with respect to all special fuel delivered by a special fuel dealer into supply tanks of motor vehicles in this state, shall attach at the time of such delivery and shall be collected by such special fuel dealer from the special fuel user and shall be paid over to the department as hereinafter provided. Said tax, with respect to special fuel acquired by any special fuel user in any manner other than by delivery by a special fuel dealer into a fuel supply tank of a motor vehicle, shall attach at the time of the consumption of such fuel in the propulsion of a motor vehicle upon the highways of the state and shall be paid over to the department by the special fuel user as hereinafter provided. The United States, Montana and all other states, and the counties, incorporated cities and towns, and school districts of this

state are exempt from the levy and imposition of this tax.

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

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

**NEW SECTION.** Section 7. Codification. Instruction. Section 1 is intended to be codified as an integral part of Title 15, chapter 70, part 3, and the provisions of Title 15, chapter 70, part 3, apply to section 1.

**NEW SECTION.** Section 8. Effective date. This act is effective on January 1, 1984.

-End-

## STATE OF MONTANA

REQUEST NO. 027-83

## FISCAL NOTE

Form BD-15

In compliance with a written request received January 6, 19 83, there is hereby submitted a Fiscal Note for House Bill 17 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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:

House Bill 17 establishes a fee in lieu of special fuels tax for vehicles of 8,000 pounds or less gross weight; provides for issuance of windshield decals as evidence of tax exemption; defines liquid petroleum gas and compressed natural gas as special fuels; sets and increases special fuels use tax rates; provides for deposit of the fee in the highway earmarked special revenue fund and prohibits its use to pay highway patrol salaries; provides for a penalty; amends Sections 15-70-301, 15-70-302, and 15-70-322, MCA; repeals Sections 15-71-101 through 15-71-105, MCA; and provides an effective date.

ASSUMPTIONS:

- 1) At this time there is no data available to estimate the impact of a fee in lieu of special fuels tax for vehicles of 8,000 lbs. or less gross weight.
- 2) The only impact that can be estimated at this time is the increase in the special fuels use tax.
- 3) The effective date of the increase in the special fuels use tax is January 1, 1984.
- 4) Proposed law: FY84 -  $\frac{1}{2}$  year at 10¢/gal,  $\frac{1}{2}$  year at 14.5¢/gal  
FY85 at 14.5¢/gal
- 5) Gallonage - FY84 - 108,520,000 million gallons - ( $\frac{1}{2}$  year - 54,260,000)  
FY85 - 110,069,000 million gallons
- 6) Current law - Tax - 10¢/gal FY84-FY85

(Note: This is only a partial estimate of the fiscal impact of this bill. See Assumptions)

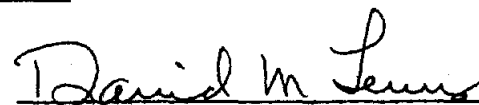
FISCAL IMPACT:

	<u>FY84</u>	<u>FY85</u>
Special Fuel Use Tax		
Under current law	\$10,852,000	\$11,069,000
Under proposed law	<u>13,293,700</u>	<u>16,050,050</u>
Estimated increase	<u>\$ 2,441,700</u>	<u>\$ 4,981,050</u>
Earmarked Special Revenue Fund		
Under current law	\$10,852,000	\$11,069,000
Under proposed law	<u>13,293,700</u>	<u>16,050,050</u>
Estimated increase	<u>\$ 2,441,700</u>	<u>\$ 4,981,050</u>

LOCAL IMPACT:

Increased administrative duties by the County Treasurer will be realized. This may be offset by the 5% fee retained by the county.

FISCAL NOTE1:FF/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-10-83

Approved by Committee  
on Highways & Transportation

## HOUSE BILL NO. 17

INTRODUCED BY WALDRON, ELLIOTT, TVEIT,

STIMATZ, PISTORIA, LYNCH, CONNELLY

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

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

(2) The annual fee in lieu of special fuels ~~OR ALTERNATE FUELS~~ tax is ~~\$60~~ \$80 for a vehicle of ~~8,000~~ 10,000 pounds or less gross weight.

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

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



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

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

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

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

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

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

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

Section 2. Section 15-70-301, MCA, is amended to read: "15-70-301. Definitions. As used in this part, the following definitions shall apply:

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

(2) "Bond" means:

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

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

1 federal deposit insurance corporation.

2 {2}{13} "Department" means the department of revenue.

3 {3}{14} "Motor vehicle" means any vehicle which is  
4 self-propelled upon the highways.

5 {4}{15} "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}{16} "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}{17} "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}{18} "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}{19} "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}{20} "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 pay the tax on fuel used in Montana on which the tax has not  
2 been paid."

3 Section 4. Section 15-70-321, MCA, is amended to read:  
4 "15-70-321. Tax on use of special fuels and ~~and~~ volatile  
5 liquids and compressed natural gas. The department shall  
6 under the provisions of rules issued by it, collect or cause  
7 to be collected from the owners or operators of motor  
8 vehicles a tax in an amount equal to 10 ~~14.5~~ 10 cents for  
9 each gallon of diesel fuel or other volatile liquid except  
10 including ~~EXCEPT~~ liquid petroleum gas of less than 46  
11 degrees API (American petroleum institute) gravity test  
12 and ~~14.5 cents for each 100 cubic feet of compressed natural~~  
13 gas when actually sold or used to produce motor power to  
14 propel motor vehicles upon the public highways or streets  
15 within the state or used in motor vehicles, motorized  
16 equipment, and the internal combustion of any and all  
17 engines including stationary engines used in connection  
18 with any and all work performed under any and all contracts  
19 pertaining to the construction, reconstruction, or  
20 improvement of any highway or street and their appurtenances  
21 awarded by any and all public agencies including federal,  
22 state, county, municipality or other political subdivisions."

23 Section 4. Section 15-70-322, MCA, is amended to read:  
24 "15-70-322. Tax on use of special fuels -- exemption.  
25 (1) There is hereby levied and imposed a tax on the use of

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 5. SECTION 15-71-101, MCA, IS AMENDED TO READ:  
24 "15-71-101. Tax to be collected on motor vehicles  
25 self-propelled by ~~or liquefied petroleum gas~~ alternate fuels.

(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~~ alternate fuel 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:

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

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

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

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

(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.

~~(3) The United States, Montana, and all other states,~~

~~and the counties, incorporated cities and towns, and school districts of this state are exempt from the levy and imposition of this tax."~~

~~SECTION 6. 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 alternate fuel is required to purchase a liquefied-petroleum-gas an alternate fuel temporary trip permit. The permits will be issued by scale house personnel, gross vehicle weight patrol crews, Montana highway patrolmen, alternate fuel dealers under rules and bonds prescribed by the department, and such other enforcing agents as the department of revenue may prescribe.~~

~~(2) A temporary liquefied-petroleum-gas alternate fuel permit for a vehicle whose licensed gross vehicle weight is 10,000 pounds or less 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 30 days.~~

~~(3) A temporary alternate fuel permit for a vehicle whose licensed gross vehicle weight exceeds 10,000 pounds shall cost \$30. 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.~~

~~(4) Special liquefied-petroleum-gas alternate fuel~~

1 permits, remittance forms, and any other papers necessary  
2 for the enforcement of this chapter shall be furnished by  
3 the department of highways."

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

6 NEW SECTION. Section 7. Codification instruction.  
7 Section 1 is intended to be codified as an integral part of  
8 Title 15, chapter 70, ~~part 3,~~ and the provisions of Title  
9 15, chapter 70, ~~part 3,~~ apply to section 1.

10 NEW SECTION. Section 8. Effective date. This act is  
11 effective on January 1, 1984.

-End-

## HOUSE BILL NO. 17

INTRODUCED BY WALDRON, ELLIOTT, TVEIT,

STIMATZ, PISTORIA, LYNCH, CONNELLY

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

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

(2) The annual fee in lieu of special fuels OR ALTERNATE FUELS tax is \$60 180 for a vehicle of 8,000 10,000 pounds or less gross weight.

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

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

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

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

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

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

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

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

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

Section 2. Section 15-70-301, MCA, is amended to read: "15-70-301. Definitions. As used in this part, the following definitions shall apply:

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

(1) (2) "Bond" means:

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

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



1 federal deposit insurance corporation.

2       †2†131 "Department" means the department of revenue.

3       †3†141 "Motor vehicle" means any vehicle which is  
4 self-propelled upon the highways.

5       †4†151 "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†161 "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†171 "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†181 "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†191 "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†201 "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 (1) 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 (iii) 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 pay the tax on fuel used in Montana on which the tax has not  
2 been paid."

3 Section 4. Section 15-70-321, MCA, is amended to read:  
4 "15-70-321. Tax on diesel fuels and ~~and~~ volatile  
5 liquids ~~and compressed natural gas. The department shall~~  
6 under the provisions of rules issued by it, collect or cause  
7 to be collected from the owners or operators of motor  
8 vehicles a tax in an amount equal to ~~18 1/2~~ 18 cents for  
9 each gallon of diesel fuel or other volatile liquids except  
10 including EXCEPT liquid petroleum gas of less than 46  
11 degrees API. (American petroleum institute) gravity test  
12 and ~~18 1/2 cents for each 100 cubic feet of compressed natural~~  
13 gas when actually sold or used to produce motor power to  
14 propel motor vehicles upon the public highways or streets  
15 within the state or used in motor vehicles motorized  
16 equipment and the internal combustion of any and all  
17 engines including stationary engines used in connection  
18 with any and all work performed under any and all contracts  
19 pertaining to the construction, reconstruction, or  
20 improvement of any highway or street and their appurtenances  
21 awarded by any and all public agencies including federal  
22 state, county, municipal or other political subdivisions."

23 Section 4. Section 15-70-322, MCA, is amended to read:  
24 "15-70-322. Tax on use of special fuels ~~is an exemption.~~  
25 (1) There is hereby levied and imposed a tax on the use of

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 decal issued under [section 1] is exempt from tax under this  
22 part."

23 SECTION 5. 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 liquefied petroleum gas alternate fuels.

(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~~ alternate fuel 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:

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

~~(b)(1) motor trucks and truck tractors whose licensed gross vehicle weight is over 10,000 pounds and less than 18,000 pounds, \$80 \$110;~~

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

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

(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.

~~(3) The United States, Montana, and all other states,~~

~~and the counties, incorporated cities and towns, and school districts of this state are exempt from the levy and imposition of this tax."~~

~~SECTION 6, 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~~ alternate fuel is required to purchase a ~~liquefied-petroleum-gas~~ alternate fuel temporary trip permit. The permits will be issued by scale house personnel, gross vehicle weight patrol crews, Montana highway patrolmen, alternate fuel dealers under rules and bonds prescribed by the department, and such other enforcing agents as the department of revenue may prescribe.

(2) A temporary ~~liquefied-petroleum-gas~~ alternate fuel permit for a vehicle whose licensed gross vehicle weight is 10,000 pounds or less 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 30 days.

~~(3) A temporary alternate fuel permit for a vehicle whose licensed gross vehicle weight exceeds 10,000 pounds shall cost \$30. 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.~~

~~(4) Special liquefied-petroleum-gas alternate fuel~~

1 permits, remittance forms, and any other papers necessary  
2 for the enforcement of this chapter shall be furnished by  
3 the department of highways."

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

6 ~~NEW SECTION. Section 7. Codification Instruction.~~  
7 Section 1 is intended to be codified as an integral part of  
8 Title 15, chapter 70, ~~part 3,~~ and the provisions of Title  
9 15, chapter 70, ~~part 3,~~ apply to section 1.

10 ~~NEW SECTION. Section 8. Effective date. This act is~~  
11 ~~effective on January 1, 1984.~~

-End-

## HOUSE BILL NO. 17

INTRODUCED BY WALDRON, ELLIOTT, TVEIT,

STIMATZ, PISTORIA, LYNCH, CONNELLY

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 ~~LICENSIBLE-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; REPEATING 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

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

(2) The annual fee in lieu of special fuels ~~OR ALTERNATE FUELS~~ tax is \$60 \$80 for a vehicle of 8,000 10,000 pounds or less gross weight.

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

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

THIRD READING

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SECOND PRINTING

HB 17

with amendments dated 3/11/83

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

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

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

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

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

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

and has not been paid and for which a decal has not been issued and affixed to the windshield. ~~A SPECIAL OR ALTERNATE FUELS DEALER MAY DELIVER FUEL INTO THE SUPPLY TANK OF A MOTOR VEHICLE WHICH DOES NOT HAVE A DECAL IF THE VEHICLE BEARS DEALER LICENSE PLATES AS PROVIDED FOR IN 61-4-103.~~

~~(6) A DUPLICATE DECAL MAY BE OBTAINED FROM THE COUNTY TREASURER UPON THE OWNER OF THE VEHICLE FURNISHING SATISFACTORY EVIDENCE OF SUCH FACTS AS MAY BE NECESSARY TO SHOW THAT THE DECAL HAS BEEN LOST, DESTROYED, OR MUTILATED.~~

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

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

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

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

(a) a bond duly executed by ~~AN ALTERNATE FUEL DEALER~~ OR a special fuel dealer or special fuel user as principal with a corporate surety qualified under the laws of Montana, which bond shall be payable to the state of Montana, conditioned upon faithful performance of all requirements of this part, including the payment of all taxes, penalties, and other obligations of such ~~ALTERNATE FUEL DEALER OR~~

1 special fuel dealer or special fuel user arising out of this  
2 part; or

3 (b) a deposit with the department by AN ALTERNATE FUEL  
4 DEALER OR the special fuel dealer or special fuel user,  
5 under such terms and conditions as the department of revenue  
6 may prescribe, of certificates of deposit or irrevocable  
7 letters of credit issued by a bank and insured by the  
8 federal deposit insurance corporation.

9 {2}(1) "Department" means the department of revenue.

10 {3}(4) "Motor vehicle" means any vehicle which is  
11 self-propelled upon the highways.

12 {4}(5) "Person" means and includes any person, firm,  
13 association, joint-stock company, syndicate, partnership, or  
14 corporation; whenever used in any clause prescribing and  
15 imposing a fine or imprisonment, or both, as applied to a  
16 firm, association, syndicate, or partnership, means and  
17 includes the partners or members thereof and, as applied to  
18 joint-stock companies and corporations, the officers  
19 thereof.

20 {5}(6) "Public roads and highways of this state" shall  
21 mean all streets, roads, highways, and related structures as  
22 have been or shall be built and maintained with appropriated  
23 funds of the United States and which have been or shall be  
24 built and maintained with funds of the state of Montana or  
25 any political subdivision thereof or which have been or

1 shall be dedicated to public use or have been acquired by  
2 eminent domain or have been acquired by adverse use by the  
3 public, jurisdiction having been assumed by the state or any  
4 political subdivision thereof.

5 {6}(7) "Special fuel" means those combustible gases  
6 and liquids commonly referred to as diesel fuel or any other  
7 volatile liquid of less than 46 degrees A.P.I. (American  
8 petroleum institute) gravity test, except ~~including~~ EXCEPT  
9 liquid petroleum gas ~~and compressed natural gas~~, when  
10 actually sold for use or used in motor vehicles propelled  
11 upon the public highways or streets within the state of  
12 Montana.

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

24 {8}(9) "Special fuel user" means any person other than  
25 a county, incorporated city or town, or school district of



1 this state who consumes in this state special fuel for the  
2 propulsion of motor vehicles owned or controlled by him upon  
3 the highways of this state.

4 ~~(1)(10)~~ "Use" means either the receipt, delivery, or  
5 placing of special fuels by a special fuel dealer into the  
6 fuel supply tank or tanks of any motor vehicle not owned or  
7 controlled by him while such vehicle is within this state or  
8 the consumption by a special fuel user of special fuels in  
9 propulsion of a motor vehicle on the highways of this  
10 state."

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

12 "15-70-302. Special fuel dealer's licenses and special  
13 fuel user's permits required -- exceptions. (1) It shall be  
14 unlawful for any person to act as a special fuel dealer in  
15 this state unless such person is the holder of an uncanceled  
16 fuel dealer's license issued to him by the department.

17 (2) Every special fuel user shall obtain annually from  
18 the department, prior to the use of such special fuel for  
19 the propulsion of a motor vehicle or vehicles of ~~more than~~  
20 ~~8,000 10,000 pounds gross weight~~ in this state, a special  
21 fuel user's permit and shall at all times display the  
22 original or a reproduced copy of the permit in each such  
23 vehicle or vehicles operated by him upon the highways as  
24 herein defined which shall be exhibited for inspection on  
25 request of any checking station officer, Montana highway

1 patrol officer, authorized employee of the department, or  
2 any other law enforcement officer. The special fuel user  
3 shall be responsible for reproducing clear and legible  
4 copies of the permit.

5 (3) ~~(a)~~ A special fuel user's permit is not required  
6 of any person;

7 ~~(i)~~ whose sole use of special fuel is for the  
8 propulsion of a privately operated passenger--automobile  
9 ~~motor vehicle of 8,000 10,000 pounds or less gross weight~~  
10 ~~registered under the laws of another state,~~ provided the  
11 person purchases special fuel, tax paid, from a licensed  
12 special fuel dealer in this state; or

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

19 ~~(b)~~ For purposes of this exemption, a privately  
20 operated passenger motor vehicle does not include a motor  
21 vehicle used for the transportation of persons for hire or  
22 for compensation or ~~designed, used, or maintained primarily~~  
23 ~~for transportation of property.~~

24 (4) Any out-of-state user who operates a special fuel  
25 vehicle solely for recreation or for religious, charitable,

1 educational, or other eleemosynary purposes shall secure a  
 2 special fuel user's courtesy vehicle permit. The permit  
 3 shall not be transferable and shall be valid for 90 days.  
 4 Permits will be issued at no cost to the user by the  
 5 department, scale house personnel, and gross vehicle weight  
 6 patrol crews. The department may require the user who has  
 7 fuel capacity in excess of 30 gallons to file a report and  
 8 pay the tax on fuel used in Montana on which the tax has not  
 9 been paid."

10 Section 4. Section 15-70-321, MCA, is amended to read:  
 11 "15-70-321. Tax on diesel fuel and ~~and~~ volatile  
 12 liquids ~~and compressed natural gas~~. The department shall  
 13 under the provisions of rules issued by it collect or cause  
 14 to be collected from the owners or operators of motor  
 15 vehicles a tax in an amount equal to 10 ~~12 1/2~~ 10 cents for  
 16 each gallon of diesel fuel or other volatile liquid, except  
 17 including ~~EXCEPT~~ liquid petroleum gas, of less than 46  
 18 degrees ~~Aspirin~~ (American petroleum institute) gravity test  
 19 ~~and 12 1/2 cents for each 100 cubic feet of compressed natural~~  
 20 ~~gas when actually sold or used to produce motor power to~~  
 21 ~~propel motor vehicles upon the public highways or streets~~  
 22 ~~within the state or used in motor vehicles, motorized~~  
 23 ~~equipment, and the internal combustion of any and all~~  
 24 ~~engines, including stationary engines, used in connection~~  
 25 ~~with any and all work performed under any and all contracts~~

1 pertaining to the construction, reconstruction, or  
 2 improvement of any highway or street and their appurtenances  
 3 awarded by any and all public agencies, including federal,  
 4 state, county, municipal, or other political subdivisions."

5 Section 4. Section 15-70-322, MCA, is amended to read:  
 6 "15-70-322. Tax on use of special fuels ~~--- exemption~~.  
 7 ~~111~~ There is hereby levied and imposed a tax on the use of  
 8 each and every gallon of special fuel in any motor vehicle  
 9 while operated upon the highways equivalent to the lawful  
 10 tax levied on motor fuel under 15-70-321. Said tax, with  
 11 respect to all special fuel delivered by a special fuel  
 12 dealer into supply tanks of motor vehicles in this state,  
 13 shall attach at the time of such delivery and shall be  
 14 collected by such special fuel dealer from the special fuel  
 15 user and shall be paid over to the department as hereinafter  
 16 provided. Said tax, with respect to special fuel acquired by  
 17 any special fuel user in any manner other than by delivery  
 18 by a special fuel dealer into a fuel supply tank of a motor  
 19 vehicle, shall attach at the time of the consumption of such  
 20 fuel in the propulsion of a motor vehicle upon the highways  
 21 of the state and shall be paid over to the department by the  
 22 special fuel user as hereinafter provided. The United  
 23 States, Montana and all other states, and the counties,  
 24 incorporated cities and towns, and school districts of this  
 25 state are exempt from the levy and imposition of this tax.

~~(2) Special fuel delivered into the supply tank of a vehicle bearing a valid fee-in-lieu-of-special-fuels-tax decal issued under (section 1) is exempt from tax under this part.~~

~~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-tiquefted-petroleum-gas alternate fuels.~~

~~(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 tiquefted-petroleum-gas alternate fuel 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:~~

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

~~(b) motor trucks and truck tractors whose licensed gross vehicle weight is over 10,000 pounds and less than 18,000 pounds, \$20;~~

~~(c) motor trucks and truck tractors whose licensed gross vehicle weight is 18,000 pounds or more and less than 48,000 pounds, \$40; and~~

~~(d) motor trucks and truck tractors whose licensed gross vehicle weight is 48,000 pounds or more, \$80.~~

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(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.

~~(3) The United States, Montana, and all other states, and the counties, incorporated cities and towns, and school districts of this state are exempt from the levy and imposition of this tax.~~

~~SECTION 6. 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 tiquefted-petroleum-gas alternate fuel is required to purchase a-tiquid-petroleum-gas an alternate fuel temporary trip permit. The permits will be issued by scale house personnel, gross vehicle weight patrol crews, Montana highway patrolmen, alternate fuel dealers under rules and bonds prescribed by the department, and such other enforcing agents as the department of revenue may prescribe.~~

~~(2) A temporary tiquid-petroleum-gas alternate fuel permit for a vehicle whose licensed gross vehicle weight is 10,000 pounds or less 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~~

1 this period 30 days.

2 (3) A temporary alternate fuel permit for a vehicle  
3 whose licensed gross vehicle weight exceeds 10,000 pounds  
4 shall cost \$30. The permit is valid for a period of time not  
5 to exceed 72 hours and will be automatically void if the  
6 vehicle leaves the state during this period.

7 (4) Special liquid-petroleum-gas alternate fuel  
8 permits, remittance forms, and any other papers necessary  
9 for the enforcement of this chapter shall be furnished by  
10 the department of highways."

11 ~~NEW SECTION. Section 6. Repeater. Sections 15-71-101~~  
12 ~~through 15-71-105, MCAs are repealed.~~

13 NEW SECTION. Section 7. Codification Instruction.  
14 Section 1 is intended to be codified as an integral part of  
15 Title 15, chapter 70, part 3, and the provisions of Title  
16 15, chapter 70, part 3, apply to section 1.

17 NEW SECTION. Section 8. Effective date. This act is  
18 effective on January 1, 1984.

-End-