

HB 572 INTRODUCED BY O'CONNELL, ET AL.  
LIMITING CERTAIN GAS TAX ALLOCATIONS TO PORTIONS OF  
FIRST 17 CENTS TAX

2/02 INTRODUCED  
2/02 REFERRED TO TAXATION  
2/03 FISCAL NOTE REQUESTED  
2/05 FISCAL NOTE RECEIVED  
2/18 HEARING  
2/18 COMMITTEE REPORT--BILL NOT PASSED  
2/19 ADVERSE COMMITTEE REPORT ADOPTED

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1 *House* BILL NO. *572*  
 2 INTRODUCED BY *Alvin Canale* *Bob Kennerly*  
 3 *Alvin Jones* *Tommy Kochinski* *Mark*  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT LIMITING CERTAIN  
 5 FRACTIONAL ALLOCATIONS OF THE GASOLINE TAX PROCEEDS TO THE  
 6 FIRST 17 CENTS OF THE TAX; AMENDING SECTIONS 15-70-223 AND  
 7 60-3-201, MCA; AND PROVIDING AN EFFECTIVE DATE."  
 8

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

10 Section 1. Section 60-3-201, MCA, is amended to read:

11 "60-3-201. Distribution and use of proceeds of  
 12 gasoline dealers' license tax. (1) All money received in  
 13 payment of license taxes under the Distributor's Gasoline  
 14 License Tax Act, except those amounts paid out of the  
 15 department of revenue's suspense account for gasoline tax  
 16 refund, shall be used and expended as provided in this  
 17 section. So much of that money on hand at any time as may be  
 18 needed to pay highway bonds and interest thereon when due  
 19 and to accumulate and maintain a reserve therefor, as  
 20 provided in laws and in resolutions of the state board of  
 21 examiners authorizing such bonds, shall be deposited in the  
 22 highway bond account in the debt service fund established by  
 23 17-2-102. Subject to that provision, 9/10 of 1% of ~~all~~-money  
 24 the proceeds of the first 17 cents of the tax shall be  
 25 deposited in the state park account, 1/2 of 1% of ~~all~~-money

1 the proceeds of the first 17 cents of the tax shall be  
 2 deposited in a snowmobile account in the state special  
 3 revenue fund, and 1/25 of 1% of ~~all~~-money the proceeds of  
 4 the first 17 cents of the tax shall be deposited in the  
 5 aeronautics revenue fund of the department of commerce under  
 6 the provisions of 67-1-301. The remainder of the money shall  
 7 be used by the department of highways on the federal-aid  
 8 highways in this state selected and designated under Title  
 9 23, U.S.C., and on highways leading from each county seat in  
 10 the state to the federal highway system of federal-aid roads  
 11 where the county seat is not on the system and on the other  
 12 roads which have been or may be authorized by the laws of  
 13 Montana and for collection of the license taxes and the  
 14 enforcement of the Montana highway code under Article VIII,  
 15 section 6, of the 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 1% is used for propelling aircraft in this  
3 state."

4 Section 2. Section 15-70-223, MCA, is amended to read:  
5 "15-70-223. Estimate allowed for agricultural use. (1)  
6 An applicant whose use qualifies as agricultural use may  
7 apply for a refund of 60% of the applicable first 17 cents  
8 of the tax on the gallons of gasoline as indicated by bulk  
9 delivery invoices as an estimate of off-roadway use.

10 (2) If any invoice is either lost or destroyed, the  
11 purchaser may support his claim for refund by submitting an  
12 affidavit relating the circumstances of such loss or  
13 destruction and by producing such other evidence as may be  
14 required by the department of revenue.

15 (3) An applicant whose use does not qualify as  
16 agricultural use may not estimate and must maintain records  
17 as required by 15-70-222."

18 NEW SECTION. Section 3. Extension of authority. Any  
19 existing authority of the department of revenue to make  
20 rules on the subject of the provisions of this act is  
21 extended to the provisions of this act.

22 NEW SECTION. Section 4. Effective date. This act is  
23 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 HB572, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act limiting certain fractional allocations of the gasoline tax proceeds to the first 17 cents of the tax; amending sections 15-70-223 and 60-3-201, MCA; and providing an effective date.

FISCAL IMPACT:

This proposal would have no affect on the proceeds of the first 17 cents of the gasoline tax since current law provides for a 17 cent tax on gasoline. However, if HB136 passes (3 cent gas tax increase), the Department of Highways receipts would be increased by an additional \$159,442 in FY88 and \$171,000 in FY89 due to this legislation. Fish, Wildlife and Parks snowmobile account receipts would be reduced by \$56,843 in FY88 and \$61,000 in FY89. Fish, Wildlife and Parks boat account receipts would be reduced by \$102,599 in FY88 and \$110,000 in FY89.

David L. Hunter DATE 2/4/87

DAVID L. HUNTER, BUDGET DIRECTOR  
Office of Budget and Program Planning

Helen O'Connell DATE 2-5-87  
HELEN O'CONNELL, PRIMARY SPONSOR

Fiscal Note for HB572, as introduced.

**HB 572**