

## 1 SENATE BILL NO. 505

2 INTRODUCED BY L. LARSON

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A CITY OR TOWN TO IMPOSE A LOCAL OPTION  
5 MOTOR FUEL EXCISE TAX; AND AMENDING SECTIONS 7-14-301, 7-14-302, AND 7-14-303, MCA."

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

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9 **Section 1.** Section 7-14-301, MCA, is amended to read:10 **"7-14-301. Local option motor fuel excise tax authorized -- definitions.** (1) A motor fuel excise tax  
11 may be imposed within a county, city, or town:12 (a) by the people ~~of the county~~ by initiative; or13 (b) by the ~~board of county commissioners~~ governing body by adoption of a resolution and referral to the  
14 people.15 (2) The motor fuel excise tax must be imposed in increments of 1 cent ~~per a~~ per gallon and may not exceed  
16 2 cents ~~per a~~ per gallon. The tax must be imposed upon gasoline sold to the ultimate consumer within the ~~county~~  
17 local government unit imposing the tax for use in motor vehicles operated upon public highways, streets, and  
18 roads.19 (3) The initiative or referendum must specify that the tax is to be collected by the department of  
20 transportation.21 (4) The motor fuel excise tax may not be assessed sooner than 90 days from the date of passage of  
22 the initiative or referendum.23 (5) Each distributor shall render a monthly statement to the department of transportation of all gasoline  
24 distributed during the preceding calendar month in the ~~county~~ local government unit in which it is sold to the  
25 ultimate consumer and other information that the department requires in order to administer the motor fuel  
26 excise tax.27 (6) The information, recordkeeping, and examination of records provisions of Title 15, chapter 70, apply  
28 to this part.29 (7) The department of transportation shall establish procedures to provide a refund to a person who has  
30 paid the tax but who can substantiate that the motor fuel was purchased for a use other than on public highways,

1 streets, and roads.

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

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

6 **"7-14-302. Use of local motor fuel excise tax revenue.** (1) A county, city, or ~~municipality~~ town  
7 receiving revenue from the tax authorized by 7-14-301 shall use the revenue derived only for the construction,  
8 reconstruction, maintenance, and repair of public streets and roads.

9 (2) A county, city, or town shall contract with the department for reimbursement of the actual costs of  
10 collection. One percent of the motor fuel excise tax revenue collected in a county, city, or town is to be  
11 reimbursed to the distributor for the cost of compliance with this part."

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

14 **"7-14-303. Allocation of revenue and disposition of funds from ~~county-imposed~~ local motor fuel**  
15 **excise tax.** (1) Revenue derived from a motor fuel excise tax imposed by a county under 7-14-301 must be  
16 apportioned among the county and ~~municipalities~~ cities and towns in the county:

17 (a) in the proportion of motor vehicles registered in the county outside of the ~~municipalities~~ cities and  
18 towns to those registered within the ~~municipalities~~ cities and towns during the preceding year; or

19 (b) as determined by an interlocal agreement.

20 (2) All taxes, interest, and penalties collected by the department of transportation under this part ~~shall~~  
21 must be promptly transmitted to the state treasurer who shall deposit ~~such the~~ funds in the state special revenue  
22 fund to the credit of the department of transportation account. ~~Such The~~ funds ~~shall~~ must be paid quarterly by  
23 the state treasurer directly to the ~~county~~ local government unit in which the tax was imposed.

24 (3) Revenue derived from a motor fuel excise tax imposed by a city or town under 7-14-301 must be  
25 retained for use by the city or town as provided in 7-14-302(1)."

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