



SAVEMOBILE.ORG

EXHIBIT 7
DATE 3/11/09
HB 416

March 11, 2009

Chairman Sesso and Members of the House Appropriations,

The S.A.V.E. Foundation would like to reiterate its support for HB 416, which exempts people who make their own biodiesel from waste vegetable oil from the state road tax. This bill encourages the safety of those who are already making their own fuel by encouraging them to do it openly, rather than clandestinely.

Homegrown alternative fuels provide rural economic opportunities, energy security, additional markets for farmers, and environmental benefits. We encourage your favorable vote for HB 416 for these reasons. Further, this bill sets forth an alternative fuel foundation leading to larger scale production in the future. That non-individual production will provide tax revenue.

We strongly disagree with the fiscal note. To our knowledge, there is virtually no state revenue currently collected from persons using homemade biodiesel or straight vegetable oil ("SVO"). The loss in state special revenue for FY2011 is insignificant. If homemade fuel gains popularity, there may be additional people using this exemption. Under current law however, they would be unlikely to file with the state at all.

Furthermore, we fail to see why 0.25 FTE is required. The form required would be very similar to existing forms (such as the Biodiesel Fuel Tax Refund Application)(attached), and require only minimal labor: filing the annual reports of 300 producers, likely fewer than that the first few years. We believe the minimal work can be accomplished within the Department's existing resources.

On a technical note, this legislation would not supersede the federal road tax. It is important for advocates of this legislation and the department to educate users on paying their federal taxes. If this bill passes, we are committed to providing education on to users about how to pay their federal fuel taxes.

Either our executive director, Matt Elsaesser, or myself will be available for any question during executive action.

We encourage the committee to pass HB 416.

Respectfully,

Matt Elsaesser, Executive Director
The S.A.V.E. Foundation, 501(c)(3)

The S.A.V.E. Foundation, 501(c)(3)
P.O. Box 1481 Helena, MT 59624
406.449.6008 • recycle@savemobile.org

Paying Biodiesel Fuel Tax

from Montana Department of Transportation

Tax Rates on Biodiesel \$0.2775 Special Fuel Tax/\$0.0075 Petroleum Clean-up Fee

Is Biodiesel Taxable? Yes. Biodiesel falls under the definition of Special Fuel 15-70-301 (16). Any person who engages in the business in this state of producing, refining, manufacturing, or compounding special fuel for sale, use, or distribution is considered a "distributor" and must be licensed as such. 15-70-301 (6). This applies to all persons regardless of the amount they produce or manufacture, or if their intent is for personal use only. Every gallon of fuel used to propel a motor vehicle upon the highways, roads and streets of Montana is taxable.

Personal Use Biodiesel Producer - File a registration form with MDT showing the type of fuel you are producing. File quarterly tax reports showing the amount of fuel produced and used. Send in check or money order with tax report. All forms are available at <http://mdt.mt.gov>.

Cooperative Biodiesel Producer - The cooperative is required to become licensed as a distributor since it is comprised of more than one person. Post a bond equal to twice your monthly tax average. File monthly tax reports on <http://mdt.mt.gov> or by paper. Submit your taxes monthly for the fuel produced and used.

Commercial Biodiesel Producer - A producer is required to be licensed as a distributor. Post a bond equal to twice your monthly tax average. If you import or export biodiesel, you will have to post a minimum bond of \$25,000. File monthly tax reports -on <http://mdt.mt.gov> or by paper. Submit your taxes monthly for the fuel produced and used.

Off-Road Use of Biodiesel - Biodiesel used off-road is eligible for refund after the fuel tax has been paid. To apply for the refund you will need invoices or tax forms showing the taxes were paid on the biodiesel used. If the fuel was blended with dyed diesel you will need to show the percentage of fuel that was biodiesel. Such as B-2, B-5 or B20. B-2 is 2% biodiesel blended with 98% diesel.

Are there any Biodiesel Fuel Tax incentives? Yes. The 2005 Montana Legislature created fuel tax incentives for Biodiesel producers, licensed distributors, and retailers selling Biodiesel. 15-70-601:

House Bill 756: Provides 10 cents per gallon incentive on each gallon increase of Biodiesel production over the previous year. The tax incentive may be claimed for 1) the first year's total production, 2) the production in the second year that exceeds the production in the first year, and 3) the production in the third year that exceeds production in the second year.

House Bill 776: Provides a refund of 2 cents per gallon to licensed distributors and 1 cent per gallon to retailers who sell Biodiesel that is produced entirely from Biodiesel ingredients produced in Montana. The refunds must be applied for within 30 days after the quarter ends.

Since 2006, S.A.V.E. has run a Biodiesel Montana program to bring an engaging education program to rural schools across the state. Biodiesel Montana is a combination country music show biodiesel demonstration. Biodiesel Montana has traveled over 2,000 miles on 100% Biodiesel. MDOT lists The S.A.V.E. Foundation as a Licensed Special Fuel Distributor. Licensed Distributors are eligible to receive gasoline and special fuels tax-free in Montana.



Fuel Tax Management and Analysis Bureau

2701 Prospect Ave

PO Box 201001

Helena, MT 59620-1001

Phone: (406) 444-7276 FAX: (406) 444-6032 TDD: (406) 444-7696

www.mdt.mt.gov

BIODIESEL FUEL TAX REFUND APPLICATION

SECTION A **Distributor** **Retailer** *(Please indicate which refund you are applying for.)*

Owner Name:		Calendar Quarter:
Trade Name (DBA)		Distributor License Number: if applicable
Address Line 1:		SSN or FEIN
Address Line 2:		Phone Number:
City	State	Zip Code

BIODIESEL FUEL TAX REFUND INFORMATION – MCA 15-70-369

- A licensed distributor who pays the special fuel tax under MCA 15-70-343 on biodiesel, as defined in 15-70-301, may claim a refund equal to 2 cents a gallon of biodiesel sold during the previous calendar quarter if the biodiesel is produced entirely from biodiesel ingredients produced in Montana.
- The owner or operator of a retail motor fuel outlet may claim a refund equal to 1 cent a gallon on biodiesel on which the special fuel tax has been paid and that is purchased from a licensed distributor. The biodiesel must be produced entirely from biodiesel ingredients produced in Montana.
- To receive the refund, the distributor or retailer must file for refund within 30 days after the end of each calendar quarter. The distributor must report their supplier of the biodiesel and gallons sold. The retailer must report the gallons of biodiesel purchased.

Instructions:

All information is required to process tax refund payment.

1. Complete Section A
2. Complete Section C on back
3. Enter total gallons listed in Section C (on back) on Section B, line 1 (summary).
4. Calculate fuel tax amount to be refunded.
5. Sign and date application form.
6. Attach original bills of lading or invoices listed in Section C.
7. Submit to Montana Department of Transportation, FTMA Bureau
PO Box 201001
Helena, MT 59620-1001

SECTION B - Summary

1. Number of gallons of biodiesel purchased/sold -Enter total from Section C on back... _____
2. DISTRIBUTORS ONLY: Tax Refund (Line 1 x \$.02)\$ _____
3. RETAILERS ONLY: Tax Refund (Line 1 x \$.01).....\$ _____
4. Calculate your refund: Add lines 2 and 3.....\$ _____

For the purposes of obtaining the tax refund claimed, I declare and represent that the above and foregoing is a true and correct statement showing biodiesel produced in Montana from Montana ingredients purchased and/or sold by the applicant and that the said claim against the State of Montana is just and wholly unpaid.

Authorized Signature _____ Title _____ Date _____

By cooperative agreement, the Montana Department of Transportation exchanges fuel tax information with other tax collecting agencies. Alternate accessible formats of this document will be provided up on request.

COMPLETE BACK

EXHIBIT

7

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HB 416

Starting A Project Lifesaver Organization

The Project Lifesaver program has been highly successful across the U.S. and in Canada.

IT JUST MAKES SENSE TO ADD THIS PROGRAM TO YOUR AGENCY

The unique concept of joining this program with existing public safety agencies contributes to its success, AND JUST MAKES PERFECT SENSE. Public Safety Agencies are usually the first responders to a missing person incident. They already have all the logistical support in place, such as manpower, on call personnel, 24-7 hr availability, communications network, vehicles and other special equipment. It is logical to place this program with these public safety agencies to **enhance** their search procedures that are already in place. We are providing them with an additional resource to improve their search efforts to locate missing persons with dementia, or children with Autism or Downs syndrome that wander.

The VHF radio telemetry equipment we use is the hub of the system but only part of the overall success of the program. We believe that the equipment *without the program* would not have the same results. The special search techniques and client management administration completes the total operational effectiveness that result in a successful program.

From the very beginning of Project Lifesaver, we have specifically presented this program to public safety agencies in a format that allows for operational flexibility that each agency needs. Each agency can operate on a slightly different level and that flexibility allows them to work at their peak and still retain all the important requirements of the program. There are some parts of the program, however, that can not be changed. We want individual agencies to adopt "ownership" in the program and encourage this concept.

The first step in starting your ***Project Lifesaver Program*** is the initial training and program set-up. The administration of the program will involve the supervision of the operation, the continuing training of the responders and the management of the client servicing responsibilities.

You can set up each of these management functions to fit into your organization and still retain quality control. Once you have decided operational control, administrative accounting, training agendas and servicing procedures, you are ready to begin enrolling clients into the program.

As we will discuss during the initial Basic Operators Course training, this program involves pro-active involvement by the agency to a search incident. This means you will begin your reaction to a search incident actually before it starts by "enrolling" your clients in the program prior to ever searching for them. This major part of the program is paramount to the effectiveness of finding the person or not finding them. *A person enrolled and monitored in Project Lifesaver is much more likely to be found when missing than a person not in the program.*

Can you do better without Project Lifesaver?

Our average recovery time is less than 30 minutes. We have conducted over 1,815 searches with a 100% success rate.

alive.

After being missing for 24 hrs, there is only a 50% chance of finding them

1. Relatively low initial cost to get your program started
2. Significant Potential to enhance search and rescue efforts
3. Save Lives
4. Reduce search costs by reducing time and manpower
5. Great Community Policing Tool
6. Incidents of wandering due to dementia are increasing every day
7. Your Agency already has responsibility/liability to search
8. Become a part of a nationwide "Net" of like-trained responders over 800 Agencies in 45 States are members of Project Lifesaver

We think you should for the following reasons:

Decision: SHOULD WE JOIN PROJECT LIFESAVER

The last area of concern is the number of clients that are you going to be able to take care of. The answer is to develop and plan your program to the size that you are comfortable with. It only takes a few minutes to change batteries. If you have funds available and personnel and volunteer "service techs" you can easily handle several dozen clients.

battery replacement.

Once it is determined the Client is eligible for the program, you will do the initial install of the Bracelet and begin to monitor and arrange for monthly "client" is discovered missing?

the person that will check the battery everyday and be there to call you if the person fits the entry criteria.) Lastly, is there a caregiver that lives with thinking, "One day we are going to be looking for this person", then you know (One rule of thumb to determine this: If during the interview, you begin home and become lost or is the client "developing" the tendency to wander? program). Next, does the client exhibit the tendency to wander away from Bracelet? (Remember, each client must wear the Bracelet to be in the program. This simply means, will the "client" wear the Transmitter interview the family to determine if the "Client" would be eligible for they discover the program is available.

The first step is to "Identify" the "HIGH-RISK" wanderers in your jurisdictional communities. Often, the families actually come to you when

Project Lifesaver is your best choice for locating missing persons due to dementia, children with Autism or persons with Down syndrome.

Once you have made the decision to join Project Lifesaver, you need to submit a "letter of intent" that has the following information:

1. A statement that your agency wants to join Project Lifesaver
2. Name of a contact person with numbers and email
3. Physical address for shipping
4. Billing address

When you have submitted the "letter of intent", we will fax a Project Lifesaver Operational Agreement that you sign and fax or mail back to our office.

Equipment will be ordered, instructors selected, training dates set, and your agency will be trained. You will then become a member of a rapidly growing organization that is dedicated to protecting those who cannot take care of themselves.

Project Lifesaver's motto is
"Dedicated to Bringing Your Loved Ones Home"!

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Chesapeake, Virginia 23322
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Fax - 757-546-5503
www.projectlifesaver.org

