

SENATE BILL NO. 14

INTRODUCED BY NEUMAN, MCCALLUM, HARP, ECK,  
SPAETH, MAZUREK, DRISCOLL, BRANDEWIE, BLAYLOCK,  
MOHAR, LYBECK, GRADY, PETERSON, BARDANOUVE,  
YELLOWTAIL, M. WILLIAMS, LORY, HIMSL,  
HAFFEY, B. BROWN

BY REQUEST OF THE DEPARTMENT OF HIGHWAYS

IN THE SENATE

June 19, 1986	Introduced and referred to Committee on Taxation.
June 24, 1986	Committee recommend bill do pass as amended. Report adopted.
June 25, 1986	Bill printed and placed on members' desks.
	Second reading, do pass as amended.
	Third reading, passed. Ayes, 26; Noes, 24.
	Transmitted to House.

IN THE HOUSE

June 26, 1986	Introduced and referred to Committee on Taxation.
June 27, 1986	Committee recommend bill be not concurred in.
	On motion, taken from adverse committee report and referred to second reading.
	Second reading, concurred in as amended.

June 27, 1986

Third reading, concurred in.

Returned to Senate with  
amendments.

IN THE SENATE

June 27, 1986

Received from House.

Second reading, amendments not  
concurred in.

On motion, Free Conference  
Committee requested and  
appointed.

July 1, 1986

Free Conference Committee  
reported.

Second reading, Free Conference  
Committee report adopted.

On motion, Senate reconsider  
its action on rejecting House  
amendments. Bill placed on  
second reading this day.

Second reading, amendments  
concurred in.

Third reading, amendments  
concurred in. Ayes, 26;  
Noes, 24.

Sent to enrolling.

Reported correctly enrolled.

1 BILL NO. 14  
2 INTRODUCED BY James M. Sullivan HORT  
3 Speech BY REQUEST OF THE DEPARTMENT OF HIGHWAYS Blaylock  
4 Moran Syck Brady Peterson  
5 Banana Yellowtail M. Williams by Shimal  
6 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE  
7 HIGHWAY DEPARTMENT FUNDING; TO INCREASE THE GASOLINE LICENSE  
8 TAX BY 5 CENTS AND TO INCREASE THE TAX ON DIESEL FUEL AND  
9 VOLATILE LIQUIDS BY 3 CENTS; TO TRANSFER MINERAL ROYALTIES  
10 TO THE SCHOOL FOUNDATION PROGRAM; TO TRANSFER COAL TAX FUNDS  
11 TO THE GENERAL FUND; TO TRANSFER INTEREST AND INVESTMENT  
12 EARNINGS ON THE HIGHWAY REVENUE ACCOUNT TO THE GENERAL FUND;  
13 TO PROVIDE THAT ALL EXPENSES OF THE HIGHWAY PATROL BE PAID  
14 OUT OF THE HIGHWAY REVENUE ACCOUNT; AMENDING SECTIONS  
15 15-35-108, 15-70-204, 15-70-321, 17-5-911, 20-9-343,  
16 44-1-501, AND 60-3-216, MCA; REPEALING SECTION 17-3-201,  
17 MCA; AND PROVIDING EFFECTIVE DATES."  
18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
19 Section 1. Section 15-70-204, MCA, is amended to read:  
20 "15-70-204. Gasoline license tax -- rate. (1) Every  
21 distributor shall pay to the department of revenue a license  
22 tax for the privilege of engaging in and carrying on  
23 business in this state in an amount equal to 1 cent for each  
24 gallon of aviation gasoline, which shall be allocated to the  
25 department of commerce as provided by 67-1-301, as amended,

1 and 15 20 cents for each gallon of all other gasoline  
2 distributed by him within the state and upon which the  
3 gasoline license tax has not been paid by any other  
4 distributor.  
5 (2) Gasoline exported or sold for export out of the  
6 state shall not be included in the measure of the  
7 distributor's license tax.  
8 (3) Alcohol that is blended or is to be blended with  
9 gasoline to be sold as gasohol is subject to a tax per  
10 gallon equal to the license tax imposed on nonaviation  
11 gasoline distributors under subsection (1)."  
12 Section 2. Section 15-70-321, MCA, is amended to read:  
13 "15-70-321. Tax on diesel fuel and volatile liquids.  
14 The department shall, under the provisions of rules issued  
15 by it, collect or cause to be collected from the owners or  
16 operators of motor vehicles a tax in an amount equal to 17  
17 20 cents for each gallon of diesel fuel or other volatile  
18 liquid, except liquid petroleum gas, of less than 46 degrees  
19 A.P.I. (American petroleum institute) gravity test when  
20 actually sold or used to produce motor power to propel motor  
21 vehicles upon the public highways or streets within the  
22 state or used in motor vehicles, motorized equipment, and  
23 the internal combustion of any and all engines, including  
24 stationary engines, used in connection with any and all work  
25 performed under any and all contracts pertaining to the

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

5 Section 3. Section 20-9-343, MCA, is amended to read:

6 "20-9-343. Definition of and revenue for state  
7 equalization aid. (1) As used in this title, the term "state  
8 equalization aid" means those moneys deposited in the state  
9 special revenue fund as required in this section plus any  
10 legislative appropriation of moneys from other sources for  
11 distribution to the public schools for the purpose of  
12 equalization of the foundation program.

13 (2) The legislative appropriation for state  
14 equalization aid shall be made in a single sum for the  
15 biennium. The superintendent of public instruction has  
16 authority to spend such appropriation, together with the  
17 earmarked revenues provided in subsection (3), as required  
18 for foundation program purposes throughout the biennium.

19 (3) The following shall be paid into the state special  
20 revenue fund for state equalization aid to public schools of  
21 the state:

22 (a) 25% of all moneys received from the collection of  
23 income taxes under chapter 30 of Title 15;

24 (b) 25% of all moneys, except as provided in  
25 15-31-702, received from the collection of corporation

1 license taxes under chapter 31 of Title 15, as provided by  
2 15-1-501;

3 (c) 10% of the moneys received from the collection of  
4 the severance tax on coal under chapter 35 of Title 15;

5 (d) ~~62-1/2%~~ 100% of the moneys received from the  
6 treasurer of the United States as the state's shares of oil,  
7 gas, and other mineral royalties under the federal Mineral  
8 Lands Leasing Act, as amended;

9 (e) interest and income moneys described in 20-9-341  
10 and 20-9-342;

11 (f) income from the local impact and education trust  
12 fund account; and

13 (g) in addition to these revenues, the surplus  
14 revenues collected by the counties for foundation program  
15 support according to 20-9-331 and 20-9-333 shall be paid  
16 into the same state special revenue fund.

17 (4) Any surplus revenue in the state equalization aid  
18 account in the second year of a biennium may be used to  
19 reduce the appropriation required for the next succeeding  
20 biennium [or may be transferred to the state permissive  
21 account if revenues in that fund are insufficient to meet  
22 the state's permissive amount obligation]."

23 Section 4. Section 15-35-108, MCA, is amended to read:

24 "15-35-108. Disposal of severance taxes. Severance  
25 taxes collected under the provisions of this chapter are

1 allocated as follows:

2 (1) To the trust fund created by Article IX, section  
3 5, of the Montana constitution, 50% of total coal severance  
4 tax collections. The trust fund moneys shall be deposited  
5 in the fund established under 17-6-203(5) and invested by  
6 the board of investments as provided by law.

7 (2) Starting July 1, 1986, and ending June 30, 1987,  
8 6% of coal severance tax collections are allocated to the  
9 ~~highway-reconstruction--trust--fund--account--in--the--state~~  
10 ~~special--revenue--fund~~ credit of the general fund of the  
11 state. Starting July 1, 1987, and ending June 30, 1993, 12%  
12 of coal severance tax collections are allocated to the  
13 ~~highway--reconstruction--trust--fund--account--in--the--state~~  
14 ~~special-revenue-fund~~ credit of the general fund of the  
15 state.

16 (3) Coal severance tax collections remaining after the  
17 allocations provided by subsections (1) and (2) are  
18 allocated in the following percentages of the remaining  
19 balance:

20 (a) 2 1/2% until July 1, 1987, and thereafter 4 1/2%  
21 to the state special revenue fund to the credit of the  
22 alternative energy research development and demonstration  
23 account;

24 (b) 26% until July 1, 1987, and thereafter 37 1/2% to  
25 the state special revenue fund to the credit of the local

1 impact and education trust fund account;

2 (c) 10% to the state special revenue fund for state  
3 equalization aid to public schools of the state;

4 (d) 1% to the state special revenue fund to the credit  
5 of the county land planning account;

6 (e) 1 1/4% to the credit of the renewable resource  
7 development bond fund;

8 (f) 5% to a nonexpendable trust fund for the purpose  
9 of parks acquisition or management, protection of works of  
10 art in the state capitol, and other cultural and aesthetic  
11 projects. Income from this trust fund shall be appropriated  
12 as follows:

13 (i) 1/3 for protection of works of art in the state  
14 capitol and other cultural and aesthetic projects; and

15 (ii) starting July 1, 1985, and ending June 30, 1989,  
16 2/3 for the acquisition, development, operation, and  
17 maintenance of any sites and areas described in 23-1-102  
18 and, after June 30, 1989, 2/3 for the acquisition of sites  
19 and areas described in 23-1-102 and the development,  
20 operation, and maintenance of sites acquired with funds  
21 allocated under this subsection;

22 (g) 1% to the state special revenue fund to the credit  
23 of the state library commission for the purposes of  
24 providing basic library services for the residents of all  
25 counties through library federations and for payment of the

1 costs of participating in regional and national networking;  
 2 (h) 1/2 of 1% to the state special revenue fund for  
 3 conservation districts;

4 (i) 1 1/4% to the debt service fund type to the credit  
 5 of the water development debt service fund;

6 (j) 4% until July 1, 1987, to the highway  
 7 ~~reconstruction--trust--fund--account--in--the--state--special~~  
 8 ~~revenue-fund~~ credit of the general fund of the state;

9 (k) all other revenues from severance taxes collected  
 10 under the provisions of this chapter to the credit of the  
 11 general fund of the state."

12 Section 5. Section 17-5-911, MCA, is amended to read:

13 "17-5-911. Highway revenue bond debt service account  
 14 -- deposit of bond proceeds. (1) There is in the debt  
 15 service fund a highway revenue bond debt service account.  
 16 Subject only to the prior pledge and appropriation made by  
 17 17-5-507, the state treasurer must deposit such highway  
 18 revenues as may be pledged to the payment of particular  
 19 bonds, to the credit of the highway revenue bond debt  
 20 service account as required by resolution or indenture.

21 (2) All proceeds of an issue of bonds must be  
 22 deposited in a separate account in the state special revenue  
 23 fund, except that any premiums and accrued interest received  
 24 may be deposited in a separate account in the debt service  
 25 fund established for that bond issue by resolution or

1 indenture. No more than the principal and interest on the  
 2 bonds due in any year may be retained in the highway revenue  
 3 bond debt service account for the payment of bonds. The  
 4 remainder of pledged revenues is available for authorized  
 5 purposes of the department. Money deposited in such separate  
 6 accounts in the state special revenue fund until spent for  
 7 project purposes may be pledged and appropriated for the  
 8 payment of bonds, which are a first lien and prior charge  
 9 upon such funds, and such funds may be used for payment of  
 10 bonds to the extent highway revenues deposited in the  
 11 highway revenue bond debt service account are not sufficient  
 12 for such purpose.

13 (3) Interest and investment earnings on the separate  
 14 accounts named in subsections (1) and (2) shall be retained  
 15 in the separate accounts referred to in subsection (2).

16 ~~(4)--Notwithstanding 17-6-202 and except as provided in~~  
 17 ~~subsection--(3)--interest--and--investment--earnings--on--the~~  
 18 ~~highway-state-special-revenue-account--shall--be--credited--to~~  
 19 ~~the-general-fund-until-July-17-1985--and--thereafter--shall--be~~  
 20 ~~retained-in-the-highway-state-special-revenue-account"~~

21 Section 6. Section 44-1-501, MCA, is amended to read:

22 "44-1-501. Payment of salaries. All ~~salaries---~~of  
 23 ~~members~~ expenses of the highway patrol shall be paid out of  
 24 the highway department's account in the state special  
 25 revenue fund."

Section 7. Section 60-3-216, MCA, is amended to read:

"60-3-216. Highway reconstruction trust account. (1)

There is a highway reconstruction trust account created in the state special revenue fund.

(2) The highway reconstruction trust fund account consists of the following allocations:

~~{a}--from the taxes collected pursuant to 15-35-103 for each fiscal year beginning on or after July 1, 1986, and ending on or before June 30, 1993, the amounts allocated to the account pursuant to 15-35-108;~~

~~{b}--for each fiscal year beginning on or after July 1, 1983, and ending on or before June 30, 1993, all money received from the state treasurer pursuant to 17-3-201; and~~

~~{c} from the taxes collected pursuant to 15-70-204 and 15-70-321, for each fiscal year beginning on or after July 1, 1983, and ending on or before June 30, 1993, in an amount that, when added to the amount received pursuant to subsections {2}{a} and {2}{b}, will equal appropriated expenditures. (Terminates July 1, 1993--sec. 7, Ch. 541, L. 1983.)"~~

NEW SECTION. Section 8. Repealer. Section 17-3-201, MCA, is repealed.

NEW SECTION. Section 9. Effective dates. (1) Sections 1 and 2 are effective August 1, 1986.

(2) Sections 3 through 9 are effective July 1, 1986.

-End-

APPROVED BY COMMITTEE  
ON TAXATION

SENATE BILL NO. 14

INTRODUCED BY NEUMAN, MCCALLUM, HARP, ECK,  
SPAETH, MAZUREK, DRISCOLL, BRANDEWIE, BLAYLOCK,  
MOHAR, LYBECK, GRADY, PETERSON, BARDANOUVE,  
YELLOWTAIL, M. WILLIAMS, LORY, HIMSL,  
HAFPEY, B. BROWN

BY REQUEST OF THE DEPARTMENT OF HIGHWAYS

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE  
HIGHWAY DEPARTMENT FUNDING; TO INCREASE THE GASOLINE LICENSE  
TAX BY 5 CENTS ~~AND TO INCREASE THE TAX ON DIESEL FUEL AND  
VOLATILE LIQUIDS BY 3 CENTS; TO LIMIT THE AMOUNT CREDITED TO  
THE STATE PARK ACCOUNT, THE SNOWMOBILE ACCOUNT, AND THE  
AERONAUTICS ACCOUNT; TO INCREASE THE DEDUCTION FOR GASOLINE  
EVAPORATION; TO TRANSFER MINERAL ROYALTIES TO THE SCHOOL  
FOUNDATION PROGRAM; TO TRANSFER COAL TAX FUNDS TO THE  
GENERAL FUND; TO TRANSFER INTEREST AND INVESTMENT EARNINGS  
ON THE HIGHWAY REVENUE ACCOUNT TO THE GENERAL FUND; TO  
PROVIDE THAT ALL EXPENSES OF THE HIGHWAY PATROL BE PAID OUT  
OF THE HIGHWAY REVENUE ACCOUNT; AMENDING SECTIONS 15-35-108,  
15-70-204, 15-70-321 15-70-205, 17-5-911, 20-9-343,  
44-1-501, 60-3-201, AND 60-3-216, MCA; REPEALING SECTION  
17-3-201, MCA; AND PROVIDING EFFECTIVE DATES AND AN  
APPLICABILITY DATE."~~

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

Section 1. Section 15-70-204, MCA, is amended to read:

"15-70-204. Gasoline license tax -- rate. (1) Every  
distributor shall pay to the department of revenue a license  
tax for the privilege of engaging in and carrying on  
business in this state in an amount equal to 1 cent for each  
gallon of aviation gasoline, which shall be allocated to the  
department of commerce as provided by 67-1-301, as amended,  
and 15 20 cents for each gallon of all other gasoline  
distributed by him within the state and upon which the  
gasoline license tax has not been paid by any other  
distributor.

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

(3) Alcohol that is blended or is to be blended with  
gasoline to be sold as gasohol is subject to a tax per  
gallon equal to the license tax imposed on nonaviation  
gasoline distributors under subsection (1)."

~~Section 2. Section 15-70-321, MCA, is amended to read:~~

~~"15-70-321. Tax on diesel fuel and volatile liquids.  
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 17  
20 cents for each gallon of diesel fuel or other volatile~~

SECOND READING

SB 14



SB 0014/02

liquid, except liquid petroleum gas, of less than 46 degrees  
 A.P.I.; (American petroleum institute) gravity test 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 2. Section 20-9-343, MCA, is amended to read:

"20-9-343. Definition of and revenue for state  
 equalization aid. (1) As used in this title, the term "state  
 equalization aid" means those moneys deposited in the state  
 special revenue fund as required in this section plus any  
 legislative appropriation of moneys from other sources for  
 distribution to the public schools for the purpose of  
 equalization of the foundation program.

(2) The legislative appropriation for state  
 equalization aid shall be made in a single sum for the  
 biennium. The superintendent of public instruction has  
 authority to spend such appropriation, together with the  
 earmarked revenues provided in subsection (3), as required

for foundation program purposes throughout the biennium.

(3) The following shall be paid into the state special  
 revenue fund for state equalization aid to public schools of  
 the state:

(a) 25% of all moneys received from the collection of  
 income taxes under chapter 30 of Title 15;

(b) 25% of all moneys, except as provided in  
 15-31-702, received from the collection of corporation  
 license taxes under chapter 31 of Title 15, as provided by  
 15-1-501;

(c) 10% of the moneys received from the collection of  
 the severance tax on coal under chapter 35 of Title 15;

(d) ~~62-1/2%~~ 100% of the moneys received from the  
 treasurer of the United States as the state's shares of oil,  
 gas, and other mineral royalties under the federal Mineral  
 Lands Leasing Act, as amended;

(e) interest and income moneys described in 20-9-341  
 and 20-9-342;

(f) income from the local impact and education trust  
 fund account; and

(g) in addition to these revenues, the surplus  
 revenues collected by the counties for foundation program  
 support according to 20-9-331 and 20-9-333 shall be paid  
 into the same state special revenue fund.

(4) Any surplus revenue in the state equalization aid

1 account in the second year of a biennium may be used to  
 2 reduce the appropriation required for the next succeeding  
 3 biennium [or may be transferred to the state permissive  
 4 account if revenues in that fund are insufficient to meet  
 5 the state's permissive amount obligation]."

6 Section 3. Section 15-35-108, MCA, is amended to read:

7 "15-35-108. Disposal of severance taxes. Severance  
 8 taxes collected under the provisions of this chapter are  
 9 allocated as follows:

10 (1) To the trust fund created by Article IX, section  
 11 5, of the Montana constitution, 50% of total coal severance  
 12 tax collections. The trust fund moneys shall be deposited  
 13 in the fund established under 17-6-203(5) and invested by  
 14 the board of investments as provided by law.

15 (2) Starting July 1, 1986, and ending June 30, 1987,  
 16 6% of coal severance tax collections are allocated to the  
 17 ~~highway-reconstruction--trust--fund--account--in--the--state~~  
 18 ~~special--revenue--fund~~ credit of the general fund of the  
 19 state. Starting July 1, 1987, and ending June 30, 1993, 12%  
 20 of coal severance tax collections are allocated to the  
 21 ~~highway--reconstruction--trust--fund--account--in--the--state~~  
 22 ~~special-revenue-fund~~ credit of the general fund of the  
 23 state.

24 (3) Coal severance tax collections remaining after the  
 25 allocations provided by subsections (1) and (2) are

1 allocated in the following percentages of the remaining  
 2 balance:

3 (a) 2 1/2% until July 1, 1987, and thereafter 4 1/2%  
 4 to the state special revenue fund to the credit of the  
 5 alternative energy research development and demonstration  
 6 account;

7 (b) 26% until July 1, 1987, and thereafter 37 1/2% to  
 8 the state special revenue fund to the credit of the local  
 9 impact and education trust fund account;

10 (c) 10% to the state special revenue fund for state  
 11 equalization aid to public schools of the state;

12 (d) 1% to the state special revenue fund to the credit  
 13 of the county land planning account;

14 (e) 1 1/4% to the credit of the renewable resource  
 15 development bond fund;

16 (f) 5% to a nonexpendable trust fund for the purpose  
 17 of parks acquisition or management, protection of works of  
 18 art in the state capitol, and other cultural and aesthetic  
 19 projects. Income from this trust fund shall be appropriated  
 20 as follows:

21 (i) 1/3 for protection of works of art in the state  
 22 capitol and other cultural and aesthetic projects; and

23 (ii) starting July 1, 1985, and ending June 30, 1989,  
 24 2/3 for the acquisition, development, operation, and  
 25 maintenance of any sites and areas described in 23-1-102

and, after June 30, 1989, 2/3 for the acquisition of sites and areas described in 23-1-102 and the development, operation, and maintenance of sites acquired with funds allocated under this subsection;

(g) 1% to the state special revenue fund to the credit of the state library commission for the purposes of providing basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking;

(h) 1/2 of 1% to the state special revenue fund for conservation districts;

(i) 1 1/4% to the debt service fund type to the credit of the water development debt service fund;

(j) 4% until July 1, 1987, to the highway reconstruction--trust--fund--account--in--the--state--special revenue fund credit of the general fund of the state;

(k) all other revenues from severance taxes collected under the provisions of this chapter to the credit of the general fund of the state."

Section 4. Section 17-5-911, MCA, is amended to read:

"17-5-911. Highway revenue bond debt service account -- deposit of bond proceeds. (1) There is in the debt service fund a highway revenue bond debt service account. Subject only to the prior pledge and appropriation made by 17-5-507, the state treasurer must deposit such highway

revenues as may be pledged to the payment of particular bonds, to the credit of the highway revenue bond debt service account as required by resolution or indenture.

(2) All proceeds of an issue of bonds must be deposited in a separate account in the state special revenue fund, except that any premiums and accrued interest received may be deposited in a separate account in the debt service fund established for that bond issue by resolution or indenture. No more than the principal and interest on the bonds due in any year may be retained in the highway revenue bond debt service account for the payment of bonds. The remainder of pledged revenues is available for authorized purposes of the department. Money deposited in such separate accounts in the state special revenue fund until spent for project purposes may be pledged and appropriated for the payment of bonds, which are a first lien and prior charge upon such funds, and such funds may be used for payment of bonds to the extent highway revenues deposited in the highway revenue bond debt service account are not sufficient for such purpose.

(3) Interest and investment earnings on the separate accounts named in subsections (1) and (2) shall be retained in the separate accounts referred to in subsection (2).

~~(4) Notwithstanding 17-6-202 and except as provided in subsection (3), interest and investment earnings on the~~

highway-state-special-revenue-account-shall-be--credited--to  
the-general-fund-until-July-17-1985,--and-thereafter-shall-be  
retained-in-the-highway-state-special-revenue-account."

Section 5. Section 44-1-501, MCA, is amended to read:

"44-1-501. Payment of salaries. All salaries---of  
members expenses of the highway patrol shall be paid out of  
the highway department's account in the state special  
revenue fund."

Section 6. Section 60-3-216, MCA, is amended to read:

"60-3-216. Highway reconstruction trust account. (1)  
There is a highway reconstruction trust account created in  
the state special revenue fund.

(2) The highway reconstruction trust fund account  
consists of the-following allocations:

(a)--from-the-taxes-collected-pursuant-to-15-35-103-for  
each--fiscal--year--beginning--on-or-after-July-17-1986,--and  
ending-on-or-before-June-30,--1993,--the-amounts-allocated--to  
the-account-pursuant-to-15-35-108;

(b)--for-each-fiscal-year-beginning-on-or-after-July-17  
1983,--and--ending--on--or--before--June-30,--1993,--all-money  
received-from-the-state-treasurer-pursuant-to-17-3-201,--and

(c) from the taxes collected pursuant to 15-70-204 and  
15-70-321, for each fiscal year beginning on or after July  
1, 1983, and ending on or before June 30, 1993, in an amount  
that,--when--added--to--the--amount--received--pursuant--to

subsections--(2)(a)--and--(2)(b), will equal appropriated  
expenditures. (Terminates July 1, 1993--sec. 7, Ch. 541, L.  
1983.)"

SECTION 7. SECTION 60-3-201, MCA, IS AMENDED TO READ:

"60-3-201. Distribution and use of proceeds of  
gasoline dealers' license tax. (1) All money received in  
payment of license taxes under the Distributor's Gasoline  
License Tax Act, except those amounts paid out of the  
department of revenue's suspense account for gasoline tax  
refund, shall be used and expended as provided in this  
section. So much of that money on hand at any time as may be  
needed to pay highway bonds and interest thereon when due  
and to accumulate and maintain a reserve therefor, as  
provided in laws and in resolutions of the state board of  
examiners authorizing such bonds, shall be deposited in the  
highway bond account in the debt service fund established by  
17-2-102. Subject to that provision, 9/10 of 1% of all the  
money raised by 15 cents of the gasoline dealers' license  
tax shall be deposited in the state park account, 1/2 of 1%  
of all the money raised by 15 cents of the gasoline dealers'  
license tax shall be deposited in a snowmobile account in  
the state special revenue fund, and 1/25 of 1% of all the  
money raised by 15 cents of the gasoline dealers' license  
tax shall be deposited in the aeronautics revenue fund of  
the department of commerce under the provisions of 67-1-301.

1 The remainder of the money shall be used by the department  
2 of highways on the federal-aid highways in this state  
3 selected and designated under Title 23, U.S.C., and on  
4 highways leading from each county seat in the state to the  
5 federal highway system of federal-aid roads where the county  
6 seat is not on the system and on the other roads which have  
7 been or may be authorized by the laws of Montana and for  
8 collection of the license taxes and the enforcement of the  
9 Montana highway code under Article VIII, section 6, of the  
10 constitution of this state.

11 (2) The department shall, in expending this money,  
12 carry forward construction from year to year, using the  
13 money expended through the matching up of federal-aid  
14 allotments to Montana upon the federal highway system in the  
15 various parts of the state in accordance with 60-3-204  
16 through 60-3-206. Nothing in this title conflicts with Title  
17 23, U.S.C., and the rules by which it is administered.

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

22 (4) Money credited to the state park account in the  
23 state special revenue fund shall be used only for the  
24 creation, improvement, and maintenance of state parks where  
25 motorboating is allowed, except for the payment of refunds

1 under 15-70-221 through 15-70-226. The legislature finds  
2 that of all the fuel sold in the state for consumption in  
3 internal combustion engines, not less than 9/10 of 1% is  
4 used for propelling boats on waterways of this state.

5 (5) Money credited to the snowmobile account may be  
6 used only to develop and maintain facilities open to the  
7 general public at no admission cost and to promote  
8 snowmobile safety. For the 2 years following July 1, 1977,  
9 15% of the amount deposited in the snowmobile account each  
10 year shall be used to promote snowmobile safety. Thereafter,  
11 10% of the amount deposited in the snowmobile account shall  
12 be used to promote snowmobile safety. The legislature finds  
13 that of all fuels sold in this state for consumption in  
14 internal combustion engines, not less than 1/2 of 1% is used  
15 for propelling snowmobiles on public lands of this state.

16 (6) Money credited to the aeronautics account of the  
17 department of commerce shall be used only to develop,  
18 improve, and maintain facilities open to the public at no  
19 admission cost and to promote aviation safety. The  
20 legislature finds that of all the fuel sold in this state  
21 for consumption in internal combustion engines, not less  
22 than 1/25 of 1% is used for propelling aircraft in this  
23 state."

24 SECTION 8. SECTION 15-70-205, MCA, IS AMENDED TO READ:

25 "15-70-205. Distributor's statement and payment. (1)

1 Each distributor shall, not later than the 25th day of each  
 2 calendar month, render a true statement, duly signed, to the  
 3 department of revenue of all gasoline distributed and  
 4 received by him in this state during the preceding calendar  
 5 month and containing such other information as the  
 6 department may reasonably require in order to administer the  
 7 gasoline license tax law. The statement shall be accompanied  
 8 by a payment in an amount equal to the tax imposed by  
 9 15-70-204 less any refund credit issued under 15-70-226 and  
 10 less ~~2% 1%~~ of the ~~first-6-cents~~ tax imposed by 15-70-204  
 11 which shall be deducted by the distributor as an allowance  
 12 for evaporation and other loss of gasoline distributed by  
 13 such distributor; provided, however, that no such allowance  
 14 shall be deducted from the 1 cent tax on aviation gasoline.

15 (2) Any distributor engaged in or carrying on his  
 16 business at more than one place or location in this state  
 17 may include all such places of business in one statement."

18 NEW SECTION. Section 9. Repealer. Section 17-3-201,  
 19 MCA, is repealed.

20 NEW SECTION. Section 10. Effective dates --  
 21 APPLICABILITY DATE. (1) Sections 1 and 2 B are effective  
 22 August 1, 1986.

23 (2) Sections ~~3--through--9~~ 2 THROUGH 7, 9, AND 10 are  
 24 effective July 1, 1986.

25 (3) CHANGES IN THE ALLOCATION OF COAL SEVERANCE TAXES

1 MADE UNDER SECTIONS 3 AND 6 APPLY TO COAL MINED AFTER MARCH  
 2 31, 1986.

-End-

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB014, as amended.Description of Proposed Legislation:

A bill to generally revise highway funding; to increase the gasoline license tax by 5 cents; to limit the amount credited to the state park account, the snowmobile account, and the aeronautics account; to increase the deduction for gasoline evaporation; to transfer mineral royalties to the school foundation program; to transfer coal tax funds to the general fund; to transfer interest and investment earnings on the highway revenue account to the general fund; and to provide that all expenses of the highway patrol be paid out of the highway revenue account.

Assumptions:

1. The Revenue Estimating Advisory Council's revenue estimates provide the basis of comparison. However, the coal severance tax estimate was adjusted for Western Energy's reduced production.
2. Taxable consumption of gasoline will be 421,055,000 gallons and diesel fuel 119,279,000 gallons in FY 87.
3. Federal mineral royalties returned to the state will total \$17,881,000 in FY 87. Under current law \$6,705,000 of the royalties would be deposited in the highway earmarked account.
4. Coal severance tax collections will be \$76,742,000 in FY 87.
5. Interest and investment earnings on the highway fund will be \$6,558,000 in FY 87. This reflects a decrease from the introduced bill because the decrease in fuel taxes decreases the highway gas tax fund balance and therefore decreases interest earnings on the account.

General Fund Impact:FY 87

Increased General Fund Revenue	
Coal Severance Tax	\$ 5,955,000
Interest Earnings	6,558,000
Increase Foundation Program Revenue	
(Reduces General Fund Expenditures)	6,705,000
Reduced General Fund Expenditures	
(Highway Patrol)	3,083,000
Total General Fund Impact	<u>\$22,301,000</u>

Fiscal Impact:Revenue Impact

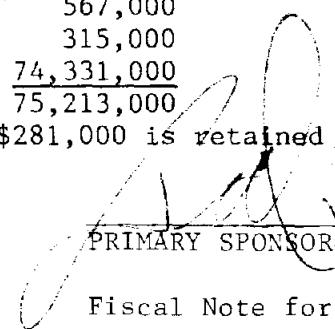
	<u>Current Law</u>	<u>FY 87</u> <u>Proposed Law</u>	<u>Difference</u>
Gasoline License Tax:			
Motor Boat Account	\$ 567,000	\$ 567,000	\$ 0
Snowmobile Park Account	315,000	315,000	0
Highway Earmarked Account	57,068,000	74,331,000	17,263,000
Total	\$ 57,950,000	\$ 75,213,000	\$17,263,000*

\* The tax increase is \$17,544,000 (original fiscal note), but \$281,000 is retained by distributors.


 David L. Henderson
   
BUDGET DIRECTOR

DATE

Office of Budget and Program Planning


 PRIMARY SPONSOR

DATE

Fiscal Note for SB014, AS AMENDED

Fiscal Note Request SB014, as amended  
Form BD15 page 2  
(continued)

Fiscal Impact (continued):

Diesel Fuel Tax:

Highway Earmarked Account	\$ 19,775,000	\$ 19,775,000	\$ 0
---------------------------	---------------	---------------	------

Federal Mineral Royalties:

Highway Earmarked Account	6,705,000	0	(6,705,000)
State Equalization Aid	11,176,000	17,881,000	6,705,000
Total	\$ 17,881,000	\$ 17,881,000	\$ 0

Coal Severance Tax:

Highway Earmarked Account	\$ 5,955,000	\$ 0	\$ (5,955,000)
General Fund	16,039,000	21,994,000	5,955,000
State Equalization Aid	3,377,000	3,377,000	0
All Other Distributions	51,371,000	51,371,000	0
Total	76,742,000	76,742,000	0

Interest and Investment Earnings:

Highway Earmarked Account	6,764,000	0	(6,764,000)
General Fund	0	6,558,000	6,558,000

Total Revenue Impact:

Motor Boat Account	567,000	567,000	0
Snowmobile Park Account	315,000	315,000	0
Highway Earmarked Account	96,267,000	94,106,000	(2,161,000)
State Equalization Aid	14,553,000	21,258,000	6,705,000
General Fund	16,039,000	28,552,000	12,513,000
All Other Coal Distributions	51,371,000	51,371,000	0
	\$ 179,112,000	\$ 196,169,000	\$ 17,057,000

Expenditure Impact

Highway Patrol Expenses

Highway Earmarked Account	\$ 0	\$ 3,083,000	\$ 3,083,000
General Fund	3,083,000		(3,083,000)
	\$ 3,083,000	\$ 3,083,000	0



Net Impact

Highway Earmarked Account	\$ 96,267,000	\$ 91,023,000	\$ (5,244,000)
---------------------------	---------------	---------------	----------------

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB014, as amended Senate second reading.

Description of Proposed Legislation:

A bill to generally revise highway funding; to increase the gasoline license tax by 5 cents; to transfer mineral royalties to the school foundation program; to transfer coal tax funds to the general fund; to transfer interest and investment earnings on the highway revenue account to the general fund; and to provide that all expenses of the highway patrol be paid out of the highway revenue account.

Assumptions:

1. The Revenue Estimating Advisory Council's revenue estimates provide the basis of comparison. However, the coal severance tax estimate was adjusted for Western Energy's reduced production.
2. Taxable consumption of gasoline will be 421,055,000 gallons and diesel fuel 119,279,000 gallons in FY 87.
3. Federal mineral royalties returned to the state will total \$17,881,000 in FY 87. Under current law \$6,705,000 of the royalties would be deposited in the highway earmarked account.
4. Coal severance tax collections will be \$76,742,000 in FY 87.
5. Interest and investment earnings on the highway fund will be \$6,558,000 in FY 87. This reflects a decrease from the introduced bill because the decrease in fuel taxes decreases the highway gas tax fund balance and therefore decreases interest earnings at the account.

General Fund Impact:FY 87

Increased General Fund Revenue	
Coal Severance Tax	\$ 5,955,000
Interest Earnings	6,558,000
Increase Foundation Program Revenue	
(Reduces General Fund Expenditures)	6,705,000
Reduced General Fund Expenditures	
(Highway Patrol)	3,083,000
Total General Fund Impact	<u>\$22,301,000</u>

Fiscal Impact:Revenue ImpactCurrent LawFY 87Proposed LawDifference

## Gasoline License Tax:

Motor Boat Account	\$ 567,000	\$ 725,000	\$ 158,000
Snowmobile Park Account	315,000	403,000	88,000
Highway Earmarked Account	<u>57,068,000</u>	<u>74,366,000</u>	<u>17,298,000</u>
Total	\$ 57,950,000	\$ 75,494,000	\$ 17,544,000

Fiscal Note Request SB014, as amended Senate second reading

BUDGET DIRECTOR

DATE

Office of Budget and Program Planning

PRIMARY SPONSOR

DATE

Fiscal Note for SB014, as amended Senate second reading.

RE-REVISED

Fiscal Note Request SB014, as amended Senate second reading  
Form BD15 page 2  
(continued)

Fiscal Impact (continued):

Diesel Fuel Tax:

Highway Earmarked Account	\$ 19,775,000	\$ 19,775,000	\$ 0
---------------------------	---------------	---------------	------

Federal Mineral Royalties:

Highway Earmarked Account	6,705,000	0	(6,705,000)
State Equalization Aid	<u>11,176,000</u>	<u>17,881,000</u>	<u>6,705,000</u>
Total	\$ 17,881,000	\$ 17,881,000	\$ 0

Coal Severance Tax:

Highway Earmarked Account	\$ 5,955,000	\$ 0	\$ (5,955,000)
General Fund	16,039,000	21,994,000	5,955,000
State Equalization Aid	3,377,000	3,377,000	0
All Other Distributions	<u>51,371,000</u>	<u>51,371,000</u>	<u>0</u>
Total	76,742,000	76,742,000	0

Interest and Investment Earnings:

Highway Earmarked Account	6,764,000	0	(6,764,000)
General Fund	0	6,558,000	6,558,000

Total Revenue Impact:

Motor Boat Account	567,000	725,000	158,000
Snowmobile Park Account	315,000	403,000	88,000
Highway Earmarked Account	96,267,000	94,141,000	(2,126,000)
State Equalization Aid	14,553,000	21,258,000	6,705,000
General Fund	16,039,000	28,552,000	12,513,000
All Other Coal Distributions	<u>51,371,000</u>	<u>51,371,000</u>	<u>0</u>
	\$ 179,112,000	\$ 196,450,000	\$ 17,338,000

Expenditure Impact

Highway Patrol Expenses

Highway Earmarked Account	\$ 0	\$ 3,083,000	\$ 3,083,000
General Fund	<u>3,083,000</u>	<u>3,083,000</u>	<u>(3,083,000)</u>
	\$ 3,083,000	\$ 3,083,000	0

Net Impact

Highway Earmarked Account	\$ 96,267,000	\$ 91,058,000	\$ (5,209,000)
---------------------------	---------------	---------------	----------------

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB014, as amended House second reading.

Description of Proposed Legislation:

A bill to generally revise highway funding; to increase the gasoline license tax by 2 cents; to transfer mineral royalties to the school foundation program; to transfer interest and investment earnings on the highway revenue account to the general fund; and to provide that all expenses of the highway patrol be paid out of the highway revenue account.

Assumptions:

1. The Revenue Estimating Advisory Council's revenue estimates provide the basis of comparison. However, the coal severance tax estimate was adjusted for Western Energy's reduced production.
2. Taxable consumption of gasoline will be 421,055,000 gallons and diesel fuel 119,279,000 gallons in FY 87.
3. Federal mineral royalties returned to the state will total \$17,881,000 in FY 87. Under current law \$6,705,000 of the royalties would be deposited in the highway earmarked account.
4. Coal severance tax collections will be \$76,742,000 in FY 87.
5. Interest and investment earnings on the highway fund will be \$6,251,000 in FY 87. This reflects a decrease from the introduced bill because the decrease in fuel taxes decreases the highway gas tax fund balance and therefore decreases interest earnings at the account.

General Fund Impact:

	<u>FY 87</u>
Increased General Fund Revenue	0
Interest Earnings	\$ 6,251,000
Increase Foundation Program Revenue (Reduces General Fund Expenditures)	6,705,000
Reduced General Fund Expenditures (Highway Patrol)	<u>3,083,000</u>
Total General Fund Impact	<u>\$16,039,000</u>

Fiscal Impact:Revenue Impact

	<u>Current Law</u>	<u>FY 87 Proposed Law</u>	<u>Difference</u>
Gasoline License Tax:			
Motor Boat Account	\$ 567,000	\$ 630,000	\$ 63,000
Snowmobile Park Account	315,000	350,000	35,000
Highway Earmarked Account	<u>57,068,000</u>	<u>63,987,000</u>	<u>6,919,000</u>
Total	\$ 57,950,000	\$ 64,967,000	\$ 7,017,000

*David L. Hunter* 6/27/86

BUDGET DIRECTOR DATE  
Office of Budget and Program Planning

PRIMARY SPONSOR

DATE

Fiscal Note for SB014, as amended House second reading.

FISCAL NOTE #4

Fiscal Note Request SB014, as amended House second reading  
Form BD15 page 2  
(continued)

Fiscal Impact (continued):

Diesel Fuel Tax:

Highway Earmarked Account	\$ 19,775,000	\$ 19,775,000	\$ 0
---------------------------	---------------	---------------	------

Federal Mineral Royalties:

Highway Earmarked Account	6,705,000	0	(6,705,000)
State Equalization Aid	<u>11,176,000</u>	<u>17,881,000</u>	<u>6,705,000</u>
Total	\$ 17,881,000	\$ 17,881,000	\$ 0

Coal Severance Tax:

Highway Earmarked Account	\$ 5,955,000	\$ 5,955,000	\$ 0
General Fund	16,039,000	16,039,000	0
State Equalization Aid	3,377,000	3,377,000	0
All Other Distributions	<u>51,371,000</u>	<u>51,371,000</u>	<u>0</u>
Total	76,742,000	76,742,000	0

Interest and Investment Earnings:

Highway Earmarked Account	6,764,000	0	(6,764,000)
General Fund	0	6,251,000	6,251,000

Total Revenue Impact:

Motor Boat Account	567,000	630,000	63,000
Snowmobile Park Account	315,000	350,000	35,000
Highway Earmarked Account	96,267,000	89,717,000	(6,550,000)
State Equalization Aid	14,553,000	21,258,000	6,705,000
General Fund	16,039,000	22,290,000	6,251,000
All Other Coal Distributions	<u>51,371,000</u>	<u>51,371,000</u>	<u>0</u>
	\$ 179,112,000	\$ 185,616,000	\$6,504,000

Expenditure Impact

Highway Patrol Expenses

Highway Earmarked Account	\$ 0	\$ 3,083,000	\$ 3,083,000
General Fund	<u>3,083,000</u>	<u>3,083,000</u>	<u>(3,083,000)</u>
	\$ 3,083,000	\$ 3,083,000	0

Net Impact

Highway Earmarked Account	\$ 96,267,000	\$ 86,634,000	\$ (9,633,000)
---------------------------	---------------	---------------	----------------

SENATE BILL NO. 14

INTRODUCED BY NEUMAN, MCCALLUM, HARP, ECK,  
SPAETH, MAZUREK, DRISCOLL, BRANDEWIE, BLAYLOCK,  
MOHAR, LYBECK, GRADY, PETERSON, BARDANOUVE,  
YELLOWTAIL, M. WILLIAMS, LORY, HIMSL,  
HAFFEY, B. BROWN

BY REQUEST OF THE DEPARTMENT OF HIGHWAYS

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE  
HIGHWAY DEPARTMENT FUNDING; TO INCREASE THE GASOLINE LICENSE  
TAX BY 5 CENTS ~~AND TO INCREASE THE TAX ON DIESEL FUEL AND  
VOLATILE LIQUIDS BY 3 CENTS; TO LIMIT THE AMOUNT CREDITED TO  
THE STATE PARK ACCOUNT, THE SNOWMOBILE ACCOUNT, AND THE  
AERONAUTICS ACCOUNT; TO INCREASE THE DEDUCTION FOR GASOLINE  
EVAPORATION;~~ TO TRANSFER MINERAL ROYALTIES TO THE SCHOOL  
FOUNDATION PROGRAM; TO TRANSFER COAL TAX FUNDS TO THE  
GENERAL FUND; TO TRANSFER INTEREST AND INVESTMENT EARNINGS  
ON THE HIGHWAY REVENUE ACCOUNT TO THE GENERAL FUND; TO  
PROVIDE THAT ALL EXPENSES OF THE HIGHWAY PATROL BE PAID OUT  
OF THE HIGHWAY REVENUE ACCOUNT; AMENDING SECTIONS 15-35-108,  
15-70-204, ~~15-70-321~~ 15-70-205, 17-5-911, 20-9-343,  
44-1-501, ~~60-3-201~~, AND 60-3-216, MCA; REPEALING SECTION  
17-3-201, MCA; AND PROVIDING EFFECTIVE DATES AND AN  
APPLICABILITY DATE."

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

Section 1. Section 15-70-204, MCA, is amended to read:

"15-70-204. Gasoline license tax -- rate. (1) Every  
distributor shall pay to the department of revenue a license  
tax for the privilege of engaging in and carrying on  
business in this state in an amount equal to 1 cent for each  
gallon of aviation gasoline, which shall be allocated to the  
department of commerce as provided by 67-1-301, as amended,  
and 15 20 cents for each gallon of all other gasoline  
distributed by him within the state and upon which the  
gasoline license tax has not been paid by any other  
distributor.

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

(3) Alcohol that is blended or is to be blended with  
gasoline to be sold as gasohol is subject to a tax per  
gallon equal to the license tax imposed on nonaviation  
gasoline distributors under subsection (1)."

~~Section 2. Section 15-70-321, MCA, is amended to read:~~

~~"15-70-321. Tax on diesel fuel and volatile liquids.  
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 17  
20 cents for each gallon of diesel fuel or other volatile~~

THIRD READING

~~liquid, except liquid petroleum gas, of less than 46 degrees  
A.P.I., (American petroleum institute) gravity test 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 2. Section 20-9-343, MCA, is amended to read:

"20-9-343. Definition of and revenue for state equalization aid. (1) As used in this title, the term "state equalization aid" means those moneys deposited in the state special revenue fund as required in this section plus any legislative appropriation of moneys from other sources for distribution to the public schools for the purpose of equalization of the foundation program.

(2) The legislative appropriation for state equalization aid shall be made in a single sum for the biennium. The superintendent of public instruction has authority to spend such appropriation, together with the earmarked revenues provided in subsection (3), as required

for foundation program purposes throughout the biennium.

(3) The following shall be paid into the state special revenue fund for state equalization aid to public schools of the state:

(a) 25% of all moneys received from the collection of income taxes under chapter 30 of Title 15;

(b) 25% of all moneys, except as provided in 15-31-702, received from the collection of corporation license taxes under chapter 31 of Title 15, as provided by 15-1-501;

(c) 10% of the moneys received from the collection of the severance tax on coal under chapter 35 of Title 15;

(d) ~~62-1/2%~~ 100% of the moneys received from the treasurer of the United States as the state's shares of oil, gas, and other mineral royalties under the federal Mineral Lands Leasing Act, as amended;

(e) interest and income moneys described in 20-9-341 and 20-9-342;

(f) income from the local impact and education trust fund account; and

(g) in addition to these revenues, the surplus revenues collected by the counties for foundation program support according to 20-9-331 and 20-9-333 shall be paid into the same state special revenue fund.

(4) Any surplus revenue in the state equalization aid

account in the second year of a biennium may be used to reduce the appropriation required for the next succeeding biennium [or may be transferred to the state permissive account if revenues in that fund are insufficient to meet the state's permissive amount obligation]."

Section 3. Section 15-35-108, MCA, is amended to read:

"15-35-108. Disposal of severance taxes. Severance taxes collected under the provisions of this chapter are allocated as follows:

(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax collections. The trust fund moneys shall be deposited in the fund established under 17-6-203(5) and invested by the board of investments as provided by law.

(2) Starting July 1, 1986, and ending June 30, 1987, 6% of coal severance tax collections are allocated to the highway-reconstruction--trust--fund--account--in--the--state special--revenue--fund credit of the general fund of the state. Starting July 1, 1987, and ending June 30, 1993, 12% of coal severance tax collections are allocated to the highway--reconstruction--trust--fund--account--in--the--state special--revenue--fund credit of the general fund of the state.

(3) Coal severance tax collections remaining after the allocations provided by subsections (1) and (2) are

allocated in the following percentages of the remaining balance:

(a) 2 1/2% until July 1, 1987, and thereafter 4 1/2% to the state special revenue fund to the credit of the alternative energy research development and demonstration account;

(b) 26% until July 1, 1987, and thereafter 37 1/2% to the state special revenue fund to the credit of the local impact and education trust fund account;

(c) 10% to the state special revenue fund for state equalization aid to public schools of the state;

(d) 1% to the state special revenue fund to the credit of the county land planning account;

(e) 1 1/4% to the credit of the renewable resource development bond fund;

(f) 5% to a nonexpendable trust fund for the purpose of parks acquisition or management, protection of works of art in the state capitol, and other cultural and aesthetic projects. Income from this trust fund shall be appropriated as follows:

(i) 1/3 for protection of works of art in the state capitol and other cultural and aesthetic projects; and

(ii) starting July 1, 1985, and ending June 30, 1989, 2/3 for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102



1 and, after June 30, 1989, 2/3 for the acquisition of sites  
2 and areas described in 23-1-102 and the development,  
3 operation, and maintenance of sites acquired with funds  
4 allocated under this subsection;

5 (g) 1% to the state special revenue fund to the credit  
6 of the state library commission for the purposes of  
7 providing basic library services for the residents of all  
8 counties through library federations and for payment of the  
9 costs of participating in regional and national networking;

10 (h) 1/2 of 1% to the state special revenue fund for  
11 conservation districts;

12 (i) 1 1/4% to the debt service fund type to the credit  
13 of the water development debt service fund;

14 (j) 4% until July 1, 1987, to the highway  
15 ~~reconstruction--trust--fund--account--in--the--state--special~~  
16 ~~revenue-fund~~ credit of the general fund of the state;

17 (k) all other revenues from severance taxes collected  
18 under the provisions of this chapter to the credit of the  
19 general fund of the state."

20 Section 4. Section 17-5-911, MCA, is amended to read:

21 "17-5-911. Highway revenue bond debt service account  
22 -- deposit of bond proceeds. (1) There is in the debt  
23 service fund a highway revenue bond debt service account.  
24 Subject only to the prior pledge and appropriation made by  
25 17-5-507, the state treasurer must deposit such highway

1 revenues as may be pledged to the payment of particular  
2 bonds, to the credit of the highway revenue bond debt  
3 service account as required by resolution or indenture.

4 (2) All proceeds of an issue of bonds must be  
5 deposited in a separate account in the state special revenue  
6 fund, except that any premiums and accrued interest received  
7 may be deposited in a separate account in the debt service  
8 fund established for that bond issue by resolution or  
9 indenture. No more than the principal and interest on the  
10 bonds due in any year may be retained in the highway revenue  
11 bond debt service account for the payment of bonds. The  
12 remainder of pledged revenues is available for authorized  
13 purposes of the department. Money deposited in such separate  
14 accounts in the state special revenue fund until spent for  
15 project purposes may be pledged and appropriated for the  
16 payment of bonds, which are a first lien and prior charge  
17 upon such funds, and such funds may be used for payment of  
18 bonds to the extent highway revenues deposited in the  
19 highway revenue bond debt service account are not sufficient  
20 for such purpose.

21 (3) Interest and investment earnings on the separate  
22 accounts named in subsections (1) and (2) shall be retained  
23 in the separate accounts referred to in subsection (2).

24 ~~(4)--Notwithstanding 17-5-202 and except as provided in~~  
25 ~~subsection--(3)--interest--and--investment--earnings--on--the~~

highway-state-special-revenue-account-shall-be-credited-to  
the-general-fund-until-July-1, 1985, and thereafter shall be  
retained-in-the-highway-state-special-revenue-account."

Section 5. Section 44-1-501, MCA, is amended to read:

"44-1-501. Payment of salaries. All salaries--of  
members expenses of the highway patrol shall be paid out of  
the highway department's account in the state special  
revenue fund."

Section 6. Section 60-3-216, MCA, is amended to read:

"60-3-216. Highway reconstruction trust account. (1)

There is a highway reconstruction trust account created in  
the state special revenue fund.

(2) The highway reconstruction trust fund account  
consists of the-following allocations:

(a)--from-the-taxes-collected-pursuant-to-15-35-103-for  
each--fiscal--year--beginning--on-or-after-July-1, 1986, and  
ending-on-or-before-June-30, 1993, the-amounts-allocated--to  
the-account-pursuant-to-15-35-108;

(b)--for-each-fiscal-year-beginning-on-or-after-July-1,  
1983,--and--ending--on--or--before--June-30, 1993, all-money  
received-from-the-state-treasurer-pursuant-to-17-3-201,--and

(c) from the taxes collected pursuant to 15-70-204 and  
15-70-321, for each fiscal year beginning on or after July  
1, 1983, and ending on or before June 30, 1993, in an amount  
that,--when--added--to--the--amount--received--pursuant--to

subsections--(2)(a)--and--(2)(b), will equal appropriated  
expenditures. (Terminates July 1, 1993--sec. 7, Ch. 541, L.  
1983.)"

~~SECTION 7. SECTION 60-3-201, MCA, IS AMENDED TO READ:~~

~~"60-3-201. Distribution--and--use--of--proceeds--of  
gasoline-dealers' license-tax--(1) All--money--received--in  
payment--of--license--taxes--under--the--Distributor's Gasoline  
License-Tax-Act,--except--those--amounts--paid--out--of--the  
department--of--revenue's--suspense-account--for--gasoline-tax  
refund, shall-be-used--and--expended--as--provided--in--this  
section. So-much-of-that-money-on-hand-at-any-time-as-may-be  
needed--to--pay--highway-bonds-and-interest--thereon--when--due  
and--to--accumulate--and--maintain--a--reserve--therefor,--as  
provided--in--laws--and--in--resolutions--of--the--state--board--of  
examiners--authorizing--such--bonds, shall-be-deposited--in--the  
highway-bond-account--in--the--debt-service-fund--established--by  
17-2-102. Subject--to--that--provision, 9/10-of-1%--of--all--the  
money raised-by-15-cents-of-the--gasoline--dealers'--license  
tax shall-be-deposited--in--the--state-park-account, 1/2-of-1%  
of all the money raised-by-15-cents-of-the-gasoline-dealers'  
license-tax shall-be-deposited--in--a--snowmobile--account--in  
the--state--special--revenue-fund, and 1/25-of-1%--of--all--the  
money raised-by-15-cents-of-the--gasoline--dealers'--license  
tax shall-be-deposited--in--the--aeronautics-revenue-fund--of  
the-department-of-commerce--under--the--provisions--of--67-1-301.~~

1 The remainder of the money shall be used by the department  
 2 of highways on the federal aid highways in this state  
 3 selected and designated under Title 23, U.S.C., and on  
 4 highways leading from each county seat in the state to the  
 5 federal highway system of federal aid roads where the county  
 6 seat is not on the system and on the other roads which have  
 7 been or may be authorized by the laws of Montana and for  
 8 collection of the license taxes and the enforcement of the  
 9 Montana highway code under Article VIII, section 6, of the  
 10 constitution of this state.

11 (2) The department shall, in expending this money,  
 12 carry forward construction from year to year, using the  
 13 money expended through the matching up of federal aid  
 14 allotments to Montana upon the federal highway system in the  
 15 various parts of the state in accordance with 60-3-204  
 16 through 60-3-206. Nothing in this title conflicts with Title  
 17 23, U.S.C., and the rules by which it is administered.

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

22 (4) Money credited to the state park account in the  
 23 state special revenue fund shall be used only for the  
 24 creation, improvement, and maintenance of state parks where  
 25 motorboating is allowed, except for the payment of refunds

1 under 15-70-221 through 15-70-226. The legislature finds  
 2 that of all the fuel sold in the state for consumption in  
 3 internal combustion engines, not less than 9/10 of it is  
 4 used for propelling boats on waterways of this state.

5 (5) Money credited to the snowmobile account may be  
 6 used only to develop and maintain facilities open to the  
 7 general public at no admission cost and to promote  
 8 snowmobile safety. For the 2 years following July 1, 1977,  
 9 15% of the amount deposited in the snowmobile account each  
 10 year shall be used to promote snowmobile safety. Thereafter,  
 11 10% of the amount deposited in the snowmobile account shall  
 12 be used to promote snowmobile safety. The legislature finds  
 13 that of all fuels sold in this state for consumption in  
 14 internal combustion engines, not less than 1/2 of it is used  
 15 for propelling snowmobiles on public lands of this state.

16 (6) Money credited to the aeronautics account of the  
 17 department of commerce shall be used only to develop,  
 18 improve, and maintain facilities open to the public at no  
 19 admission cost and to promote aviation safety. The  
 20 legislature finds that of all the fuel sold in this state  
 21 for consumption in internal combustion engines, not less  
 22 than 1/25 of it is used for propelling aircraft in this  
 23 state."

24 SECTION 8. SECTION 15-70-205, MCA, IS AMENDED TO READ:

25 "15-70-205. Distributor's statement and payment. (1)

1 Each distributor shall, not later than the 25th day of each  
 2 calendar month, render a true statement, duly signed, to the  
 3 department of revenue of all gasoline distributed and  
 4 received by him in this state during the preceding calendar  
 5 month and containing such other information as the  
 6 department may reasonably require in order to administer the  
 7 gasoline license tax law. The statement shall be accompanied  
 8 by a payment in an amount equal to the tax imposed by  
 9 15-70-204 less any refund credit issued under 15-70-226 and  
 10 less 2¢ 1¢ of the first 6 cents tax imposed by 15-70-204  
 11 which shall be deducted by the distributor as an allowance  
 12 for evaporation and other loss of gasoline distributed by  
 13 such distributor; provided, however, that no such allowance  
 14 shall be deducted from the 1-cent tax on aviation gasoline.  
 15 (2) Any distributor engaged in or carrying on his  
 16 business at more than one place or location in this state  
 17 may include all such places of business in one statement."

18 NEW SECTION. Section 7. Repealer. Section 17-3-201,  
 19 MCA, is repealed.

20 NEW SECTION. Section 8. Effective dates --  
 21 APPLICABILITY DATE. (1) Sections 1 and 2 8 are SECTION 1 IS  
 22 effective August 1, 1986.

23 (2) Sections 3 through 9 2 THROUGH 7-9-7-AND-10 8 are  
 24 effective July 1, 1986.

25 (3) CHANGES IN THE ALLOCATION OF COAL SEVERANCE TAXES

1 MADE UNDER SECTIONS 3 AND 6 APPLY TO COAL MINED AFTER MARCH  
 2 31, 1986.

-End-

SENATE BILL NO. 14

INTRODUCED BY NEUMAN, MCCALLUM, HARP, ECK,  
SPAETH, MAZUREK, DRISCOLL, BRANDEWIE, BLAYLOCK,  
MOHAR, LYBECK, GRADY, PETERSON, BARDANOUVE,  
YELLOWTAIL, M. WILLIAMS, LORY, HIMSL,  
HAFFEY, B. BROWN

BY REQUEST OF THE DEPARTMENT OF HIGHWAYS

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE  
HIGHWAY DEPARTMENT FUNDING; TO INCREASE THE GASOLINE LICENSE  
TAX BY 5 2 CENTS ~~AND TO INCREASE THE TAX ON DIESEL FUEL AND  
VOLATILE LIQUIDS BY 3 CENTS; TO LIMIT THE AMOUNT CREDITED TO  
THE STATE PARK ACCOUNT, THE SNOWMOBILE ACCOUNT, AND THE  
AERONAUTICS ACCOUNT; TO INCREASE THE DEDUCTION FOR GASOLINE  
EVAPORATION;~~ TO TRANSFER MINERAL ROYALTIES TO THE SCHOOL  
FOUNDATION PROGRAM; TO ~~TRANSFER~~ COAL TAX FUNDS TO THE  
GENERAL FUND HIGHWAY RECONSTRUCTION TRUST FUND ACCOUNT IN  
THE STATE SPECIAL REVENUE FUND; TO TRANSFER INTEREST AND  
INVESTMENT EARNINGS ON ~~THE~~ HIGHWAY REVENUE ACCOUNT TO THE  
GENERAL FUND; TO PROVIDE THAT ALL EXPENSES OF THE HIGHWAY  
PATROL BE PAID OUT OF THE HIGHWAY REVENUE ACCOUNT; AMENDING  
SECTIONS ~~15-35-108, 15-70-204, 15-70-321 15-70-205,~~  
~~17-5-911, 20-9-343, 44-1-501, 60-3-201, AND 60-3-216,~~ MCA;  
REPEALING SECTION 17-3-201, MCA; AND PROVIDING EFFECTIVE  
DATES AND AN APPLICABILITY DATE."

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

Section 1. Section 15-70-204, MCA, is amended to read:

"15-70-204. Gasoline license tax -- rate. (1) Every  
distributor shall pay to the department of revenue a license  
tax for the privilege of engaging in and carrying on  
business in this state in an amount equal to 1 cent for each  
gallon of aviation gasoline, which shall be allocated to the  
department of commerce as provided by 67-1-301, as amended,  
and ~~15~~ 20 ~~17~~ cents for each gallon of all other gasoline  
distributed by him within the state and upon which the  
gasoline license tax has not been paid by any other  
distributor.

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

(3) Alcohol that is blended or is to be blended with  
gasoline to be sold as gasohol is subject to a tax per  
gallon equal to the license tax imposed on nonaviation  
gasoline distributors under subsection (1)."

~~Section 2:--Section 15-70-321, MCA, is amended to read:~~

~~"15-70-321. Tax on diesel fuel and volatile liquids.  
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 17~~

1 ~~20 cents--for--each-gallon-of-diesel-fuel-or-other-volatile~~  
 2 ~~liquid, except liquid petroleum gas, of less than 46-degrees~~  
 3 ~~A.P.I.--(American-petroleum--institute)--gravity--test--when~~  
 4 ~~actually-sold-or-used-to-produce-motor-power-to-propel-motor~~  
 5 ~~vehicles--upon--the--public--highways--or--streets--within--the~~  
 6 ~~state-or-used-in-motor-vehicles,--motorized--equipment,--and~~  
 7 ~~the--internal--combustion--of-any-and-all-engines,--including~~  
 8 ~~stationary-engines,--used-in-connection-with-any-and-all-work~~  
 9 ~~performed-under-any-and--all--contracts--pertaining--to--the~~  
 10 ~~construction,--reconstruction,--or-improvement-of-any-highway~~  
 11 ~~or-street-and-their-appurtenances-awarded--by--any--and--all~~  
 12 ~~public---agencies,---including---federal,---state,---county,~~  
 13 ~~municipal,--or-other-political-subdivisions."~~

14 Section 2. Section 20-9-343, MCA, is amended to read:  
 15 "20-9-343. Definition of and revenue for state  
 16 equalization aid. (1) As used in this title, the term "state  
 17 equalization aid" means those moneys deposited in the state  
 18 special revenue fund as required in this section plus any  
 19 legislative appropriation of moneys from other sources for  
 20 distribution to the public schools for the purpose of  
 21 equalization of the foundation program.

22 (2) The legislative appropriation for state  
 23 equalization aid shall be made in a single sum for the  
 24 biennium. The superintendent of public instruction has  
 25 authority to spend such appropriation, together with the

1 earmarked revenues provided in subsection (3), as required  
 2 for foundation program purposes throughout the biennium.

3 (3) The following shall be paid into the state special  
 4 revenue fund for state equalization aid to public schools of  
 5 the state:

6 (a) 25% of all moneys received from the collection of  
 7 income taxes under chapter 30 of Title 15;

8 (b) 25% of all moneys, except as provided in  
 9 15-31-702, received from the collection of corporation  
 10 license taxes under chapter 31 of Title 15, as provided by  
 11 15-1-501;

12 (c) 10% of the moneys received from the collection of  
 13 the severance tax on coal under chapter 35 of Title 15;

14 (d) ~~62-1/2%~~ 100% of the moneys received from the  
 15 treasurer of the United States as the state's shares of oil,  
 16 gas, and other mineral royalties under the federal Mineral  
 17 Lands Leasing Act, as amended;

18 (e) interest and income moneys described in 20-9-341  
 19 and 20-9-342;

20 (f) income from the local impact and education trust  
 21 fund account; and

22 (g) in addition to these revenues, the surplus  
 23 revenues collected by the counties for foundation program  
 24 support according to 20-9-331 and 20-9-333 shall be paid  
 25 into the same state special revenue fund.

1 (4) Any surplus revenue in the state equalization aid  
2 account in the second year of a biennium may be used to  
3 reduce the appropriation required for the next succeeding  
4 biennium [or may be transferred to the state permissive  
5 account if revenues in that fund are insufficient to meet  
6 the state's permissive amount obligation]."

7 Section 3, Section 15-35-108, MCA, is amended to read:  
8 "15-35-108. Disposal of severance taxes. Severance  
9 taxes collected under the provisions of this chapter are  
10 allocated as follows:

11 (1) To the trust fund created by Article IX, section  
12 57 of the Montana constitution, 50% of total coal severance  
13 tax collections. The trust fund moneys shall be deposited  
14 in the fund established under 17-6-203(5) and invested by  
15 the board of investments as provided by law.

16 (2) Starting July 1, 1986, and ending June 30, 1987,  
17 6% of coal severance tax collections are allocated to the  
18 highway reconstruction trust fund account in the state  
19 special revenue fund credit of the general fund of the  
20 state. Starting July 1, 1987, and ending June 30, 1993, 12%  
21 of coal severance tax collections are allocated to the  
22 highway reconstruction trust fund account in the state  
23 special revenue fund credit of the general fund of the  
24 state.

25 (3) Coal severance tax collections remaining after the

1 allocations provided by subsections (1) and (2) are  
2 allocated in the following percentages of the remaining  
3 balance:

4 (a) 2 1/2% until July 1, 1987, and thereafter 4 1/2%  
5 to the state special revenue fund to the credit of the  
6 alternative energy research development and demonstration  
7 account;

8 (b) 26% until July 1, 1987, and thereafter 37 1/2% to  
9 the state special revenue fund to the credit of the local  
10 impact and education trust fund account;

11 (c) 10% to the state special revenue fund for state  
12 equalization aid to public schools of the state;

13 (d) 1% to the state special revenue fund to the credit  
14 of the county land planning account;

15 (e) 1 1/4% to the credit of the renewable resource  
16 development bond fund;

17 (f) 5% to a nonexpendable trust fund for the purpose  
18 of parks acquisition or management, protection of works of  
19 art in the state capitol and other cultural and aesthetic  
20 projects. Income from this trust fund shall be appropriated  
21 as follows:

22 (i) 1/3 for protection of works of art in the state  
23 capitol and other cultural and aesthetic projects; and

24 (ii) starting July 1, 1985, and ending June 30, 1989,  
25 2/3 for the acquisition, development, operation, and

1 maintenance--of--any--sites--and--areas--described--in--23-1-102  
 2 and, after June 30, 1989, 2/3 for the acquisition--of--sites  
 3 and--areas--described--in--23-1-102--and--the--development,  
 4 operation, and maintenance--of--sites--acquired--with--funds  
 5 allocated under this subsection;

6 (g)--1%--to--the--state--special--revenue--fund--to--the--credit  
 7 of--the--state--library--commission--for--the--purposes--of  
 8 providing basic library services for the residents--of--all  
 9 counties--through--library--federations--and--for--payment--of--the  
 10 costs--of--participating--in--regional--and--national--networking;

11 (h)--1/2--of--1%--to--the--state--special--revenue--fund--for  
 12 conservation districts;

13 (i)--1 1/4%--to--the--debt--service--fund--type--to--the--credit  
 14 of--the--water--development--debt--service--fund;

15 (j)--4%--until--July--1,--1987,--to--the highway  
 16 reconstruction--trust--fund--account--in--the--state--special  
 17 revenue--fund credit of the general fund of the state;

18 (k)--all other revenues from severance taxes--collected  
 19 under--the--provisions--of--this--chapter--to--the--credit--of--the  
 20 general--fund--of--the--state."

21 Section 3. Section 17-5-911, MCA, is amended to read:

22 "17-5-911. Highway revenue bond debt service account  
 23 -- deposit of bond proceeds. (1) There is in the debt  
 24 service fund a highway revenue bond debt service account.  
 25 Subject only to the prior pledge and appropriation made by

1 17-5-507, the state treasurer must deposit such highway  
 2 revenues as may be pledged to the payment of particular  
 3 bonds, to the credit of the highway revenue bond debt  
 4 service account as required by resolution or indenture.

5 (2) All proceeds of an issue of bonds must be  
 6 deposited in a separate account in the state special revenue  
 7 fund, except that any premiums and accrued interest received  
 8 may be deposited in a separate account in the debt service  
 9 fund established for that bond issue by resolution or  
 10 indenture. No more than the principal and interest on the  
 11 bonds due in any year may be retained in the highway revenue  
 12 bond debt service account for the payment of bonds. The  
 13 remainder of pledged revenues is available for authorized  
 14 purposes of the department. Money deposited in such separate  
 15 accounts in the state special revenue fund until spent for  
 16 project purposes may be pledged and appropriated for the  
 17 payment of bonds, which are a first lien and prior charge  
 18 upon such funds, and such funds may be used for payment of  
 19 bonds to the extent highway revenues deposited in the  
 20 highway revenue bond debt service account are not sufficient  
 21 for such purpose.

22 (3) Interest and investment earnings on the separate  
 23 accounts named in subsections (1) and (2) shall be retained  
 24 in the separate accounts referred to in subsection (2).

25 (4)--Notwithstanding 17-6-202 and except as provided in



subsection--{3},--interest--and--investment--earnings--on--the highway-state-special-revenue-account--shall--be--credited--to the-general-fund--until--July--17--1985,--and--thereafter--shall--be retained--in--the--highway--state--special--revenue--account."

Section 4. Section 44-1-501, MCA, is amended to read:

"44-1-501. Payment of salaries. All salaries---of members expenses of the highway patrol shall be paid out of the highway department's account in the state special revenue fund."

Section 5. Section 60-3-216, MCA, is amended to read:

"60-3-216. Highway reconstruction trust account. (1)

There is a highway reconstruction trust account created in the state special revenue fund.

(2) The highway reconstruction trust fund account consists of the following allocations:

{a}--from--the--taxes--collected--pursuant--to--15-35-103--for each--fiscal--year--beginning--on--or--after--July--1,--1986,--and ending--on--or--before--June--30,--1993,--the--amounts--allocated--to the--account--pursuant--to--15-35-108;

{b}--for--each--fiscal--year--beginning--on--or--after--July--1, 1983,--and--ending--on--or--before--June--30,--1993,--all--money received--from--the--state--treasurer--pursuant--to--17-3-201,--and

(A) FROM THE TAXES COLLECTED PURSUANT TO 15-35-103 FOR EACH FISCAL YEAR BEGINNING ON OR AFTER JULY 1, 1986, AND ENDING ON OR BEFORE JUNE 30, 1993, THE AMOUNTS ALLOCATED TO

THE ACCOUNT PURSUANT TO 15-35-108; AND

{c}{B} from the taxes collected pursuant to 15-70-204 and 15-70-321, for each fiscal year beginning on or after July 1, 1983, and ending on or before June 30, 1993, in an amount that, when added to the amount received pursuant to subsections--{2}{a}--and--{2}{b}, will equal appropriated expenditures. (Terminates July 1, 1993--sec. 7, Ch. 541, L. 1983.)"

SECTION 7. SECTION 60-3-201, MCA, IS AMENDED TO READ:

"60-3-201. Distribution--and--use--of--proceeds--of gasoline-dealers'-license-tax,--{1}--All--money--received--in payment--of--license--taxes--under--the--Distributor's-Gasoline license-Tax-Act,--except--those--amounts--paid--out--of--the department--of--revenue's--suspense-account--for--gasoline-tax refund,--shall--be--used--and--expended--as--provided--in--this section. So much of that money on hand at any time as may be needed to pay highway bonds and interest thereon when due and to accumulate and maintain a reserve therefor, as provided in laws and in resolutions of the state board of examiners authorizing such bonds, shall be deposited in the highway bond account in the debt service fund established by 17-2-102. Subject to that provision, 9/10 of 1% of all the money raised by 15 cents of the gasoline-dealers'-license tax shall be deposited in the state park account, 1/2 of 1% of all the money raised by 15 cents of the gasoline-dealers'

1 license-tax shall be deposited in a snowmobile account in  
 2 the state special revenue fund, and 1/25 of 1% of all the  
 3 money raised by 15 cents of the gasoline dealers' license  
 4 tax shall be deposited in the aeronautics revenue fund of  
 5 the department of commerce under the provisions of 67-1-301,  
 6 The remainder of the money shall be used by the department  
 7 of highways on the federal aid highways in this state  
 8 selected and designated under Title 23, U.S.C., and on  
 9 highways leading from each county seat in the state to the  
 10 federal highway system of federal aid roads where the county  
 11 seat is not on the system and on the other roads which have  
 12 been or may be authorized by the laws of Montana and for  
 13 collection of the license taxes and the enforcement of the  
 14 Montana highway code under Article VIII, section 6, of the  
 15 constitution of this state.

16 {2}--The department shall, in expending this money,  
 17 carry forward construction from year to year, using the  
 18 money expended through the matching up of federal aid  
 19 allotments to Montana upon the federal highway system in the  
 20 various parts of the state in accordance with 60-3-204  
 21 through 60-3-206. Nothing in this title conflicts with Title  
 22 23, U.S.C., and the rules by which it is administered.

23 {3}--The department may enter into cooperative  
 24 agreements with the national park service and the federal  
 25 highway administration for the purpose of maintaining

1 national park approach roads in Montana.

2 {4}--Money credited to the state park account in the  
 3 state special revenue fund shall be used only for the  
 4 creation, improvement, and maintenance of state parks where  
 5 motorboating is allowed, except for the payment of refunds  
 6 under 15-70-221 through 15-70-226. The legislature finds  
 7 that of all the fuel sold in the state for consumption in  
 8 internal combustion engines, not less than 9/10 of 1% is  
 9 used for propelling boats on waterways of this 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 account each  
 15 year shall be used to promote snowmobile safety. Thereafter,  
 16 10% of the amount deposited in the snowmobile account shall  
 17 be used to promote snowmobile safety. The legislature finds  
 18 that of all fuels sold in this state for consumption in  
 19 internal combustion engines, not less than 1/2 of 1% is used  
 20 for propelling snowmobiles on public lands of this state.

21 {6}--Money credited to the aeronautics account of the  
 22 department of commerce shall be used only to develop,  
 23 improve, and maintain facilities open to the public at no  
 24 admission cost and to promote aviation safety. The  
 25 legislature finds that of all the fuel sold in this state

1 for--consumption--in--internal--combustion--engines; not less  
2 than 1/25 of 14 is used--for--propelling--aircraft--in--this  
3 state."

4 SECTION 8. --SECTION 15-70-205, MCA, IS AMENDED TO READ:

5 "15-70-205. --Distributor's--statement--and--payment:--(1)  
6 Each distributor shall, not later than the 25th day of each  
7 calendar month, render a true statement, duly signed, to the  
8 department--of--revenue--of--all--gasoline--distributed--and  
9 received by him in this state during the preceding calendar  
10 month--and--containing--such--other--information--as--the  
11 department may reasonably require in order to administer the  
12 gasoline license tax law. The statement shall be accompanied  
13 by a payment in an amount equal to the tax imposed by  
14 15-70-204 less any refund credit issued under 15-70-226 and  
15 less 24 14 of the first 6 cents tax imposed by 15-70-204  
16 which shall be deducted by the distributor as an allowance  
17 for evaporation and other loss of gasoline distributed by  
18 such distributor, provided, however, that no such allowance  
19 shall be deducted from the 1-cent tax on aviation gasoline.

20 (2) Any distributor engaged in or carrying on his  
21 business at more than one place or location in this state  
22 may include all such places of business in one statement."

23 NEW SECTION. Section 6. Repealer. Section 17-3-201,  
24 MCA, is repealed.

25 NEW SECTION. Section 7. Effective dates --

1 APPLICABILITY DATE. (1) Sections 1 and 2 8 are SECTION 1 IS  
2 effective August 1, 1986.

3 (2) Sections 3--through--9 2 THROUGH 7, 9, AND 10 8 7  
4 are effective July 1, 1986.

5 (3) --CHANGES IN THE ALLOCATION OF COAL SEVERANCE TAXES  
6 MADE UNDER SECTIONS 3 AND 6 APPLY TO COAL MINED AFTER MARCH  
7 31, 1986.

-End-

# CONFERENCE COMMITTEE REPORT

Report No. 2

July 1, 1986

MR. PRESIDENT

We, your FREE Conference Committee on

Senate Bill 14

met and considered Senate Bill 14 in its entirety.

We recommend as follows:

Amend House Amendments to SB 14 as follows:

Strike: House Committee of the Whole Amendment dated  
6/27/86, 12:55 A.M., sponsored by Winslow, in its  
entirety.

Amend SB 14, third reading copy, blue, as follows:

1. Title, line 11.  
Following: "BY"  
Strike: "5"  
Insert: "3"

2. Page 2, line 9.  
Following: "15"  
Strike: "20"  
Insert: "18"

SB14CCR.2

And that this Conference Committee report be adopted.

FOR THE SENATE

Neuman  
NEUMAN, CHAIR

Lynch  
LYNCH

McCallum  
McCALLUM

ADOPT REJECT

FOR THE HOUSE

Bardanove  
BARDANOUE

Harper  
HARPER

Sands  
SANDS

Harp  
HARP

# CONFERENCE COMMITTEE REPORT

Report No. 1

June 28, 1986

MR. PRESIDENT

We, your FREE Conference Committee on

Senate Bill 14

met and considered Senate Bill 14

We recommend as follows:

Amend House Amendments to SB 14 as follows:

Strike: all House Amendments dated 6/27/86

Amend SB 14, third reading copy, blue, as follows:

1. Title, line 11.  
Following: "BY"  
Strike: "5"  
Insert: "4"

2. Page 2, line 9.  
Following: "~~15~~"  
Strike: "20"  
Insert: "19"

SB14CCR.2

And that this Conference Committee report be adopted.

FOR THE SENATE

  
NEUMAN, CHAIR

LYNCH

  
McCALLUM

ADOPT REJECT

FOR THE HOUSE

  
BARDANOUE, CHAIR

  
HARPER

SANDS

  
HARRIS

6/27/86  
DATE  
12:55 a.m.  
TIME

MR. CHAIRMAN: I MOVE TO AMEND SENATE BILL 14

3rd reading copy ( blue ) as follows:  
Color

1. Title, line 11.  
Strike: " 5 "  
Insert: " 2 "
2. Page 2, line 9.  
Strike: " 20 "  
Insert: " 17 "

6/27/86  
DATE  
1:38 p.m.  
TIME

MR. CHAIRMAN: I MOVE TO AMEND SENATE BILL 14

3rd reading copy ( blue ) as follows  
Color

5. Title, lines 23 & 24.  
Strike: " AND AN APPLICABILITY DATE "

1. Title, lines 16 & 17.  
Strike: "GENERAL FUND"  
Insert: "HIGHWAY RECONSTRUCTION TRUST FUND ACCOUNT IN THE STATE SPECIAL REVENUE FUND"
2. Page 5, lines 18 and 19.  
Strike: " credit " through " state "  
Insert: " highway reconstruction trust fund account in the state special revenue fund"
3. Page 5, line 22 and 23.  
Strike: " credit " through " state "  
Insert: " highway reconstruction trust fund account in the state special revenue fund"
4. Page 7, line 16.  
Strike: " credit " through " state "  
Insert: " highway reconstruction trust fund account in the state special revenue fund"
5. Page 9, following line 14.  
Insert: " : (a) from the taxes collected pursuant to 15-35-103 for each fiscal year beginning on or after July 1, 1986, and ending on or before June 30, 1993, the amounts allocated to the account pursuant to 15-35-108; and (b) "
6. Page 13, line 25 through line 2, page 14.  
Strike: subsection (3) in its entirety

ADOPT  
REJECT

*Cel Winslow*  
REP. WINSLOW

37  
ADOPT  
REJECT

*Harold HARP*  
REP. HARP