

HB 221 INTRODUCED BY GILBERT
TRANSFER GAS TAX ADMINISTRATION FROM DEPARTMENT OF REVENUE
TO DEPARTMENT OF HIGHWAYS

1/15 INTRODUCED
1/15 REFERRED TO HIGHWAYS & TRANSPORTATION
1/27 HEARING
1/27 FISCAL NOTE REQUESTED
2/04 FISCAL NOTE RECEIVED
2/11 COMMITTEE REPORT--BILL PASSED
2/13 2ND READING PASSED
2/13 REREFERRED TO APPROPRIATIONS
2/18 HEARING
2/20 HEARING
3/05 HEARING
3/06 HEARING
3/06 TABLED IN COMMITTEE

91 5

1 H.B. BILL NO. 221
2 INTRODUCED BY Gilbert

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING FROM THE
5 DEPARTMENT OF REVENUE TO THE DEPARTMENT OF HIGHWAYS THE
6 FUNCTIONS RELATING TO GASOLINE AND VEHICLE FUELS TAXES AND
7 LICENSE TAXES ON VEHICLES PROPELLED BY LIQUEFIED PETROLEUM
8 GAS; AMENDING SECTIONS 15-1-201, 15-1-301, 15-1-702,
9 15-70-211, 15-70-312, 15-70-334, AND 15-71-101, MCA; AND
10 PROVIDING AN EFFECTIVE DATE."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 Section 1. Section 15-1-201, MCA, is amended to read:
14 "15-1-201. Administration of revenue laws. (1) (a) The
15 department of revenue shall have and exercise general
16 supervision over the administration of the assessment of
17 property and tax laws of the state, except Title 15,
18 chapters 70 and 71, and over its agents and any officers of
19 municipal corporations having any duties to perform under
20 any of the laws of this state relating to taxation to the
21 end that all assessments of property be made relatively just
22 and equal at true value in substantial compliance with law,
23 and The department may make rules to supervise the
24 administration of all revenue laws of the state, except
25 Title 15, chapters 70 and 71, and assist in their

1 enforcement.

2 (b) The department of revenue shall adopt rules
3 specifying which types of property within the several
4 classes are considered "comparable property" as described in
5 15-1-101.

6 (c) The department shall also adopt rules specifying
7 the methodology to be used in conducting sales assessment
8 ratio studies and in determining the value-weighted mean
9 sales assessment ratio for all commercial and industrial
10 real property and improvements.

11 (2) The department shall confer with, advise, and
12 direct officers of municipal corporations as to their
13 duties, with respect to taxation, under the statutes of the
14 state.

15 (3) The department shall collect annually from the
16 proper officers of the municipal corporations information
17 about the assessment of property, collection of taxes,
18 receipts from licenses and other sources, the expenditure of
19 public funds for all purposes, and such other information as
20 may be needful and helpful in the work of the department in
21 such form and upon such blanks as the department shall
22 prescribe. It shall be the duty of all public officers so
23 called upon to fill out properly and return promptly to the
24 department all blanks so transmitted and in every way aid
25 the department in its work. The department shall examine the

1 records of all municipal corporations for such purposes as
2 are considered needful or helpful."

3 Section 2. Section 15-1-301, MCA, is amended to read:

4 "15-1-301. Investigations by department. (1) The
5 Except for those cases involving Title 15, chapters 70 and
6 71, the department of revenue may examine all cases where
7 evasion or violation of the laws for taxation of property,
8 proceeds, occupation, or business is alleged, complained of,
9 or discovered and ascertain wherein existing laws are
10 ineffective or are improperly or negligently administered.

11 (2) (a) The department may inspect and examine or
12 cause an inspection and examination of the records of the
13 officers of any municipality whenever such officer has
14 failed, neglected, or refused to return properly the
15 information required by 15-1-201 within the time set by the
16 department. Upon completion of such inspection and
17 examination, the department shall transmit to the clerk or
18 other proper official of the municipality a statement of the
19 expenses incurred by the department to secure the necessary
20 information. Within 60 days after the receipt by the
21 municipality of the above statement, the same shall be
22 audited as other claims of the municipal corporation are
23 audited and shall be paid into the state treasury. If the
24 statement is not paid, the attorney general shall institute
25 an action in the proper court against the municipality to

1 recover the same.

2 (b) The officers responsible for the furnishing of the
3 information collected pursuant to 15-1-201 shall be jointly
4 and severally liable for any loss the municipality may
5 suffer through their delinquency. No payment may be made to
6 them for salary or on any other account until the cost of
7 such inspection and examination as provided above has been
8 paid into the treasury or to the proper officers of such
9 municipality. They shall also be subject to the other fines
10 and penalties as prescribed by law.

11 (3) The department may require persons to furnish
12 information concerning their capital, funded or other debt,
13 current assets and liabilities, cost and value of property,
14 earnings, operating and other expenses, taxes, and all other
15 facts which may enable the department to ascertain the value
16 of the relative burdens borne by all kinds of property and
17 occupations in the state.

18 (4) The department may summon witnesses to appear and
19 give evidence and to produce records, books, papers, and
20 documents relating to any matter which the department has
21 authority to investigate and determine.

22 (5) In any matter which the department has authority
23 to investigate and determine, it may cause the deposition of
24 witnesses residing within or without the state or absent
25 therefrom to be taken upon notice to the interested party,

1 if any, in like manner that depositions are taken in actions
2 pending in the district court."

3 Section 3. Section 15-1-702, MCA, is amended to read:

4 "15-1-702. Issuance of warrant. (1) If a tax collected
5 by the department of highways under Title 15, chapter 70 or
6 71, or a tax, other than inheritance or estate tax,
7 administered and collected by the department of revenue is
8 not paid within 30 days of the due date, the department of
9 revenue may issue a notice to the taxpayer notifying him
10 that unless payment is received within 30 days of the date
11 of the notice a warrant for distraint may be issued. Thirty
12 days after the date of the notice, the department of revenue
13 may issue a warrant if payment is not received.

14 (2) Use of the procedure to issue a warrant under this
15 section does not preclude use of the procedure under
16 15-1-703 if the department of revenue determines that it is
17 appropriate to utilize 15-1-703."

18 Section 4. Section 15-70-211, MCA, is amended to read:

19 "15-70-211. Warrant for distraint. If all or part of
20 the tax imposed by this part is not paid when due, the
21 department may request the department of revenue to issue a
22 warrant for distraint as provided in Title 15, chapter 1,
23 part 7. The resulting lien has precedence over any other
24 claim, lien, or demand filed or recorded thereafter. No
25 action may be maintained to enjoin the collection of all or

1 any part of the license tax."

2 Section 5. Section 15-70-312, MCA, is amended to read:

3 "15-70-312. Fees for temporary permits -- duration of
4 temporary permits. (1) The temporary special fuel permits
5 shall cost the special fuel vehicle user a fee of \$30. The
6 permit shall be valid for a period of time not to exceed 72
7 hours and will be automatically void should the vehicle
8 leave the state of Montana during the 72-hour period.

9 (2) A temporary special fuel permit for a nonresident
10 operating agricultural harvesting equipment shall cost \$30
11 per unit for the calendar year in which the fee is
12 collected. The permit shall not be transferable. A unit
13 shall be defined as:

- 14 (a) one truck suitable for hauling produce;
- 15 (b) one harvesting machine; and
- 16 (c) pickup trucks and any other accessory vehicles.

17 (3) All fees collected shall be ~~remitted--to--the~~
18 ~~department--or~~ deposited directly in the state special
19 revenue fund for the department of highways."

20 Section 6. Section 15-70-334, MCA, is amended to read:

21 "15-70-334. Warrant for distraint. If all or part of
22 the tax imposed by this part is not paid when due, the
23 department may request the department of revenue to issue a
24 warrant for distraint as provided in Title 15, chapter 1,
25 part 7. The resulting lien has precedence over any other

1 claim, lien, or demand thereafter filed or recorded."

2 Section 7. Section 15-71-101, MCA, is amended to read:

3 "15-71-101. Tax to be collected on motor vehicles
4 self-propelled by a liquefied petroleum gas. (1) The
5 department of highways shall, under ~~the~~ its ~~rules issued--by~~
6 ~~the--department-of-revenue~~, collect or cause to be collected
7 from owners or operators of motor vehicles powered by any
8 liquefied petroleum gas an annual license tax fee on each
9 such vehicle, which license tax fee is prorated on a
10 quarterly basis and may be paid quarterly, semiannually, or
11 annually according to the following schedule:

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

14 (b) motor trucks and truck tractors whose licensed
15 gross vehicle weight is over 10,000 pounds and less than
16 18,000 pounds, \$80;

17 (c) motor trucks and truck tractors whose licensed
18 gross vehicle weight is 18,000 pounds or more and less than
19 48,000 pounds, \$200;

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

22 (2) Upon payment of the tax required by this section,
23 the department of highways shall provide a certificate to be
24 carried in each vehicle, which is valid for a period no less
25 than a calendar quarter or for such further calendar period

1 for which the tax is paid."

2 NEW SECTION. Section 8. Certain functions of
3 department of revenue transferred to department of highways.

4 (1) The functions of the department of revenue and the
5 director of the department of revenue contained in Title 15,
6 chapters 70 and 71, are transferred to the department of
7 highways and the director of the department of highways.

8 (2) Unless inconsistent with this act, any reference
9 to the "department of revenue" or "department" (of revenue)
10 in Title 15, chapters 70 and 71, 7-14-301, and 7-14-303 is
11 changed to "department of highways" or "department" (of
12 highways). The code commissioner shall conform internal
13 references to reflect these changes.

14 (3) The governor by executive order may assign to the
15 department of highways in a manner consistent with this act
16 functions allocated to the department of revenue by the 50th
17 legislature and not transferred by this act.

18 NEW SECTION. Section 9. Effective date. This act is
19 effective July 1, 1987.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB221, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An Act transferring from the Department of Revenue to the Department of Highways the functions relating to gasoline and vehicle fuels taxes and the license taxes on vehicles propelled by liquefied petroleum gas; and providing an effective date.

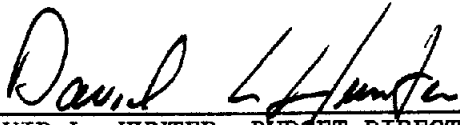
Effect on Expenditures:

The transfer of the Motor Fuels Tax Division from the Department of Revenue (DOR) to the Department of Highways (DOH) would reduce DOR's costs by \$710,497 in FY88 and \$707,973 in FY89. Highway's costs are expected to increase by at least these amounts.

Additional costs to the Department of Highways over the amount budgeted in Revenue can be expected due to the bill. DOH would have to increase their cashiering and mailroom functions to handle the increased volume of mail and tax payments. Therefore the bill would require duplication of DOR administrative overhead.

The DOR has implemented a major portion of a completely new computer system for the Motor Fuels Tax Division. Approximately \$238,000 has been spent on the project thus far. Another \$118,500 will be required to have the system fully operational by the beginning of next fiscal year. Rather than scrapping the new system, it is assumed that the system would be transferred to Highways. This would require removing the motor fuels system from the DOR integrated database. The computer time costs of removing and re-installing the system will cost approximately \$30,000. Additional data processing costs would be incurred by DOH. The system is written in a language that is not utilized by the Department of Highways. Additional training and/or contracting costs may be incurred by Highways to re-install and maintain the system.

DOR is appropriated approximately \$100,000 from motor fuels tax receipts to pay for the administrative overhead for cashiering, mailroom and data processing services. Historically, this appropriation has not been sufficient to fully pay for the services provided; implying even greater costs to the DOH.

 DATE 2/3/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

DATE _____
BOB GILBERT, PRIMARY SPONSOR
Fiscal Note for HB221, as introduced.

HB 221

APPROVED BY COMMITTEE
ON HIGHWAYS & TRANSPORTATION

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19 municipal corporations having any duties to perform under
20 any of the laws of this state relating to taxation to the
21 end that all assessments of property be made relatively just
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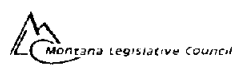
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8 not paid within 30 days of the due date, the department of
9 revenue may issue a notice to the taxpayer notifying him
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11 of the notice a warrant for distraint may be issued. Thirty
12 days after the date of the notice, the department of revenue
13 may issue a warrant if payment is not received.

14 (2) Use of the procedure to issue a warrant under this
15 section does not preclude use of the procedure under
16 15-1-703 if the department of revenue determines that it is
17 appropriate to utilize 15-1-703."

18 Section 4. Section 15-70-211, MCA, is amended to read:

19 "15-70-211. Warrant for distraint. If all or part of
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8 leave the state of Montana during the 72-hour period.

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2 Section 7. Section 15-71-101, MCA, is amended to read:

3 "15-71-101. Tax to be collected on motor vehicles
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7 from owners or operators of motor vehicles powered by any
8 liquefied petroleum gas an annual license tax fee on each
9 such vehicle, which license tax fee is prorated on a
10 quarterly basis and may be paid quarterly, semiannually, or
11 annually according to the following schedule:

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

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15 gross vehicle weight is over 10,000 pounds and less than
16 18,000 pounds, \$80;

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19 48,000 pounds, \$200;

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21 gross vehicle weight is 48,000 pounds or more, \$1,000.

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14 (3) The governor by executive order may assign to the
15 department of highways in a manner consistent with this act
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18 NEW SECTION. Section 9. Effective date. This act is
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17 appropriate to utilize 15-1-703."

18 Section 4. Section 15-70-211, MCA, is amended to read:

19 "15-70-211. Warrant for distraint. If all or part of
20 the tax imposed by this part is not paid when due, the
21 department may request the department of revenue to issue a
22 warrant for distraint as provided in Title 15, chapter 1,
23 part 7. The resulting lien has precedence over any other
24 claim, lien, or demand filed or recorded thereafter. No
25 action may be maintained to enjoin the collection of all or

1 any part of the license tax."

2 Section 5. Section 15-70-312, MCA, is amended to read:

3 "15-70-312. Fees for temporary permits -- duration of
4 temporary permits. (1) The temporary special fuel permits
5 shall cost the special fuel vehicle user a fee of \$30. The
6 permit shall be valid for a period of time not to exceed 72
7 hours and will be automatically void should the vehicle
8 leave the state of Montana during the 72-hour period.

9 (2) A temporary special fuel permit for a nonresident
10 operating agricultural harvesting equipment shall cost \$30
11 per unit for the calendar year in which the fee is
12 collected. The permit shall not be transferable. A unit
13 shall be defined as:

- 14 (a) one truck suitable for hauling produce;
- 15 (b) one harvesting machine; and
- 16 (c) pickup trucks and any other accessory vehicles.

17 (3) All fees collected shall be ~~remitted--to--the~~
18 ~~department--or~~ deposited directly in the state special
19 revenue fund for the department of highways."

20 Section 6. Section 15-70-334, MCA, is amended to read:

21 "15-70-334. Warrant for distraint. If all or part of
22 the tax imposed by this part is not paid when due, the
23 department may request the department of revenue to issue a
24 warrant for distraint as provided in Title 15, chapter 1,
25 part 7. The resulting lien has precedence over any other

1 claim, lien, or demand thereafter filed or recorded."

2 Section 7. Section 15-71-101, MCA, is amended to read:

3 "15-71-101. Tax to be collected on motor vehicles
4 self-propelled by a liquefied petroleum gas. (1) The
5 department of highways shall, under the its rules issued--by
6 ~~the--department-of-revenue~~, collect or cause to be collected
7 from owners or operators of motor vehicles powered by any
8 liquefied petroleum gas an annual license tax fee on each
9 such vehicle, which license tax fee is prorated on a
10 quarterly basis and may be paid quarterly, semiannually, or
11 annually according to the following schedule:

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

14 (b) motor trucks and truck tractors whose licensed
15 gross vehicle weight is over 10,000 pounds and less than
16 18,000 pounds, \$80;

17 (c) motor trucks and truck tractors whose licensed
18 gross vehicle weight is 18,000 pounds or more and less than
19 48,000 pounds, \$200;

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

22 (2) Upon payment of the tax required by this section,
23 the department of highways shall provide a certificate to be
24 carried in each vehicle, which is valid for a period no less
25 than a calendar quarter or for such further calendar period

1 for which the tax is paid."

2 NEW SECTION. Section 8. Certain functions of
3 department of revenue transferred to department of highways.

4 (1) The functions of the department of revenue and the
5 director of the department of revenue contained in Title 15,
6 chapters 70 and 71, are transferred to the department of
7 highways and the director of the department of highways.

8 (2) Unless inconsistent with this act, any reference
9 to the "department of revenue" or "department" (of revenue)
10 in Title 15, chapters 70 and 71, 7-14-301, and 7-14-303 is
11 changed to "department of highways" or "department" (of
12 highways). The code commissioner shall conform internal
13 references to reflect these changes.

14 (3) The governor by executive order may assign to the
15 department of highways in a manner consistent with this act
16 functions allocated to the department of revenue by the 50th
17 legislature and not transferred by this act.

18 NEW SECTION. Section 9. Effective date. This act is
19 effective July 1, 1987.

-End-