SENATE HIGHWAYS
EXHIBIT NO. 2
DATE 1-17-2013
BILL NO. 116

Montana Association of Counties
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RESOLUTION 2012 - 19

SPECIAL USE FUEL PERMIT BOND

It is the intent of the Montana Association of Counties to amend or repeal obsolete statutes regarding the special use fuel permit and related bond requirements.

WHEREAS, House Bill 319 (2011) requires any contractor bidding on a construction contract to list their special fuel users permit number on the bid document; and

WHEREAS, Contractors performing work on county projects are required to obtain a special fuel users permit; and

WHEREAS, Contractors must use taxed fuel on county projects; and

WHEREAS, prior to 2001 contractors could use non-taxed fuel on county projects; and

WHEREAS, prior to 2005 materials could be produced using non-taxed fuel for use on county projects; and

WHEREAS, legislation has been enacted that now requires the use of taxed fuel on county projects; and

WHEREAS, obtaining a special fuel users permit requires posting a bond to assure payment of fuel taxes; and

WHEREAS, possessing a special fuel users permit serves no purpose when the use of taxed fuel is required on county projects; and

WHEREAS, contractors doing work for the Counties must expend dollars to meet the requirements for special fuel users permitting; and

WHEREAS, contractors pass the cost to obtain special fuel users permits onto counties.

NOW, THEREFORE, BE IT RESOLVED, Montana Law be amended to eliminate the requirement that contractors performing county projects possess a special fuel users permit

BE IT FURTHER RESOLVED, that House Bill 319 (2011) be repealed.

SPONSOR:	**MACo Districts 8, 9 & 12**
RECOMMENDATION:	**Do Pass**
REFERRED TO:	**MACo Transportation Committee**
ADOPTED:	**Annual Conference, Great Falls, MT, September 26, 2012**