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

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SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

LC 0035/01

LC 0035/01

BILL NO. 257 BILL NO. 257 HARP ULCC. 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."

9

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

Section 1. Section 15-70-204, MCA, is amended to read: 12 •15-70-204. Gasoline license tax -- rate. (1) Every 13 distributor shall pay to the department of transportation a 14 license tax for the privilege of engaging in and carrying on 15 business in this state in an amount equal to:

16 (a) 1 cent for each gallon of aviation gasoline, which
17 shall must be allocated to the department of transportation
18 as provided by 67-1-301, as amended 71 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:

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

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

25 (2) Gasoline exported shall may not be included in the

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1 measure of the distributor's license tax.

2 (3) Alcohol that is blended or is to be blended with 3 gasoline to be sold as gasohol is subject to a tax per 4 gallon equal to the license tax imposed on nonaviation 5 gasoline distributors under subsection (1)."

6 Section 2. Section 15-70-321, MCA, is amended to read:

7 "15-70-321. Tax on diesel fuel and volatile liquids. (1) The department shall, under the provisions of rules 8 9 issued by it, collect or cause to be collected from the 10 owners or operators of motor vehicles a tax in--an--amount equal--to--20-cents, as provided in subsection (2), for each 11 gallon of diesel fuel or other volatile liquid, except 12 13 liquid petroleum gas, of less than 46 degrees A.P.I. 14 (American petroleum institute) gravity test when actually 15 sold or used to produce motor power to propel motor vehicles upon the public highways or streets within the state or used 16 in motor vehicles, motorized equipment, and the internal 17 18 combustion of any and--all engines, including stationary 19 engines, used in connection with any and-all work performed under any and-all contracts pertaining to the construction, 20 21 reconstruction, or improvement of any highway or street and their appurtenances awarded by any and-all public agencies, 22 23 including federal, state, county, municipal, or other 24 political subdivisions.

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

513 257 INTRODUCED BILL -2-

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-

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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:

- The Revenue Oversight Committee revenue assumptions were used to determine effects of tax increase. 1.
- 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, BUDGET DIRECTOR DATE Office of Budget and Program Planning

DATE

JOHN PRIMARY SPONSOR

Fiscal Note for SB0257, as introduced



Fiscal Note Request, <u>SB0257, as introduced</u> Form BD-15 page 2 (continued)

FISCAL IMPACT:

Expenditures:

		FY '94			FY '95	<u></u>	
General Operations (Pg 01)	<u>Current Law</u>	Proposed Law	<u>Difference</u>	<u>Current Law</u>	Proposed Law	<u>Difference</u>	
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	12,641	12,641	0	12,641	12,641	0	
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	2,823,048	2,823,048	0	<u>2,835,948</u>	<u>2,835,948</u>	0	
Total	\$ 11,369,876	\$ 11,371,869	\$ 2,500	\$ 11,740,465	\$ 11,740,465	\$ O	

<u>Revenues:</u>

	FY '94			FY '95		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Gas Tax (net of refunds)	\$ 87,368,600	\$100,9 53,000	\$13,584,400	\$ 87,440,900	\$113,743,500	\$26,302,600
Diesel Tax (net of refunds)	25,997,900	<u>31,197,000</u>	<u>5,199,100</u>	26,475,800	35,754,000	9,278,200
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	3,346,700	3,346,700		3,349,400	3,349,400	0
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.

(continued) FISCAL IMPACT:

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

DATE

JOHN HARP, PRIMARY SPONSOR

Fiscal Note for SB0257, second reading

Fiscal Note Request, <u>SB0257, second reading</u> Form BD-15 page 2 (continued)

FISCAL IMPACT:

Expenditures:

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Petro Board State Special	3,346,700	3,346,700	0	3,349,400	3,349,400	0
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.

53rd Legislature

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SB 0257/02

APPROVED BY COMMITTEE ON TAXATION

1 SENATE BILL NO. 257 2 INTRODUCED BY HARP, WEEDING 3 4 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE GASOLINE LICENSE TAX AND THE TAX ON DIESEL FUEL AND VOLATILE LIQUIDS 5 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: SECTION 1. SECTION 15-70-101, MCA, IS AMENDED TO READ: 13 14 *15-70-101. Disposition of funds. All taxes, interest, and penalties collected under this chapter, except those 15 collected by a justice's court, must be turned over promptly 16 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.

(1) \$1470007000 \$16,766,000 of the funds collected
under this chapter, except those collected by a justice's
court, is-statutorily-appropriated7-as-provided-in-17-7-5027

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):

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 various11 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;

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;

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

(c) \$776237000 \$10,389,000 must be divided among the
 incorporated cities and towns in the following manner:

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

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SB 257 SECOND READING within the corporate limits of the city or town bears to the
 total population within corporate limits of all the cities
 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 city, town, or county might otherwise expend for 15 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 extensions to those systems, except that the governing body 19 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 equipment and supplies to be used for the maintenance and 23 repair of town or third-class city streets and alleys. 24 25 (3) All funds allocated by this section to counties,

cities, and towns must be disbursed to the lowest
 responsible bidder according to applicable bidding
 procedures followed in all cases in which the contract for
 construction, reconstruction, maintenance, or repair is in
 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 funds, it is the responsibility of the cities, towns, and 12 13 counties to furnish to the department of transportation a yearly certified statement indicating the total mileage 14 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.

(7) Funds authorized by this section must be used for
 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

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SB 0257/02

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

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

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

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

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

12 (2) Gasoline exported shall may not be included in the
13 measure of the distributor's license tax.

14 (3) Alcohol that is blended or is to be blended with
15 gasoline to be sold as gasohol is subject to a tax per
16 gallon equal to the license tax imposed on nonaviation
17 gasoline distributors under subsection (1)."

18 Section 3. Section 15-70-321, MCA, is amended to read: 19 "15-70-321. Tax on diesel fuel and volatile liquids. 20 (1) The department shall, under the provisions of rules 21 issued by it, collect or cause to be collected from the 22 owners or operators of motor vehicles a tax in--an--amount 23 equal--to--20-cents, as provided in subsection (2), for each 24 gallon of diesel fuel or other volatile liquid, except 25 liquid petroleum gas, of less than 46 degrees A.P.I.

(American petroleum institute) gravity test when actually 1 2 sold or used to produce motor power to propel motor vehicles 3 upon the public highways or streets within the state or used 4 in motor vehicles, motorized equipment, and the internal 5 combustion of any and--all engines, including stationary 6 engines, used in connection with any and-all work performed 7 under any and-all contracts pertaining to the construction, 8 reconstruction, or improvement of any highway or street and 9 their appurtenances awarded by any and-all public agencies, 10 including federal, state, county, municipal, or other 11 political subdivisions.

- 12 (2) The tax imposed in subsection (1) is:
- 13 (a) 24 cents per gallon beginning July 1, 1993; and
- 14 (b) 27 cents per gallon beginning July 1, 1994."

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

16 "17-7-502. Statutory appropriations -- definition --17 requisites for validity. (1) A statutory appropriation is an 18 appropriation made by permanent law that authorizes spending 19 by a state agency without the need for a biennial 20 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:

24 (a) The law containing the statutory authority must be25 listed in subsection (3).

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(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.

4 (3) The following laws are the only laws containing 5 statutory appropriations: 2-9-202: 2-17-105: 2-18-812: 6 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111; 7 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; 8 16-1-411; 17-3-212; 17-5-404; 17-5-424; 17-5-704; 17-5-804; 17-6-409; 9 10 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; 11 12 19-11-606; 19-12-301; 19-13-604; 19-15-101; 20-4-109; 13 20-6-406: 20-8-111; 20-9-361; 20-26-1503; 22-3-811; 14 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 15 23-7-301; 23-7-402; 27-12-206; 37~43-204; 37-51-501; 16 39-71-2504; 44-12-206; 44-13-102; 53-6-150; 53-24-206; 17 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; 18 85-1-220; 90-3-301; 90-4-215: 19 82-11-136; 82-11-161; 20 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 1 2 treasurer, for deposit in accordance with 17-2-101 through 3 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the 4 5 bonds or notes have statutory appropriation authority for 6 the payments. (In subsection (3): pursuant to sec. 7, Ch. 7 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for supplemental benefit; 8 and pursuant to sec. 18, Ch. 748, L. 1991, the inclusion of 9 10 22-3-811 terminates June 30, 1993.)"

11 NEW SECTION. Section 5. Effective date. [This act] is

12 effective July 1, 1993.

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SB 0257/02

1 SENATE BILL NO. 257 1 to--the--department--of-transportation-and must be allocated INTRODUCED BY HARP, WEEDING 2 2 each fiscal year on a monthly basis to the counties and 3 3 incorporated cities and towns in Montana for construction, A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE GASOLINE 4 4 reconstruction, maintenance, and repair of rural roads and LICENSE TAX AND THE TAX ON DIESEL FUEL AND VOLATILE LIQUIDS 5 5 city or town streets and alleys, as provided in subsections BY 4 CENTS BEGINNING JULY 1, 1993, AND BY 3 CENTS BEGINNING 6 6 (1)(a) through (1)(c); 7 JULY 1, 1994; PROVIDING AN INCREASED ALLOCATION OF FUEL 7 (a) \$54,000 must be designated for the purposes and 8 TAXES TO CITIES AND TOWNS; AMENDING SECTIONS 15-70-101, 8 functions of the Montana rural technical assistance 9 15-70-204, AND 15-70-321, AND 17-7-502, MCA; AND PROVIDING 9 transportation program in Bozeman; AN EFFECTIVE DATE." 10 10 (b) \$6,323,000 must be divided among the various 11 counties in the following manner: 11 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 12 (i) 40% in the ratio that the rural road mileage in 13 each county, exclusive of the federal-aid interstate system 13 SECTION 1. SECTION 15-70-101, MCA, IS AMENDED TO READ: 14 and the federal-aid primary system, bears to the total rural 14 *15-70-101. Disposition of funds. All taxes, interest, 15 road mileage in the state, exclusive of the federal-aid and penalties collected under this chapter, except those 15 16 interstate system and the federal-aid primary system; 16 collected by a justice's court, must be turned over promptly 17 (ii) 40% in the ratio that the rural population in each 17 to the state treasurer, who shall place the money in the county outside incorporated cities and towns bears to the 18 18 state special revenue fund to the credit of the department total rural population in the state outside incorporated 19 19 of transportation. Those funds allocated to cities, towns, 20 cities and towns; 20 and counties in this section must be paid by the department 21 (iii) 20% in the ratio that the land area of each county 21 of transportation from the state special revenue fund to the bears to the total land area of the state; 22 22 cities, towns, and counties. 23 (c) \$7,623,000 \$10,389,000 must be divided among the 23 (1) \$1470007000 \$16,766,000 of the funds collected incorporated cities and towns in the following manner: 24 24 under this chapter, except those collected by a justice's 25 (i) 50% of the sum in the ratio that the population 25 court, is-statutorily-appropriatedy-as-provided-in-17-7-502;

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SB 257

THIRD READING

within the corporate limits of the city or town bears to the
 total population within corporate limits of all the cities
 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 city or town streets and alleys or for the share that the 14 city, town, or county might otherwise expend for 15 proportionate matching of federal funds allocated for the 16 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 of a town or third-class city, as defined in 7-1-4111, may 20 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 repair of town or third-class city streets and alleys. 24

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

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cities, and towns must be disbursed to the lowest
 responsible bidder according to applicable bidding
 procedures followed in all cases in which the contract for
 construction, reconstruction, maintenance, or repair is in
 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 34 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.

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20 be used for the purchase of capital equipment.

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24**-15-70-204.** Gasoline license tax -- rate. (1) Every25distributor shall pay to the department of transportation a

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-4-

1 license tax for the privilege of engaging in and carrying on 2 business in this state in an amount equal to:

3 (a) 1 cent for each gallon of aviation gasoline, which 4 shall must be allocated to the department of transportation 5 as provided by 67-1-301, as amended;; and

(b) 20--cents for each gallon of all other gasoline 6 7 distributed by him the distributor within the state and upon 8 which the gasoline license tax has not been paid by any 9 other distributor:

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12 (2) Gasoline exported shall may not be included in the 13 measure of the distributor's license tax.

14 (3) Alcohol that is blended or is to be blended with 15 gasoline to be sold as gasohol is subject to a tax per 16 gallon equal to the license tax imposed on nonaviation 17 gasoline distributors under subsection (1)."

18 Section 3. Section 15-70-321, MCA, is amended to read: "15-70-321. Tax on diesel fuel and volatile liquids. 19 20 (1) The department shall, under the provisions of rules 21 issued by it, collect or cause to be collected from the 22 owners or operators of motor vehicles a tax in--an--amount 23 equal--to--20-cents, as provided in subsection (2), for each 24 gallon of diesel fuel or other volatile liquid, except 25 liquid petroleum gas, of less than 46 degrees A.P.I.

1 (American petroleum institute) gravity test when actually 2 sold or used to produce motor power to propel motor vehicles 3 upon the public highways or streets within the state or used in motor vehicles, motorized equipment, and the internal 4 5 combustion of any and--all engines, including stationary 6 engines, used in connection with any and-all work performed 7 under any and-all contracts pertaining to the construction. reconstruction, or improvement of any highway or street and 8 9 their appurtenances awarded by any and-all public agencies, 10 including federal, state, county, municipal, or other 11 political subdivisions. 12 (2) The tax imposed in subsection (1) is: 13

- (a) 24 cents per gallon beginning July 1, 1993; and
- 14 (b) 27 cents per gallon beginning July 1, 1994."

SECTION 4. SECTION 17-7-502, MCA, IS AMENDED TO READ: 15

16 *17-7-502. Statutory appropriations -- definition --17 requisites for validity. (1) A statutory appropriation is an 18 appropriation made by permanent law that authorizes spending 19 by a state agency without the need for a biennial 20 legislative appropriation or budget amendment.

21 (2) Except as provided in subsection (4), to be 22 effective, a statutory appropriation must comply with both 23 of the following provisions:

24 (a) The law containing the statutory authority must be 25 listed in subsection (3).

-6-

-5-

(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.

4 (3) The following laws are the only laws containing 5 statutory appropriations; 2-9-202; 2-17-105; 2-18-812; 6 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; 7 15-65-121; 15-70-1017 16-1-404; 16-1-410; 16-1-411; 8 9 17-3-212; 17-5-404; 17-5-424; 17-5-704; 17-5-804; 17-6-409; 10 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; 11 19-11-606: 19-12-301: 19-13-604; 19-15-101; 20-4-109; 12 20-9-361; 20-26-1503; 22-3-811; 13 20-6-406: 20-8-111: 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 14 23-5-136; 23-7-301; 23-7-402; 27-12-206; 37-43-204; 37-51-501; 15 16 39-71-2504: 44-12-206: 44-13-102; 53-6-150; 53-24-206; 75-1-1101; 17 61-5-121; 67-3-205; 75-5-507; 75-5-1108; 80-11-310; 18 75-11-313; 76-12-123; 77-1-808; 80-2-103; 82-11-136; 82-11-161; 85-1-220; 90-3-301; 90-4-215; 19 20 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

by the laws of Montana to pay the state 1 authorized 2 treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount з 4 sufficient to pay the principal and interest as due on the 5 bonds or notes have statutory appropriation authority for 6 the payments. (In subsection (3): pursuant to sec. 7, Ch. 7 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for supplemental benefit: 8 9 and pursuant to sec. 18. Ch. 748, L. 1991, the inclusion of 10 22-3-811 terminates June 30, 1993.)"

11 <u>NEW SECTION.</u> Section 5. Effective date. [This act] is 12 effective July 1, 1993.

-End-

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HOUSE STANDING COMMITTEE REPORT

April 7, 1993 Page 1 of 1

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

Signed: 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 /3, No 7_.

HOUSE

#1 500

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

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

HOUSE 58257

REJECT

1	SENATE BILL NO. 257	. 1
2	INTRODUCED BY HARP, WEEDING	2
3		3
4	A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE GASOLINE	4
5	LICENSE TAX AND THE TAX ON DIESEL FUEL AND VOLATILE LIQUIDS	5
6	BY 4 CENTS BEGINNING JULY 1, 1993, AND BY 3 CENTS BEGINNING	6
7	JULY 1, 1994; PROVIDING AN INCREASED ALLOCATION OF FUEL	7
8	TAXES TO CITIES AND TOWNS; AMENDING SECTIONS 15-70-101,	8
9	15-70-204 <u>,</u> AND 15-70-321, <u>AND 17-7-502,</u> MCA; AND PROVIDING	9
10	AN EFFECTIVE DATE."	10
11		11
12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	12
13	SECTION 1. SECTION 15-70-101, MCA, IS AMENDED TO READ:	13
14	"15-70-101. Disposition of funds. All taxes, interest,	14
15	and penalties collected under this chapter, except those	15
16	collected by a justice's court, must be turned over promptly	16
17	to the state treasurer, who shall place the money in the	17
18	state special revenue fund to the credit of the department	18
19	of transportation. Those funds allocated to cities, towns,	19
20	and counties in this section must be paid by the department	20
21	of transportation from the state special revenue fund to the	21
22	cities, towns, and counties.	22
23	(1) \$±470007000 <u>\$16,766,000</u> of the funds collected	23
24	under this chapter, except those collected by a justice's	24
25	court, is-statutorily-appropriated;-as-provided-in-17-7-502;	25

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:

(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;

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;

(c) \$776237000 \$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

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Nontana Legislative Council

SB 257 REFERENCE BILL within the corporate limits of the city or town bears to the
 total population within corporate limits of all the cities
 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.

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

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

cities, and towns must be disbursed to the lowest
 responsible bidder according to applicable bidding
 procedures followed in all cases in which the contract for
 construction, reconstruction, maintenance, or repair is in
 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 determination of mileage is necessary for distribution of 11 funds, it is the responsibility of the cities, towns, and 12 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. All mileage submitted is subject to review and approval by 16 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.

(7) Funds authorized by this section must be used forconstruction 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

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

3 (a) 1 cent for each gallon of aviation gasoline, which
 4 shall must be allocated to the department of transportation
 5 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:

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

.

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

12 (2) Gasoline exported shall may not be included in the
13 measure of the distributor's license tax.

14 (3) Alcohol that is blended or is to be blended with
15 gasoline to be sold as gasohol is subject to a tax per
16 gallon equal to the license tax imposed on nonaviation
17 gasoline distributors under subsection (1)."

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(American petroleum institute) gravity test when actually 1 2 sold or used to produce motor power to propel motor vehicles 3 upon the public highways or streets within the state or used in motor vehicles, motorized equipment, and the internal 4 combustion of any and--all engines, including stationary 5 6 engines, used in connection with any and-all work performed 7 under any and-all contracts pertaining to the construction, 8 reconstruction, or improvement of any highway or street and their appurtenances awarded by any and-all public agencies, 9 10 including federal, state, county, municipal, or other political subdivisions. 11 12 (2) The tax imposed in subsection (1) is: 13 (a) 24 cents per gallon beginning July 1, 1993; and 14 (b) 27 cents per gallon beginning July 1, 1994." 15 SECTION 4. SECTION 17-7-502, MCA, IS AMENDED TO READ: "17-7-502. Statutory appropriations -- definition --16 17 requisites for validity. (1) A statutory appropriation is an 18 appropriation made by permanent law that authorizes spending 19 by a state agency without the need for a biennial 20 legislative appropriation or budget amendment. (2) Except as provided in subsection (4), to 21 he 22 effective, a statutory appropriation must comply with both 23 of the following provisions: 24

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-5-

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(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 4 statutory appropriations: 2-9-202; 2-17-105; 2-18-812; 5 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111; 6 **15-23-706; 15-25-123; 15-31-702; 15-36-112; 15-37-117;** 7 8 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; 9 17-7-304; 19-5-404; 19-6-709; 19-8-504; 19-9-702; 19-9-1007; 10 11 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; 12 13 20-6-406: 20-8-111; 20-9-361; 20-26-1503: 22-3-811; 14 23-5-136: 23-5-306: 23-5-409: 23-5-610: 23-5-612; 23-5-631; 15 23-7-301: 23-7-402: 27-12-206; 37-43-204; 37-51-501; 16 39-71-2504; 44-12-206; 44-13-102; 53-6-150; 53-24-206; 67-3-205; 75-1-1101; 75-5-507; 75-5-1108; 17 61-5-121; 80-11-310: 75-11-313; 76-12-123; 77-1-808; 80-2-103; 18 82-11-136: 82-11-161; 85-1-220; 90-3-301; 90-4-215: 19 90-6-331; 90-7-220; and 90-9-306. 20

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11 NEW SECTION. Section 5. Effective date. [This act] is

12 effective July 1, 1993.

-End-

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