

SB 203 INTRODUCED BY ECK, HAGER, KEENAN, ET AL.
ALLOW CITY TO ESTABLISH LOCAL OPTION FUEL TAX AND
EXPAND FUND DISTRIBUTION

1/23 INTRODUCED
1/23 REFERRED TO LOCAL GOVERNMENT
1/29 HEARING
2/03 TABLED IN COMMITTEE

1 ~~Senate~~ BILL NO. 203
2 INTRODUCED BY Eck Hager Keenan Bishop
3 Bishop

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT LOCAL
5 OPTION FUEL EXCISE TAXES MAY BE ADOPTED BY A CITY IF THE
6 COUNTY HAS NOT ADOPTED THE TAX; PROVIDING THAT THE
7 DISTRIBUTION TO MUNICIPALITIES OF THE PROCEEDS OF A COUNTY
8 TAX MAY BE MADE AS A PERCENTAGE OF THE AGGREGATE NUMBER OF
9 COUNTY AND MUNICIPAL VEHICLES OR BY POINT OF SALE OF THE
10 FUEL; AND AMENDING SECTIONS 7-14-301 THROUGH 7-14-303, MCA."

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

13 Section 1. Section 7-14-301, MCA, is amended to read:

14 "7-14-301. Local option motor fuel excise tax
15 authorized. (1) A motor fuel excise tax, in increments of 1
16 cent per gallon, not to exceed 2 cents per gallon upon
17 gasoline sold to the ultimate consumer within the a city or
18 county for use in motor vehicles operated upon public
19 highways, streets, and roads may be imposed:

20 (a) by the people of the city or county by initiative;
21 or

22 (b) by the city governing body or board of county
23 commissioners by adoption of a resolution measure to impose
24 the tax and referral to the people.

25 (2) (a) A county tax is imposed within the county and

1 all municipalities within the county, except those
2 municipalities that impose the tax.

3 (b) A municipality may not impose the tax if a county
4 tax is imposed within the municipality.

5 (2)(3) The initiative or referendum must specify the
6 tax is to be collected by the department of revenue.

7 (3)(4) Such a motor fuel excise tax may not be
8 assessed sooner than 90 days from the date of passage of
9 such an initiative or referendum.

10 (4)(5) Every distributor shall pay the motor fuel
11 excise tax to ~~the--agency--specified-in-the-initiative-or~~
12 ~~referendum-as-provided-in-subsection-(1)--When--the--tax--is~~
13 ~~collected---by~~ the department of revenue, each Each
14 distributor shall render a monthly statement to the
15 department of all gasoline distributed during the preceding
16 calendar month in the county taxing jurisdiction in which it
17 is sold to the ultimate consumer and such other information
18 as the department may reasonably require in order to
19 administer the motor fuel excise tax.

20 (5)(6) The information, recordkeeping, and examination
21 of records provisions of Title 15, chapter 70, apply to this
22 part.

23 (6)(7) The department of revenue collecting the tax
24 authorized under subsection (1) shall establish procedures
25 to provide a refund to a person who has paid the excise tax



1 but who can substantiate that the motor fuel was purchased
2 for a use other than on public highways, streets, and roads.

3 ~~f7}~~(8) In this part, the terms "distributor",
4 "gasoline", "import", "motor vehicle", "person", and "use"
5 have the meanings ascribed to them in 15-70-201."

6 Section 2. Section 7-14-302, MCA, is amended to read:

7 "7-14-302. Use of local motor fuel excise tax revenue.

8 (1) A county or municipality receiving revenue from the tax
9 authorized by 7-14-301 shall use the revenue derived only
10 for the construction, reconstruction, maintenance, and
11 repair of public streets and roads.

12 (2) A county taxing jurisdiction shall contract with
13 the department for reimbursement of the actual costs of
14 collection. One percent of the motor fuel excise tax revenue
15 collected in a county is to be reimbursed to the distributor
16 for the cost of compliance with this part."

17 Section 3. Section 7-14-303, MCA, is amended to read:

18 "7-14-303. Allocation of revenue and disposition of
19 funds from county-imposed motor fuel tax. (1) Revenue
20 derived from a motor fuel excise tax imposed by a county
21 under 7-14-301 must be apportioned among the county and
22 municipalities in the county:

23 (a) in the proportion of motor vehicles registered in
24 the county outside of the municipalities to those registered
25 within the municipalities during the preceding year; or

1 (b) in the proportion of motor vehicles registered in
2 the county or municipality to the number of vehicles
3 registered in each municipality, added to the total number
4 of vehicles registered within the county, including all
5 municipalities;

6 (c) by point of sale; or
7 ~~f7}~~(d) as determined by an interlocal agreement.

8 (2) All taxes, interest, and penalties collected by
9 the department of revenue under this part shall be promptly
10 transmitted to the state treasurer who shall deposit such
11 funds in the state special revenue fund to the credit of the
12 department of highways account. Such funds shall be paid
13 quarterly by the state treasurer directly to the county
14 taxing jurisdiction in which the tax was imposed."

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