

HOUSE BILL NO. 17

INTRODUCED BY S. RICE
BY REQUEST OF THE DEPARTMENT OF COMMERCE

IN THE HOUSE

DECEMBER 23, 1992	INTRODUCED AND REFERRED TO COMMITTEE ON HIGHWAYS & TRANSPORTATION.
JANUARY 4, 1993	FIRST READING.
JANUARY 12, 1993	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
JANUARY 13, 1993	PRINTING REPORT.
JANUARY 14, 1993	ON MOTION, CONSIDERATION PASSED FOR THE DAY.
JANUARY 16, 1993	ON MOTION, REREFERRED TO COMMITTEE ON TAXATION.
MARCH 20, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
MARCH 22, 1993	PRINTING REPORT.
MARCH 27, 1993	SECOND READING, DO PASS AS AMENDED.
MARCH 29, 1993	ENGROSSING REPORT.
MARCH 30, 1993	THIRD READING, PASSED. AYES, 69; NOES, 31.
MARCH 31, 1993	TRANSMITTED TO SENATE.

IN THE SENATE

APRIL 1, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION. FIRST READING.
APRIL 6, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
APRIL 8, 1993	SECOND READING, CONCURRED IN.
APRIL 12, 1993	THIRD READING, CONCURRED IN.

AYES, 31; NOES, 17.

RETURNED TO HOUSE.

IN THE HOUSE

APRIL 12, 1993

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 HOUSE BILL NO. 17

2 INTRODUCED BY S. RICE

3 BY REQUEST OF THE DEPARTMENT OF COMMERCE

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE
6 DEPARTMENT OF COMMERCE TO ESTABLISH PETROLEUM DEALER AND
7 LIQUEFIED PETROLEUM DEALER LICENSE FEES BY RULE; REQUIRING
8 DEPOSIT OF THE FEES IN A STATE SPECIAL REVENUE FUND;
9 AMENDING SECTION 82-15-105, MCA; AND PROVIDING EFFECTIVE
10 DATES AND AN APPLICABILITY DATE."

11 STATEMENT OF INTENT

12
13 A statement of intent is required for this bill in order
14 to provide the department of commerce the authority to
15 establish by rule license fees for petroleum dealers and
16 liquefied petroleum dealers. The fees must be set in an
17 amount necessary to cover costs of the department to
18 administer and enforce the provisions of Title 82, chapter
19 15, part 1.

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

21 Section 1. Section 82-15-105, MCA, is amended to read:

22 "82-15-105. Licenses and fees -- status of license on
23 transfer of ownership. (1) A petroleum dealer or liquefied
24 petroleum dealer may not do business in this state until a
25

1 license-has-been-issued-to-him licensed by the department.
2 The license must be obtained by the dealer by making
3 application to the department upon blank forms provided by
4 the department. A dealer who has not been issued a license
5 and who is found selling, offering for sale, delivering, or
6 distributing petroleum products shall upon conviction be
7 punished as provided by this part.

8 (2)--The-fee-for-this-license-is-determined--as--follows
9 and--depends--upon--the--number--of--devices-utilized-by--the
10 dealer:

11 (a)--each-gasoline-pump, diesel-pump, or fuel--oil--pump
12 measuring-device--\$7;

13 (b)--each-petroleum-vehicle-tank-meter-or-bulk-petroleum
14 meter-of-2-inches-(5.08-centimeters)-and-under--\$20;

15 (c)--each--bulk--petroleum--meter--over--2--inches-(5.08
16 centimeters)--\$25;

17 (d)--each-liquefied-petroleum-liquid-meter--\$30;

18 (e)--each-vapor-meter--\$4;

19 (f)--each-petroleum-and-liquefied-petroleum-vehicle-tank
20 up-to-and-including-2,000-gallons-(7,570-liters)--\$25;

21 (g)--each-petroleum-and-liquefied-petroleum-vehicle-tank
22 over-2,000-gallons-(7,570--liters)--\$25--plus--\$5--for--each
23 additional-1,000-gallons-(3,785-liters);

24 (2) The department shall adopt rules establishing
25 license fees based upon the measuring devices used by the

1 dealer. The fees must be deposited in the state special
 2 revenue fund of the department for use in administrating and
 3 enforcing this part.

4 (3) All licenses are annual and expire on December 31
 5 of each year. There is an additional charge of 50% on all
 6 license fees that are not paid before March 1 of each year
 7 in which the vehicle tank, meter, or measuring device is in
 8 use. If the fee is not paid, the equipment must be sealed
 9 and removed from service by the department. It is unlawful
 10 for anyone to use a device so removed from service or to
 11 break the seal until all fees have been paid.

12 (4) If ownership of a measuring device changes and the
 13 device:

14 (a) remains at the same location, the license transfers
 15 to the new owner and remains in effect until December 31 of
 16 that year;

17 (b) is moved to a new location, the license is void,
 18 and the new owner shall:

19 (i) apply for a new license that will expire on
 20 December 31 of that year; and

21 (ii) pay the applicable fees ~~prescribed in subsection~~
 22 ~~{2}.~~"

23 NEW SECTION. Section 2. Implementation. The department
 24 of commerce may adopt rules implementing [this act] to be in
 25 place on January 1, 1994.

1 NEW SECTION. Section 3. Effective dates --
 2 applicability. (1) [Section 1] is effective January 1, 1994,
 3 and applies to license fees beginning after December 31,
 4 1993.
 5 (2) [Section 2 and this section] are effective on
 6 passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0017, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

The bill authorizes the Department of Commerce to establish petroleum dealer and liquefied petroleum dealer license fees by rule and requires the fees to be deposited in a state special revenue fund.

ASSUMPTIONS:

1. Fees for inspections will need to be increased to cover the entire bureau budget.
2. For illustrative purposes the FY93 budget of \$437,722 is used.
3. The bill will be effective on passage and approval.
4. Until the FY94 collections are completed the program will need to borrow operating capital from the general fund, which will be repaid from fee collections.
5. In order to make the program self supporting both HB17 and HB70 will need to pass and therefore, when calculating the needed increase in fee income, it will be assumed that both bills will pass. Part of the additional income will come from measuring devices and part will come from weighing devices.
6. If the equipment requested during the Legislative Session is approved, the fees will need to be increased to cover the additional expenditures.

FISCAL IMPACT:

	FY '94			FY '95		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
<u>Expenditures:</u>						
Personal Services	310,257	310,257	0	310,257	310,257	0
Operating Expenses	127,465	127,465	0	127,465	127,465	0
Equipment	0	0	0	0	0	0
TOTAL	437,722	437,722	0	437,722	437,722	0
<u>Revenues:</u>						
License fees	240,000	325,280	85,280	240,000	325,280	85,280
General Fund	197,722	112,442	(85,280)	197,722	112,442	(85,280)
<u>Net Impact:</u>	0	0	0	0	0	0

(Continued on next page)

Dave Lewis 1-8-93
 DAVE LEWIS, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

Shelia Rice 1/8/93
 SHEILIA RICE, PRIMARY SPONSOR DATE

Fiscal Note for HB0017, as introduced

Fiscal Note Request, HB0017, as introduced
Form BD-15 page 2
(continued)

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

The change will permanently remove the program's dependence on the general fund. It will, however, require increased fees to those licensed under the program. In order for the change of funding source to occur the Legislature will also have to pass HB70.

TECHNICAL NOTES:

This bill can only accomplish its intent if HB70 is also passed.

HB 17

APPROVED BY COMMITTEE
ON HIGHWAYS & TRANSPORTATION

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DEPOSIT OF THE FEES IN A STATE SPECIAL REVENUE FUND;
AMENDING SECTION 82-15-105, MCA; AND PROVIDING EFFECTIVE
DATES AND AN APPLICABILITY DATE."

STATEMENT OF INTENT

A statement of intent is required for this bill in order
to provide the department of commerce the authority to
establish by rule license fees for petroleum dealers and
liquefied petroleum dealers. The fees must be set in an
amount necessary to cover costs of the department to
administer and enforce the provisions of Title 82, chapter
15, part 1.

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

Section 1. Section 82-15-105, MCA, is amended to read:

"82-15-105. Licenses and fees -- status of license on
transfer of ownership. (1) A petroleum dealer or liquefied
petroleum dealer may not do business in this state until a

license has been issued to him licensed by the department.
The license must be obtained by the dealer by making
application to the department upon blank forms provided by
the department. A dealer who has not been issued a license
and who is found selling, offering for sale, delivering, or
distributing petroleum products shall upon conviction be
punished as provided by this part.

(2) The fee for this license is determined as follows
and depends upon the number of devices utilized by the
dealer:

(a) each gasoline pump, diesel pump, or fuel oil pump
measuring device -- \$7;

(b) each petroleum vehicle tank meter or bulk petroleum
meter of 2 inches (5.08 centimeters) and under -- \$20;

(c) each bulk petroleum meter over 2 inches (5.08
centimeters) -- \$25;

(d) each liquefied petroleum liquid meter -- \$30;

(e) each vapor meter -- \$4;

(f) each petroleum and liquefied petroleum vehicle tank
up to and including 2,000 gallons (7,570 liters) -- \$25;

(g) each petroleum and liquefied petroleum vehicle tank
over 2,000 gallons (7,570 liters) -- \$25 plus \$5 for each
additional 1,000 gallons (3,785 liters);

(2) The department shall adopt rules establishing
license fees based upon the measuring devices used by the

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 5 of each year. There is an additional charge of 50% on all
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 CHANGING THE LICENSE EXPIRATION DATE TO APRIL 1 FROM
 DECEMBER 31; AMENDING SECTION 82-15-105, MCA; AND PROVIDING
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 meter of 2 inches (5.08 centimeters) and under -- \$20;

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 centimeters) -- \$25;

(d) each liquefied petroleum liquid meter -- \$30;

(e) each vapor meter -- \$4;

(f) each petroleum and liquefied petroleum vehicle tank
 up to and including 2,000 gallons (7,570 liters) -- \$25;

(g) each petroleum and liquefied petroleum vehicle tank
 over 2,000 gallons (7,570 liters) -- \$25 plus \$5 for each
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5 (3) All licenses are annual and expire on ~~December--31~~
 6 APRIL 1 of each year. There is an additional charge of 50%
 7 on all license fees that are not paid before March JUNE 1 of
 8 each year in which the vehicle tank, meter, or measuring
 9 device is in use. If the fee is not paid, the equipment must
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 16 to the new owner and remains in effect until ~~December-31--of~~
 17 ~~that-year~~ APRIL 1;

18 (b) is moved to a new location, the license is void,
 19 and the new owner shall:

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 21 ~~December-31-of-that-year~~ APRIL 1; and

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(e) each vapor meter -- \$4;

(f) each petroleum and liquefied petroleum vehicle tank up to and including 2,000 gallons (7,570 liters) -- \$25;

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