

SENATE BILL NO. 257

INTRODUCED BY HARP, WEEDING

IN THE SENATE

JANUARY 26, 1993

INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

FIRST READING.

MARCH 27, 1993

COMMITTEE RECOMMEND BILL
DO PASS AS AMENDED. REPORT ADOPTED.

MARCH 29, 1993

PRINTING REPORT.

SECOND READING, DO PASS.

MARCH 30, 1993

ENGROSSING REPORT.

THIRD READING, PASSED.
AYES, 34; NOES, 16.

TRANSMITTED TO HOUSE.

IN THE HOUSE

MARCH 31, 1993

INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

FIRST READING.

APRIL 7, 1993

COMMITTEE RECOMMEND BILL BE
CONCURRED IN AS AMENDED. REPORT
ADOPTED.

APRIL 12, 1993

SECOND READING, NOT CONCURRED IN.

ON MOTION, PREVIOUS ACTION
RECONSIDERED.

SECOND READING, CONCURRED IN
AS AMENDED.

APRIL 13, 1993

THIRD READING, CONCURRED IN.
AYES, 54; NOES, 44.

APRIL 14, 1993

RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

APRIL 15, 1993

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

Senate BILL NO. *257*

INTRODUCED BY *HARP* *Wheeler*

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE GASOLINE LICENSE TAX AND THE TAX ON DIESEL FUEL AND VOLATILE LIQUIDS BY 4 CENTS BEGINNING JULY 1, 1993, AND BY 3 CENTS BEGINNING JULY 1, 1994; AMENDING SECTIONS 15-70-204 AND 15-70-321, MCA; AND PROVIDING AN EFFECTIVE 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 transportation a license tax for the privilege of engaging in and carrying on business in this state in an amount equal to:

(a) 1 cent for each gallon of aviation gasoline, which ~~shall~~ must be allocated to the department of transportation as provided by 67-1-301, as amended; and

(b) ~~20--cents~~ for each gallon of all other gasoline distributed by ~~him~~ the distributor within the state and upon which the gasoline license tax has not been paid by any other distributor;

(i) 24 cents per gallon beginning July 1, 1993; and

(ii) 27 cents per gallon beginning July 1, 1994.

(2) Gasoline exported ~~shall~~ may 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.

(1) 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--20-cents,~~ as provided in subsection (2), for each gallon of diesel fuel or other volatile 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.

(2) The tax imposed in subsection (1) is:

LC 0035/01

- 1 (a) 24 cents per gallon beginning July 1, 1993; and
2 (b) 27 cents per gallon beginning July 1, 1994."
3 NEW SECTION. **Section 3.** Effective date. [This act] is
4 effective July 1, 1993.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0257, as introduced.


DESCRIPTION OF PROPOSED LEGISLATION:


An act increasing the gasoline license tax and the tax on diesel fuel and volatile liquids by 4 cents beginning July 1, 1993, and by 3 cents beginning July 1, 1994.

ASSUMPTIONS:

1. The Revenue Oversight Committee revenue assumptions were used to determine effects of tax increase.
2. No changes are made to the distribution of gas tax revenues.
3. The alcohol incentive payment for FY95 excludes the payment to the proposed plant in Great Falls in the amount of \$1.5 million for FY95.
4. The additional tax collected in the first year the tax is implemented will be for 11 months of the year, but revenues for the final month will be accrued.

FISCAL IMPACT: (continued)

 2-2-93
DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 2/3/93
JOHN HAGG, PRIMARY SPONSOR DATE
Fiscal Note for SB0257, as introduced

SB 257

FISCAL IMPACT:

Expenditures:

	FY '94			FY '95		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
General Operations (Pg 01)						
FTE	190.08	190.08	0.00	190.08	190.08	0.00
Personal Services	\$ 6,164,720	\$ 6,164,720	\$ 0	\$ 6,184,495	\$ 6,184,495	\$ 0
Operating	4,912,089	4,914,589	2,500	4,650,929	4,650,929	0
Equipment	280,426	280,426	0	892,400	892,400	0
Debt Service	<u>12,641</u>	<u>12,641</u>	<u>0</u>	<u>12,641</u>	<u>12,641</u>	<u>0</u>
Total	\$ 11,369,876	\$ 11,371,869	\$ 2,500	\$ 11,740,465	\$ 11,740,465	\$ 0

Funding:

State Special Revenue	\$ 8,546,828	\$ 8,549,328	\$ 2,500	\$ 8,904,517	\$ 8,904,517	\$ 0
Federal Special Revenue	<u>2,823,048</u>	<u>2,823,048</u>	<u>0</u>	<u>2,835,948</u>	<u>2,835,948</u>	<u>0</u>
Total	\$ 11,369,876	\$ 11,371,869	\$ 2,500	\$ 11,740,465	\$ 11,740,465	\$ 0

Revenues:

	FY '94			FY '95		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
Gas Tax (net of refunds)	\$ 87,368,600	\$100,953,000	\$13,584,400	\$ 87,440,900	\$113,743,500	\$26,302,600
Diesel Tax (net of refunds)	<u>25,997,900</u>	<u>31,197,000</u>	<u>5,199,100</u>	<u>26,475,800</u>	<u>35,754,000</u>	<u>9,278,200</u>
Total	\$113,366,500	\$132,150,000	\$18,783,500	\$113,916,700	\$149,497,500	\$35,580,800

Revenue Allocation:

Highway State Special	\$108,760,700	\$127,292,400	\$18,531,700	\$109,307,200	\$144,446,900	\$35,139,700
Snowmobile State Special	403,600	484,300	80,700	403,900	545,300	141,400
Motorboat State Special	726,400	871,700	145,300	727,000	981,500	254,500
Aeronautic State Special	32,300	38,700	6,400	32,300	43,600	11,300
Off-Road Vehicle SS	96,800	116,200	19,400	96,900	130,800	33,900
Petro Board State Special	<u>3,346,700</u>	<u>3,346,700</u>	<u>0</u>	<u>3,349,400</u>	<u>3,349,400</u>	<u>0</u>
Total Revenue	\$113,366,500	\$132,150,000	\$18,783,500	\$113,916,700	\$149,497,500	\$35,580,800

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0257, second reading.

DESCRIPTION OF PROPOSED LEGISLATION:

An act increasing the gasoline license tax and the tax on diesel fuel and volatile liquids by 4 cents beginning July 1, 1993, and by 3 cents beginning July 1, 1994 and increasing the allocation to cities and towns.

ASSUMPTIONS:

1. The Revenue Oversight Committee revenue assumptions were used to determine effects of tax increase.
2. No changes are made to the distribution of gas tax revenues.
3. The alcohol incentive payment for FY95 excludes the payment to the proposed plant in Great Falls in the amount of \$1.5 million for FY95.
4. The additional tax collected in the first year the tax is implemented will be for 11 months of the year, but revenues for the final month will be accrued.

FISCAL IMPACT: (continued)

David Lewis 3-27-93
DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

John Harp 3/29/93
JOHN HARP, PRIMARY SPONSOR DATE

Fiscal Note for SB0257, second reading

SB 257. #2

FISCAL IMPACT:

Expenditures:

	FY '94			FY '95		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
General Operations (Pg 01)						
FTE	190.08	190.08	0.00	190.08	190.08	0.00
Personal Services	\$ 6,164,720	\$ 6,164,720	\$ 0	\$ 6,184,495	\$ 6,184,495	\$ 0
Operating	4,912,089	4,914,589	2,500	4,650,929	4,650,929	0
Equipment	280,426	280,426	0	892,400	892,400	0
Debt Service	<u>12,641</u>	<u>12,641</u>	<u>0</u>	<u>12,641</u>	<u>12,641</u>	<u>0</u>
Total	\$ 11,369,876	\$ 11,371,869	\$ 2,500	\$ 11,740,465	\$ 11,740,465	\$ 0

Funding:

State Special Revenue	\$ 8,546,828	\$ 8,549,328	\$ 2,500	\$ 8,904,517	\$ 8,904,517	\$ 0
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Total	\$113,366,500	\$132,150,000	\$18,783,500	\$113,916,700	\$149,497,500	\$35,580,800

Revenue Allocation:

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Aeronautic State Special	32,300	38,700	6,400	32,300	43,600	11,300
Off-Road Vehicle SS	96,800	116,200	19,400	96,900	130,800	33,900
Petro Board State Special	<u>3,346,700</u>	<u>3,346,700</u>	<u>0</u>	<u>3,349,400</u>	<u>3,349,400</u>	<u>0</u>
Total Revenue	\$113,366,500	\$132,150,000	\$18,783,500	\$113,916,700	\$149,497,500	\$35,580,800

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The proposal allocates an additional \$2,766,000 per year from the increased revenues for the highway state special account to city and towns for road repair and construction.

TECHNICAL NOTE:

SB 374 as amended by the Senate Taxation Committee further reduces the net additional revenue to the highway account by \$1,500,000 per year beginning in FY95 assuming the new ethanol plant comes on line during that year as has been publicly stated.

SB 257

APPROVED BY COMMITTEE
ON TAXATION

SENATE BILL NO. 257

INTRODUCED BY HARP, WEEDING

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE GASOLINE LICENSE TAX AND THE TAX ON DIESEL FUEL AND VOLATILE LIQUIDS BY 4 CENTS BEGINNING JULY 1, 1993, AND BY 3 CENTS BEGINNING JULY 1, 1994; PROVIDING AN INCREASED ALLOCATION OF FUEL TAXES TO CITIES AND TOWNS; AMENDING SECTIONS 15-70-101, 15-70-204, AND 15-70-321, AND 17-7-502, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

SECTION 1. SECTION 15-70-101, MCA, IS AMENDED TO READ:

"15-70-101. **Disposition of funds.** All taxes, interest, and penalties collected under this chapter, except those collected by a justice's court, must be turned over promptly to the state treasurer, who shall place the money in the state special revenue fund to the credit of the department of transportation. Those funds allocated to cities, towns, and counties in this section must be paid by the department of transportation from the state special revenue fund to the cities, towns, and counties.

(1) ~~\$14,000,000~~ \$16,766,000 of the funds collected under this chapter, except those collected by a justice's court, ~~is statutorily appropriated, as provided in 17-7-502,~~

~~to--the--department--of--transportation--and~~ must be allocated each fiscal year on a monthly basis to the counties and incorporated cities and towns in Montana for construction, reconstruction, maintenance, and repair of rural roads and city or town streets and alleys, as provided in subsections (1)(a) through (1)(c):

(a) \$54,000 must be designated for the purposes and functions of the Montana rural technical assistance transportation program in Bozeman;

(b) \$6,323,000 must be divided among the various counties in the following manner:

(i) 40% in the ratio that the rural road mileage in each county, exclusive of the federal-aid interstate system and the federal-aid primary system, bears to the total rural road mileage in the state, exclusive of the federal-aid interstate system and the federal-aid primary system;

(ii) 40% in the ratio that the rural population in each county outside incorporated cities and towns bears to the total rural population in the state outside incorporated cities and towns;

(iii) 20% in the ratio that the land area of each county bears to the total land area of the state;

(c) ~~\$7,623,000~~ \$10,389,000 must be divided among the incorporated cities and towns in the following manner:

(i) 50% of the sum in the ratio that the population

1 within the corporate limits of the city or town bears to the
2 total population within corporate limits of all the cities
3 and towns in Montana;

4 (ii) 50% in the ratio that the city or town street and
5 alley mileage, exclusive of the federal-aid interstate
6 system and the federal-aid primary system, within corporate
7 limits bears to the total street and alley mileage,
8 exclusive of the federal-aid interstate system and
9 federal-aid primary system, within the corporate limits of
10 all cities and towns in Montana.

11 (2) All funds allocated by this section to counties,
12 cities, and towns must be used for the construction,
13 reconstruction, maintenance, and repair of rural roads or
14 city or town streets and alleys or for the share that the
15 city, town, or county might otherwise expend for
16 proportionate matching of federal funds allocated for the
17 construction of roads or streets that are part of the
18 federal-aid primary or secondary highway system or urban
19 extensions to those systems, except that the governing body
20 of a town or third-class city, as defined in 7-1-4111, may
21 each year expend no more than 25% of the funds allocated to
22 that town or third-class city for the purchase of capital
23 equipment and supplies to be used for the maintenance and
24 repair of town or third-class city streets and alleys.

25 (3) All funds allocated by this section to counties,

1 cities, and towns must be disbursed to the lowest
2 responsible bidder according to applicable bidding
3 procedures followed in all cases in which the contract for
4 construction, reconstruction, maintenance, or repair is in
5 excess of \$4,000.

6 (4) For the purposes of this section in which
7 distribution of funds is made on a basis related to
8 population, the population must be determined by the last
9 preceding official federal census.

10 (5) For the purposes of this section in which
11 determination of mileage is necessary for distribution of
12 funds, it is the responsibility of the cities, towns, and
13 counties to furnish to the department of transportation a
14 yearly certified statement indicating the total mileage
15 within their respective areas applicable to this chapter.
16 All mileage submitted is subject to review and approval by
17 the department of transportation.

18 (6) Except by a town or third-class city as provided in
19 subsection (2), the funds authorized by this section may not
20 be used for the purchase of capital equipment.

21 (7) Funds authorized by this section must be used for
22 construction and maintenance programs only."

23 **Section 2.** Section 15-70-204, MCA, is amended to read:

24 "15-70-204. Gasoline license tax -- rate. (1) Every
25 distributor shall pay to the department of transportation a

license tax for the privilege of engaging in and carrying on business in this state in an amount equal to:

(a) 1 cent for each gallon of aviation gasoline, which ~~shall~~ must be allocated to the department of transportation as provided by 67-1-301, as amended; and

(b) ~~20--cents~~ for each gallon of all other gasoline distributed by ~~him~~ the distributor within the state and upon which the gasoline license tax has not been paid by any other distributor;

(i) 24 cents per gallon beginning July 1, 1993; and

(ii) 27 cents per gallon beginning July 1, 1994.

(2) Gasoline exported ~~shall~~ may 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 3. Section 15-70-321, MCA, is amended to read:

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

(1) 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--20-cents,~~ as provided in subsection (2), for each gallon of diesel fuel or other volatile 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.

(2) The tax imposed in subsection (1) is:

(a) 24 cents per gallon beginning July 1, 1993; and

(b) 27 cents per gallon beginning July 1, 1994."

SECTION 4. SECTION 17-7-502, MCA, IS AMENDED TO READ:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105; 2-18-812; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111; 15-23-706; 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-65-121; ~~15-70-101~~; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-424; 17-5-704; 17-5-804; 17-6-409; 17-7-304; 19-5-404; 19-6-709; 19-8-504; 19-9-702; 19-9-1007; 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513; 19-11-606; 19-12-301; 19-13-604; 19-15-101; 20-4-109; 20-6-406; 20-8-111; 20-9-361; 20-26-1503; 22-3-811; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402; 27-12-206; 37-43-204; 37-51-501; 39-71-2504; 44-12-206; 44-13-102; 53-6-150; 53-24-206; 61-5-121; 67-3-205; 75-1-1101; 75-5-507; 75-5-1108; 75-11-313; 76-12-123; 77-1-808; 80-2-103; 80-11-310; 82-11-136; 82-11-161; 85-1-220; 90-3-301; 90-4-215; 90-6-331; 90-7-220; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements

authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for supplemental benefit; and pursuant to sec. 18, Ch. 748, L. 1991, the inclusion of 22-3-811 terminates June 30, 1993.)"

NEW SECTION. **Section 5.** Effective date. [This act] is effective July 1, 1993.

-End-

SENATE BILL NO. 257

INTRODUCED BY HARP, WEEDING

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE GASOLINE LICENSE TAX AND THE TAX ON DIESEL FUEL AND VOLATILE LIQUIDS BY 4 CENTS BEGINNING JULY 1, 1993, AND BY 3 CENTS BEGINNING JULY 1, 1994; PROVIDING AN INCREASED ALLOCATION OF FUEL TAXES TO CITIES AND TOWNS; AMENDING SECTIONS 15-70-101, 15-70-204, AND 15-70-321, AND 17-7-502, MCA; AND PROVIDING AN EFFECTIVE DATE."

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"15-70-101. Disposition of funds. All taxes, interest, and penalties collected under this chapter, except those collected by a justice's court, must be turned over promptly to the state treasurer, who shall place the money in the state special revenue fund to the credit of the department of transportation. Those funds allocated to cities, towns, and counties in this section must be paid by the department of transportation from the state special revenue fund to the cities, towns, and counties.

(1) ~~\$14,000,000~~ \$16,766,000 of the funds collected under this chapter, except those collected by a justice's court, ~~is statutorily appropriated, as provided in 17-7-502,~~

~~to the department of transportation and must be allocated~~ each fiscal year on a monthly basis to the counties and incorporated cities and towns in Montana for construction, reconstruction, maintenance, and repair of rural roads and city or town streets and alleys, as provided in subsections (1)(a) through (1)(c):

(a) \$54,000 must be designated for the purposes and functions of the Montana rural technical assistance transportation program in Bozeman;

(b) \$6,323,000 must be divided among the various counties in the following manner:

(i) 40% in the ratio that the rural road mileage in each county, exclusive of the federal-aid interstate system and the federal-aid primary system, bears to the total rural road mileage in the state, exclusive of the federal-aid interstate system and the federal-aid primary system;

(ii) 40% in the ratio that the rural population in each county outside incorporated cities and towns bears to the total rural population in the state outside incorporated cities and towns;

(iii) 20% in the ratio that the land area of each county bears to the total land area of the state;

(c) ~~\$7,623,000~~ \$10,389,000 must be divided among the incorporated cities and towns in the following manner:

(i) 50% of the sum in the ratio that the population

1 within the corporate limits of the city or town bears to the
2 total population within corporate limits of all the cities
3 and towns in Montana;

4 (ii) 50% in the ratio that the city or town street and
5 alley mileage, exclusive of the federal-aid interstate
6 system and the federal-aid primary system, within corporate
7 limits bears to the total street and alley mileage,
8 exclusive of the federal-aid interstate system and
9 federal-aid primary system, within the corporate limits of
10 all cities and towns in Montana.

11 (2) All funds allocated by this section to counties,
12 cities, and towns must be used for the construction,
13 reconstruction, maintenance, and repair of rural roads or
14 city or town streets and alleys or for the share that the
15 city, town, or county might otherwise expend for
16 proportionate matching of federal funds allocated for the
17 construction of roads or streets that are part of the
18 federal-aid primary or secondary highway system or urban
19 extensions to those systems, except that the governing body
20 of a town or third-class city, as defined in 7-1-4111, may
21 each year expend no more than 25% of the funds allocated to
22 that town or third-class city for the purchase of capital
23 equipment and supplies to be used for the maintenance and
24 repair of town or third-class city streets and alleys.

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1 cities, and towns must be disbursed to the lowest
2 responsible bidder according to applicable bidding
3 procedures followed in all cases in which the contract for
4 construction, reconstruction, maintenance, or repair is in
5 excess of \$4,000.

6 (4) For the purposes of this section in which
7 distribution of funds is made on a basis related to
8 population, the population must be determined by the last
9 preceding official federal census.

10 (5) For the purposes of this section in which
11 determination of mileage is necessary for distribution of
12 funds, it is the responsibility of the cities, towns, and
13 counties to furnish to the department of transportation a
14 yearly certified statement indicating the total mileage
15 within their respective areas applicable to this chapter.
16 All mileage submitted is subject to review and approval by
17 the department of transportation.

18 (6) Except by a town or third-class city as provided in
19 subsection (2), the funds authorized by this section may not
20 be used for the purchase of capital equipment.

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22 construction and maintenance programs only."

23 **Section 2.** Section 15-70-204, MCA, is amended to read:

24 "15-70-204. Gasoline license tax -- rate. (1) Every
25 distributor shall pay to the department of transportation a

license tax for the privilege of engaging in and carrying on business in this state in an amount equal to:

(a) 1 cent for each gallon of aviation gasoline, which ~~shall~~ must be allocated to the department of transportation as provided by 67-1-301, as amended; and

(b) ~~20--cents~~ for each gallon of all other gasoline distributed by ~~him~~ the distributor within the state and upon which the gasoline license tax has not been paid by any other distributor:

(i) 24 cents per gallon beginning July 1, 1993; and

(ii) 27 cents per gallon beginning July 1, 1994.

(2) Gasoline exported ~~shall~~ may 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 3. Section 15-70-321, MCA, is amended to read:

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

(1) 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--20-cents,~~ as provided in subsection (2), for each gallon of diesel fuel or other volatile 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.

(2) The tax imposed in subsection (1) is:

(a) 24 cents per gallon beginning July 1, 1993; and

(b) 27 cents per gallon beginning July 1, 1994."

SECTION 4. SECTION 17-7-502, MCA, IS AMENDED TO READ:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105; 2-18-812; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111; 15-23-706; 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-65-121; ~~15-78-101~~; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-424; 17-5-704; 17-5-804; 17-6-409; 17-7-304; 19-5-404; 19-6-709; 19-8-504; 19-9-702; 19-9-1007; 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513; 19-11-606; 19-12-301; 19-13-604; 19-15-101; 20-4-109; 20-6-406; 20-8-111; 20-9-361; 20-26-1503; 22-3-811; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402; 27-12-206; 37-43-204; 37-51-501; 39-71-2504; 44-12-206; 44-13-102; 53-6-150; 53-24-206; 61-5-121; 67-3-205; 75-1-1101; 75-5-507; 75-5-1108; 75-11-313; 76-12-123; 77-1-808; 80-2-103; 80-11-310; 82-11-136; 82-11-161; 85-1-220; 90-3-301; 90-4-215; 90-6-331; 90-7-220; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements

authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for supplemental benefit; and pursuant to sec. 18, Ch. 748, L. 1991, the inclusion of 22-3-811 terminates June 30, 1993.)"

NEW SECTION. Section 5. Effective date. [This act] is effective July 1, 1993.

-End-

HOUSE STANDING COMMITTEE REPORT

April 7, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that Senate Bill 257 (third reading copy -- blue) be concurred in as amended .

Signed: Bob Gilbert
Bob Gilbert, Chair

And, that such amendments read:

Carried by: Rep. Driscoll

1. Title, line 7.

Strike: "JULY"

Insert: "JUNE"

2. Page 5, line 11.

Page 6, line 14.

Strike: "July"

Insert: "June"

-END-

Committee Vote:
Yes 13, No 2.

SB 257

HOUSE

47-93
1.50

/ 5/2/93
HOUSE COMMITTEE OF THE WHOLE AMENDMENT
Senate Bill 257
Representative Driscoll

April 12, 1993 9:43 am
Page 1 of 1

Mr. Chairman: I move to amend Senate Bill 257 (House Taxation Committee amendments of April 7, 1993 to the third reading copy - blue).

Signed: _____

Driscoll
Representative Driscoll

And, that such amendments to the Taxation Committee amendments read as follows:

1. Strip: the committee amendments of April 7, 1993 in their entirety

-END-

ADOPT

REJECT

HOUSE
SB 257

1 SENATE BILL NO. 257

2 INTRODUCED BY HARP, WEEDING

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE GASOLINE
5 LICENSE TAX AND THE TAX ON DIESEL FUEL AND VOLATILE LIQUIDS
6 BY 4 CENTS BEGINNING JULY 1, 1993, AND BY 3 CENTS BEGINNING
7 JULY 1, 1994; PROVIDING AN INCREASED ALLOCATION OF FUEL
8 TAXES TO CITIES AND TOWNS; AMENDING SECTIONS 15-70-101,
9 15-70-204, AND 15-70-321, AND 17-7-502, MCA; AND PROVIDING
10 AN EFFECTIVE DATE."
11

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

13 **SECTION 1. SECTION 15-70-101, MCA, IS AMENDED TO READ:**

14 "15-70-101. Disposition of funds. All taxes, interest,
15 and penalties collected under this chapter, except those
16 collected by a justice's court, must be turned over promptly
17 to the state treasurer, who shall place the money in the
18 state special revenue fund to the credit of the department
19 of transportation. Those funds allocated to cities, towns,
20 and counties in this section must be paid by the department
21 of transportation from the state special revenue fund to the
22 cities, towns, and counties.

23 (1) ~~\$14,000,000~~ \$16,766,000 of the funds collected
24 under this chapter, except those collected by a justice's
25 court, ~~is-statutorily-appropriated-as-provided-in-17-7-502,~~

1 to-the-department-of-transportation-and must be allocated
2 each fiscal year on a monthly basis to the counties and
3 incorporated cities and towns in Montana for construction,
4 reconstruction, maintenance, and repair of rural roads and
5 city or town streets and alleys, as provided in subsections
6 (1)(a) through (1)(c):

7 (a) \$54,000 must be designated for the purposes and
8 functions of the Montana rural technical assistance
9 transportation program in Bozeman;

10 (b) \$6,323,000 must be divided among the various
11 counties in the following manner:

12 (i) 40% in the ratio that the rural road mileage in
13 each county, exclusive of the federal-aid interstate system
14 and the federal-aid primary system, bears to the total rural
15 road mileage in the state, exclusive of the federal-aid
16 interstate system and the federal-aid primary system;

17 (ii) 40% in the ratio that the rural population in each
18 county outside incorporated cities and towns bears to the
19 total rural population in the state outside incorporated
20 cities and towns;

21 (iii) 20% in the ratio that the land area of each county
22 bears to the total land area of the state;

23 (c) ~~\$7,623,000~~ \$10,389,000 must be divided among the
24 incorporated cities and towns in the following manner:

25 (i) 50% of the sum in the ratio that the population

1 within the corporate limits of the city or town bears to the
2 total population within corporate limits of all the cities
3 and towns in Montana;

4 (ii) 50% in the ratio that the city or town street and
5 alley mileage, exclusive of the federal-aid interstate
6 system and the federal-aid primary system, within corporate
7 limits bears to the total street and alley mileage,
8 exclusive of the federal-aid interstate system and
9 federal-aid primary system, within the corporate limits of
10 all cities and towns in Montana.

11 (2) All funds allocated by this section to counties,
12 cities, and towns must be used for the construction,
13 reconstruction, maintenance, and repair of rural roads or
14 city or town streets and alleys or for the share that the
15 city, town, or county might otherwise expend for
16 proportionate matching of federal funds allocated for the
17 construction of roads or streets that are part of the
18 federal-aid primary or secondary highway system or urban
19 extensions to those systems, except that the governing body
20 of a town or third-class city, as defined in 7-1-4111, may
21 each year expend no more than 25% of the funds allocated to
22 that town or third-class city for the purchase of capital
23 equipment and supplies to be used for the maintenance and
24 repair of town or third-class city streets and alleys.

25 (3) All funds allocated by this section to counties,

1 cities, and towns must be disbursed to the lowest
2 responsible bidder according to applicable bidding
3 procedures followed in all cases in which the contract for
4 construction, reconstruction, maintenance, or repair is in
5 excess of \$4,000.

6 (4) For the purposes of this section in which
7 distribution of funds is made on a basis related to
8 population, the population must be determined by the last
9 preceding official federal census.

10 (5) For the purposes of this section in which
11 determination of mileage is necessary for distribution of
12 funds, it is the responsibility of the cities, towns, and
13 counties to furnish to the department of transportation a
14 yearly certified statement indicating the total mileage
15 within their respective areas applicable to this chapter.
16 All mileage submitted is subject to review and approval by
17 the department of transportation.

18 (6) Except by a town or third-class city as provided in
19 subsection (2), the funds authorized by this section may not
20 be used for the purchase of capital equipment.

21 (7) Funds authorized by this section must be used for
22 construction and maintenance programs only."

23 **Section 2.** Section 15-70-204, MCA, is amended to read:

24 "15-70-204. Gasoline license tax -- rate. (1) Every
25 distributor shall pay to the department of transportation a

license tax for the privilege of engaging in and carrying on business in this state in an amount equal to:

(a) 1 cent for each gallon of aviation gasoline, which ~~shall~~ must be allocated to the department of transportation as provided by 67-1-301, as amended; and

(b) ~~20-cents~~ for each gallon of all other gasoline distributed by ~~him~~ the distributor within the state and upon which the gasoline license tax has not been paid by any other distributor;

(i) 24 cents per gallon beginning July 1, 1993; and

(ii) 27 cents per gallon beginning July 1, 1994.

(2) Gasoline exported ~~shall~~ may 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)."

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(1) 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-20-cents,~~ as provided in subsection (2), for each gallon of diesel fuel or other volatile 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.

(2) The tax imposed in subsection (1) is:

(a) 24 cents per gallon beginning July 1, 1993; and

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NEW SECTION. **Section 5.** Effective date. [This act] is effective July 1, 1993.

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