

HOUSE BILL NO. 316

INTRODUCED BY N. WILSON

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A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE GASOLINE LICENSE TAX; ALLOCATING GASOLINE LICENSE TAX REVENUE FOR MAINTENANCE AND REPAIR OF STATE ROADS AND PUBLIC TRANSPORTATION; GRANTING RULEMAKING AUTHORITY; AND AMENDING SECTIONS 15-70-204 AND 60-3-202, MCA."

WHEREAS, maintenance and repair of state roads is critical to maintaining the taxpayer investment in the state road system; and

WHEREAS, a more efficient vehicle fleet is leading to declining gasoline sales and a corresponding reduction in the funding available for maintenance and repair; and

WHEREAS, an increasing population leads to more trips on state roads and roads with more traffic need more repair and maintenance; and

WHEREAS, there is a large unmet need for transportation in Montana and available public transportation does not meet the needs of the general public; and

WHEREAS, transportation is the second-largest expense after housing, and investing in public transportation will help Montanans save money that currently goes to out-of-state entities and spend that saved money with local entities for day-to-day needs such as education and housing; and

WHEREAS, investment in public transportation allows rural patients to be treated at centralized medical facilities instead of duplicating services in areas that cannot support these health services; and

WHEREAS, public transportation will reduce the single-occupant vehicle miles traveled in urban areas, which will save the local, state, and federal governments maintenance costs, reduce the necessity of building new roads, and improve air quality; and

WHEREAS, providing public transportation will allow the elderly to stay in their homes longer and give them options when they are unable to drive or are a driving safety hazard to others; and

WHEREAS, public transportation availability can reduce instances of driving under the influence.

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

1 **Section 1.** Section 15-70-204, MCA, is amended to read:

2 **"15-70-204. Gasoline license tax -- rate.** (1) Each distributor shall pay to the department a license tax
3 for the privilege of engaging in and carrying on business in this state in an amount equal to:

4 (a) 4 cents for each gallon of aviation fuel, other than fuel sold to the federal defense fuel supply center,
5 which is allocated to the department as provided by 67-1-301; and

6 (b) ~~27~~ 29 cents for each gallon of all other gasoline distributed by the distributor within the state and upon
7 which the gasoline license tax has not been paid by any other distributor.

8 (2) Gasoline exported may not be included in the measure of the distributor's license tax unless the
9 distributor is not licensed and is not paying the tax to the state the fuel is destined for."

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11 **Section 2.** Section 60-3-202, MCA, is amended to read:

12 **"60-3-202. Funding highway system maintenance -- rulemaking.** (1) For the purpose of funding the
13 increased cost of maintaining the state highway system as designated in 60-2-128, 1/4 cent per gallon of the
14 special fuel tax collected under 15-70-321 and 1/4 cent per gallon of the gasoline license tax collected under
15 15-70-204 are allocated for highway maintenance.

16 (2) For the purpose of additional funding for repair and maintenance of the state highway system, 1 cent
17 per gallon of the gasoline license tax collected under 15-70-204 is allocated for repair and maintenance of the
18 state highway system.

19 (3) The department shall adopt rules, distribution dates, and procedures for distributing the funds
20 allocated in subsection (2) as follows:

21 (a) one-third to counties, incorporated cities and towns, and consolidated city-county governments based
22 on vehicle miles traveled on a state highway in the county, incorporated city or town, or consolidated city-county
23 as recorded by the department;

24 (b) one-third to counties, incorporated cities and towns, and consolidated city-county governments based
25 on population as provided in 15-70-101(6); and

26 (c) one-third to counties, incorporated cities and towns, and consolidated city-county governments based
27 on the ratio that the road miles in the county, incorporated city or town, or consolidated city-county bear to total
28 road miles in the state, exclusive of the national highway system and the primary system. The determination of
29 mileage is made as provided in 15-70-101(7)."

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