

SENATE BILL NO. 35

INTRODUCED BY B. HOVEN

BY REQUEST OF THE REVENUE AND TRANSPORTATION INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS CONCERNING THE DEPOSIT AND EXPENDITURE OF HIGHWAY REVENUE; ESTABLISHING A HIGHWAY RESTRICTED ACCOUNT; PROVIDING FOR DEPOSITS TO THE HIGHWAY RESTRICTED ACCOUNT AND THE HIGHWAY NONRESTRICTED ACCOUNT; PROVIDING FOR PERMISSIBLE EXPENDITURES FROM THE HIGHWAY RESTRICTED ACCOUNT AND THE HIGHWAY NONRESTRICTED ACCOUNT; AMENDING SECTIONS 15-70-101, 15-70-102, 15-70-419, 15-70-456, 17-5-903, 44-1-501, 60-3-201, 60-5-110, 61-3-738, 61-8-204, 61-8-907, 61-10-126, 61-10-225, 61-10-226, AND 75-11-301, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Highway restricted account. (1) There is a highway restricted account in the state special revenue fund provided for in 17-2-102. All interest and income earned on the account must, in accordance with the provisions of 17-2-124, be deposited to the credit of the account and any unexpended balance in the account must remain in the account.

(2) Subject to subsection (4), all revenue sources provided for in Article VIII, section 6, of the Montana constitution, must be deposited in the account, including but not limited to:

- (a) all taxes collected under this chapter;
- (b) taxes collected for improperly imported fuel as provided in 15-70-419;
- (c) fees collected for temporary special fuel permits as provided in 15-70-456; and
- (d) GVW license fees as provided in 61-10-225 and 61-10-226.

(3) Except as provided in subsection (5), the money in the account is restricted and may only be used for the purpose of providing funding:

- (a) for statutory refunds and adjustments;
- (b) for debt service on highway revenue bonds;
- (c) to the department for distribution to local governments as provided in 15-70-101;
- (d) to the department for railroad grade crossing protection as provided in 15-70-102;

- 1 (e) to the department of justice for expenses of the highway patrol as provided in 44-1-501;
- 2 (f) for gasoline tax allocations as provided in 60-3-201;
- 3 (g) to the department for administration of the motor carrier services functions;
- 4 (h) to the department for the highways in this state selected and designated by the transportation
5 commission provided for in 2-15-2502;
- 6 (i) to the department for the collection of fuel taxes;
- 7 (j) for driver education; and
- 8 (k) for tourist promotion.
- 9 (4) (a) The portion of money collected from all revenue sources provided for in Article VIII, section 6, of
10 the Montana constitution on hand at any time that is needed to pay highway bonds and interest on highway bonds
11 when due and to accumulate and maintain a reserve for payment of highway bonds and interest, as provided in
12 laws and in resolutions of the state board of examiners authorizing the bonds, must be deposited in the highway
13 bond account in the debt service fund established by 17-2-102.
- 14 (b) The department is authorized to maintain a suspense account for gasoline tax refunds and
15 adjustments.
- 16 (5) The money in the account may be appropriated for purposes other than those listed in subsection (3)
17 by a three-fifths vote of the members of each house of the legislature.

18

19 **Section 2.** Section 15-70-101, MCA, is amended to read:

20 **"15-70-101. Disposition of funds.** (1) ~~All taxes collected under this chapter must, in accordance with~~
21 ~~the provisions of 17-2-124, be placed in a highway revenue account in the state special revenue fund to the credit~~
22 ~~of the department of transportation. All interest and income earned on the account must be deposited to the credit~~
23 ~~of the account and any unexpended balance in the account must remain in the account. Those funds allocated~~
24 ~~to cities, towns, counties, and consolidated city-county governments in this section must, in accordance with the~~
25 ~~provisions of 17-2-124, be paid by the department of transportation from the state special revenue fund highway~~
26 ~~restricted account in [section 1] to the cities, towns, counties, and consolidated city-county governments.~~

27 (2) The amount of \$16,766,000 of the taxes collected under this chapter and deposited in the highway
28 restricted account in [section 1] is statutorily appropriated, as provided in 17-7-502, to the department of
29 transportation and must be allocated each fiscal year on a monthly basis to the counties, incorporated cities and
30 towns, and consolidated city-county governments in Montana for construction, reconstruction, maintenance, and

1 repair of rural roads and city or town streets and alleys, as provided in subsections (2)(a) through (2)(c):

2 (a) The amount of \$100,000 must be designated for the purposes and functions of the Montana local
3 technical assistance transportation program in Bozeman.

4 (b) The amount of \$6,306,000 must be divided among the various counties in the following manner:

5 (i) 40% in the ratio that the rural road mileage in each county, exclusive of the national highway system
6 and the primary system, bears to the total rural road mileage in the state, exclusive of the national highway
7 system and the primary system;

8 (ii) 40% in the ratio that the rural population in each county outside incorporated cities and towns bears
9 to the total rural population in the state outside incorporated cities and towns;

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

11 (c) The amount of \$10,360,000 must be divided among the incorporated cities and towns in the following
12 manner:

13 (i) 50% of the sum in the ratio that the population within the corporate limits of the city or town bears to
14 the total population within corporate limits of all the cities and towns in Montana;

15 (ii) 50% in the ratio that the city or town street and alley mileage, exclusive of the national highway system
16 and the primary system, within corporate limits bears to the total street and alley mileage, exclusive of the national
17 highway system and primary system, within the corporate limits of all cities and towns in Montana.

18 (3) (a) For the purpose of allocating the funds in subsections (2)(b) and (2)(c) to a consolidated
19 city-county government, each entity must be considered to have separate city and county boundaries. The city
20 limit boundaries are the last official city limit boundaries for the former city unless revised boundaries based on
21 the location of the urban area have been approved by the department of transportation and must be used to
22 determine city and county populations and road mileages in the following manner:

23 (i) Percentage factors must be calculated to determine separate populations for the city and rural county
24 by using the last official decennial federal census population figures that recognized an incorporated city and the
25 rural county. The factors must be based on the ratio of the city to the rural county population, considering the total
26 population in the county minus the population of any other incorporated city or town in the county.

27 (ii) The city and county populations must be calculated by multiplying the total county population, as
28 determined by the latest official decennial census or the latest interim year population estimates from the Montana
29 department of commerce as supplied by the United States bureau of the census, minus the population of any
30 other incorporated city or town in that county, by the factors established in subsection (3)(a)(i).

1 (b) The amount allocated by this method for the city and the county must be combined, and single
2 monthly payments must be made to the consolidated city-county government.

3 (4) All funds allocated by this section to counties, cities, towns, and consolidated city-county
4 governments must be used for the construction, reconstruction, maintenance, and repair of rural roads or city or
5 town streets and alleys or for the share that the city, town, county, or consolidated city-county government might
6 otherwise expend for proportionate matching of federal funds allocated for the construction of roads or streets
7 that are part of the primary or secondary highway system or urban extensions to those systems. The governing
8 body of a town or third-class city, as defined in 7-1-4111, may each year expend no more than 25% of the funds
9 allocated to that town or third-class city for the purchase of capital equipment and supplies to be used for the
10 maintenance and repair of town or third-class city streets and alleys. The governing body of a town or third-class
11 city may place all or a part of the 25% in a restricted asset account within the gas tax apportionment fund that is
12 carried forward until there is a need for the expenditure.

13 (5) All funds allocated by this section to counties, cities, towns, and consolidated city-county
14 governments must be disbursed to the lowest responsible bidder according to applicable bidding procedures
15 followed in all cases in which the contract for construction, reconstruction, maintenance, or repair is in excess
16 of the amounts provided in 7-5-2301 and 7-5-4302.

17 (6) For the purposes of this section in which distribution of funds is made on a basis related to population,
18 the population must be determined annually for counties and biennially for cities according to the latest official
19 decennial census or the latest interim year population estimates from the Montana department of commerce as
20 supplied by the United States bureau of the census.

21 (7) For the purposes of this section in which determination of mileage is necessary for distribution of
22 funds, it is the responsibility of the cities, towns, counties, and consolidated city-county governments to furnish
23 to the department of transportation a yearly certified statement indicating the total mileage within their respective
24 areas applicable to this chapter. All mileage submitted is subject to review and approval by the department of
25 transportation.

26 (8) Except by a town or third-class city as provided in subsection (4), the funds authorized by this section
27 may not be used for the purchase of capital equipment.

28 (9) Funds authorized by this section must be used for construction and maintenance programs."
29

30 **Section 3.** Section 15-70-102, MCA, is amended to read:

1 **"15-70-102. Allocation of funds -- participation in railroad grade crossing protection.** (1) The
 2 amount determined necessary may be allocated from the ~~state special revenue fund~~, highway revenue restricted
 3 account in [section 1], for each fiscal year for expenditures and commitments made for participation by the
 4 department of transportation with railroads in construction of railroad grade crossing protection on any public
 5 highway or road, except those designated on the interstate, primary, or urban systems within the state. The
 6 department of transportation shall select those grade crossings in the state that, in the opinion of the department,
 7 are most in need of additional crossing protection and shall finance the cost of the improvements solely from this
 8 ~~fund~~ allocation.

9 (2) Signal protection provided under this section is limited to electric or automatic flashing lights or gates,
 10 depending on the amount and nature of the hazards present at the crossing, and participation in construction of
 11 the signals must be on the same basis and under the same standards as are applicable and used in connection
 12 with protection of grade crossings on federal-aid roads within the state. The highway restricted account may not
 13 be used for protection of grade crossings on the secondary system where the protection is considered necessary
 14 and when the cost is financed in part with federal-aid highway funds.

15 (3) In addition to the funds allocated, counties and cities may authorize the use of funds available to
 16 counties and cities under the provisions of 15-70-101 for participation in the installation in grade crossing
 17 protection within the county or city."
 18

19 **Section 4.** Section 15-70-419, MCA, is amended to read:

20 **"15-70-419. Improperly imported fuel -- seizure.** (1) As used in this section, the following definitions
 21 apply:

22 (a) "Conveyance" means a tank car, vehicle, or vessel that is used to transport fuel.

23 ~~(b) "Department" means the department of transportation.~~

24 ~~(e)(b)~~ "Peace officer" means an employee of the department of transportation designated or appointed
 25 as a peace officer under 61-10-154 or 61-12-201.

26 (2) Pursuant to 61-12-206(5), a peace officer may:

27 (a) stop and search a conveyance in the state if the peace officer has reasonable cause to believe that
 28 the conveyance is being used to carry improperly imported fuel and is intentionally avoiding fuel tax
 29 responsibilities; and

30 (b) seize without a warrant imported fuel for which the distributor or transporter has not obtained a valid

1 Montana gasoline or special fuel distributor license as required in 15-70-402.

2 (3) The peace officer shall obtain authorization from the director of the department of transportation or
3 the director's designee before seizing fuel.

4 (4) Upon seizing the fuel that the peace officer believes to be improperly imported, the peace officer may:

5 (a) direct the rerouting or transfer of the fuel to a location designated by the department. The department
6 shall reimburse the carrier for transportation costs from the point of seizure to the location designated by the
7 department.

8 (b) unload the fuel; and

9 (c) take three samples of the fuel from the cargo tank for examination.

10 (5) Within 48 hours after seizure of the improperly imported fuel, the department shall issue a notice of
11 right to file claim for the return of interest or title to the fuel. The notice must be issued to:

12 (a) the original owner of the fuel;

13 (b) the owner of the transportation company that conveyed the fuel; and

14 (c) any other interested party.

15 (6) The parties listed in subsections (5)(a) through (5)(c) may file a claim for the return of interest or title
16 to the fuel within 30 days after the date of seizure. If a claim is filed for interest or title to the seized fuel, the
17 department shall:

18 (a) provide the opportunity for a hearing;

19 (b) if requested, conduct the hearing within 5 days after receiving the claim;

20 (c) make a final determination of the party to take interest or title to the fuel within 2 working days after
21 the hearing; and

22 (d) mail notice of the department's determination to interested parties.

23 (7) (a) The department may determine that the seized fuel be forfeited by the original owner and may:

24 (i) sell the fuel to the licensed Montana distributor predetermined through a bidding process established
25 in department administrative rule; or

26 (ii) use the forfeited fuel for a public purpose determined by the department.

27 (b) The department shall issue a certificate of sale to the licensed distributor who purchases the seized
28 fuel.

29 (c) The net proceeds from the sale of the fuel must be deposited in the general fund, less:

30 (i) the applicable taxes; ~~and~~ fees, ~~and~~ penalties; which the department shall deposit in a the highway

1 ~~revenue restricted~~ account in the state special revenue fund, as required in ~~15-70-104~~ provided for in [section
2 1]; and

3 (ii) the interest and penalties collected under this chapter, which the department shall deposit in the
4 highway nonrestricted account provided for in 15-70-125; and

5 ~~(ii)~~(iii) the administrative costs incurred in conjunction with the seizure and disposal of the improperly
6 imported fuel.

7 (8) If the department determines that the original owner of the fuel may reclaim interest or title to the fuel,
8 the department may:

9 (a) return to the owner money, less tax and penalty, equal to the wholesale value of the fuel on the day
10 of the seizure; or

11 (b) return the fuel.

12 (9) A person forfeits the interest, right, and title to improperly imported fuel if the person:

13 (a) fails to file a claim for the seized fuel within the time allowed in subsection (6); or

14 (b) is determined to be guilty of violating fuel tax laws.

15 (10) A person whose fuel is seized under this section is not relieved of any penalties imposed for illegal
16 fuel importation in Title 15, chapter 70."

17

18 **Section 5.** Section 15-70-456, MCA, is amended to read:

19 **"15-70-456. Fees for temporary permits -- duration of temporary permits.** (1) Temporary special fuel
20 permits issued under 15-70-455(1) cost \$30. The permit is valid for a period of time not to exceed 72 hours and
21 is automatically void if the vehicle leaves the state of Montana during the 72-hour period.

22 (2) A temporary special fuel permit for a nonresident operating agricultural harvesting equipment costs
23 \$30 per unit for the calendar year in which the fee is collected. The permit is not transferable. A unit is defined
24 as:

25 (a) one truck suitable for hauling commodities;

26 (b) one harvesting machine; and

27 (c) pickup trucks and any other accessory vehicles.

28 (3) The cost of a special fuel user's agricultural product temporary trip permit for a person operating a
29 vehicle in the movement of that person's agricultural products, as provided in 15-70-455(3), is:

30 (a) \$100 for a permit that is valid for 30 days from the date of issuance; or

1 (b) \$300 for a permit that is valid for 3 months from the date of issuance.

2 (4) All fees collected must be remitted to the department or deposited directly in the ~~state special revenue~~
3 ~~fund~~ highway restricted account provided for in [section 1] for the department."

4

5 **Section 6.** Section 17-5-903, MCA, is amended to read:

6 **"17-5-903. Definitions.** As used in this part, the following definitions apply:

7 (1) "Board" means the board of examiners created under 2-15-1007.

8 (2) "Bonds" means bonds, notes, or other evidences of indebtedness issued pursuant to this part as
9 highway revenue bonds.

10 (3) "Cost", as applied to any highway project, means any cost of construction or acquisition of any part
11 of the highway project, including but not limited to the cost of supervising, inspecting, and constructing the
12 highway project, interest during construction and for up to 6 months thereafter, and all costs and expenses
13 incidental thereto; the costs of locating, surveying, mapping, resurfacing, restoration, and rehabilitation;
14 acquisition of rights-of-way; relocation assistance; elimination of hazards of railroad grade crossings; acquisition
15 of replacement housing sites; and acquisition, rehabilitation, relocation, and construction of replacement housing;
16 and improvements necessary to directly facilitate and control traffic flow, including grade separation of
17 intersections, widening of lanes, channelization of traffic, and traffic control systems.

18 (4) "Department" means the department of transportation provided for in Title 2, chapter 15, part 25.

19 (5) "Highway projects" means the construction, reconstruction, maintenance, and repair of federal-aid
20 highways and state highways as such terms are defined in 60-1-103.

21 (6) "Highway revenues" means the revenues specified in Article VIII, section 6, of the Montana
22 constitution and [section 1] as revenues from gross vehicle weight fees and excise and license taxes (except
23 general sales and use taxes, if any) on gasoline, fuel, and other energy sources used to propel vehicles on public
24 highways and any other revenues, taxes, or receipts credited to the department in the state special revenue fund
25 and the federal special revenue fund.

26 (7) "Outstanding bonds" means bonds issued and outstanding at any particular time but does not include
27 bonds owned by the state, bonds that have been refunded, or bonds for the payment of which an irrevocable
28 deposit of cash and United States government securities has been made in an amount sufficient to pay principal,
29 interest, and redemption premium, if any, when due."

30

1 **Section 7.** Section 44-1-501, MCA, is amended to read:

2 **"44-1-501. Payment of expenses.** All expenses of the highway patrol shall be paid out of the
3 ~~transportation department's~~ department of transportation's highway restricted account in the state special revenue
4 fund provided for in [section 1]."

5
6 **Section 8.** Section 60-3-201, MCA, is amended to read:

7 **"60-3-201. Distribution and use of proceeds of gasoline tax.** (1) ~~All money~~ Money received in
8 payment of the gasoline tax under 15-70-403, except those amounts paid out of the department's suspense
9 account for gasoline tax refund, must be deposited in the highway restricted account as provided in
10 [section 1] and used and expended as provided in [section 1] and this section. ~~The portion of that money on hand~~
11 ~~at any time that is needed to pay highway bonds and interest on highway bonds when due and to accumulate~~
12 ~~and maintain a reserve for payment of highway bonds and interest, as provided in laws and in resolutions of the~~
13 ~~state board of examiners authorizing the bonds, must be deposited in the highway bond account in the debt~~
14 ~~service fund established by 17-2-102.~~ After deductions for amounts paid out of the suspense account for gasoline
15 tax refunds, the remainder of the gasoline tax collected under 15-70-403 is allocated as follows:

- 16 (a) 9/10 of 1% to the state park account;
- 17 (b) 15/28 of 1% to a snowmobile account in the state special revenue fund;
- 18 (c) 1/8 of 1% to an off-highway vehicle account in the state special revenue fund;
- 19 (d) 1/25 of 1% to the aeronautics revenue fund of the department under the provisions of 67-1-301; and
- 20 (e) the remaining amount:
- 21 ~~—— (i) for use by the department on the highways in this state selected and designated by the commission;~~
- 22 ~~—— (ii) for collection of the fuel taxes; and~~
- 23 ~~—— (iii) for the enforcement of the Montana highway code under Article VIII, section 6, of the constitution of~~
24 ~~this state~~ for the purposes provided for in [section 1].

25 (2) The department shall, in expending this money, carry forward construction from year to year, using
26 the money expended in accordance with this title. Nothing in this title conflicts with Title 23 of the United States
27 Code and the rules by which it is administered.

28 (3) The department may enter into cooperative agreements with the national park service and the federal
29 highway administration for the purpose of maintaining national park approach roads in Montana.

30 (4) Money credited to the state park account in the state special revenue fund may be used only for the

1 creation, improvement, and maintenance of state parks where motorboating is allowed. The legislature finds that
2 of all the fuel sold in the state for consumption in internal combustion engines, except fuel for which refunds have
3 been made, not less than 9/10 of 1% is used for propelling boats on waterways of this state.

4 (5) (a) Money credited to the snowmobile account may be used only to develop and maintain facilities
5 open to the general public at no admission cost, to promote snowmobile safety, for enforcement purposes, and
6 for the control of noxious weeds.

7 (b) Of the amounts deposited in the snowmobile account:

8 (i) 13% of the amount deposited must be used by the department of fish, wildlife, and parks to promote
9 snowmobile safety and education and to enforce snowmobile laws. Two-thirds of the 13% deposited must be
10 used to promote snowmobile safety and education and one-third of the 13% deposited must be used for the
11 enforcement of snowmobile laws.

12 (ii) 1% of the amount deposited must be credited to the noxious weed management special revenue fund
13 provided for in 80-7-816.

14 (c) The legislature finds that of all fuels sold in this state for consumption in internal combustion engines,
15 except fuel for which refunds have been made, not less than 15/28 of 1% is used for propelling registered
16 snowmobiles in this state.

17 (6) (a) Money credited to the off-highway vehicle account under subsection (1)(c) may be used only to
18 develop and maintain facilities open to the general public at no admission cost, to repair areas that are damaged
19 by off-highway vehicles, and to promote off-highway vehicle safety. Ten percent of the money deposited in the
20 off-highway vehicle account must be used to promote off-highway vehicle safety. Up to 10% of the money
21 deposited in the off-highway vehicle account may be used to repair areas that are damaged by off-highway
22 vehicles.

23 (b) The legislature finds that of all fuel sold in this state for consumption in internal combustion engines,
24 except fuel for which refunds have been made, not less than 1/8 of 1% is used for propelling off-highway vehicles
25 in this state.

26 (7) Money credited to the aeronautics account of the department of transportation may be used only to
27 develop, improve, and maintain facilities open to the public at no admission cost and to promote aviation safety.
28 The legislature finds that of all the fuel sold in this state for consumption in internal combustion engines, except
29 fuel for which refunds have been made, not less than 1/25 of 1% is used for propelling aircraft in this state."
30

1 **Section 9.** Section 60-5-110, MCA, is amended to read:

2 **"60-5-110. Commercial enterprise or structure prohibited -- exceptions.** (1) Except as provided in
3 60-5-505 and subsections (2) and (3) of this section, a commercial enterprise or structure may not be operated
4 on the publicly owned or leased right-of-way of a controlled-access highway or controlled-access facility.

5 (2) The department may, under the terms and conditions that it considers appropriate, install or allow
6 others to install electronic communication equipment or electronic informational kiosks on the right-of-way of any
7 state highway, including a controlled-access facility. The department may charge a fee for the use of the
8 equipment or kiosk. The fees must be deposited in the highway nonrestricted ~~highway state special revenue~~
9 account provided for in 15-70-125 to be used for highway purposes.

10 (3) (a) The department may, under terms and conditions that it considers appropriate, contract with a
11 blind vendor certified pursuant to Title 18, chapter 5, part 4, for the installation of vending machines on the
12 right-of-way of any state highway, including a controlled-access facility.

13 (b) A blind vendor installing a vending machine pursuant to this subsection (3) is subject to the applicable
14 provisions of Title 18, chapter 5, part 4."

15

16 **Section 10.** Section 61-3-738, MCA, is amended to read:

17 **"61-3-738. Deposit and distribution of fees on proportionally registered fleets.** The light vehicle
18 registration fees, fees in lieu of tax, and license fees collected under this part must be deposited with the state
19 treasurer in the highway nonrestricted account provided for in 15-70-125."

20

21 **Section 11.** Section 61-8-204, MCA, is amended to read:

22 **"61-8-204. Reward for information on injury to or removal of sign or marker.** Upon conviction under
23 the provisions of 61-8-713, a person who furnishes information to law enforcement officers leading to the arrest
24 and conviction of the accused person must be paid a reward from the highway nonrestricted account ~~in the state~~
25 ~~special revenue fund~~ provided for in 15-70-125 in the sum of \$100."

26

27 **Section 12.** Section 61-8-907, MCA, is amended to read:

28 **"61-8-907. Inspection -- fees -- decal.** (1) The tow truck equipment of a commercial tow truck operator
29 must have an annual safety inspection. A highway patrol officer, an employee of the department of transportation
30 appointed as a peace officer in accordance with 61-12-201, or an inspector certified by the department shall

1 conduct the inspection and require the commercial tow truck operator to provide proof of compliance with the
2 provisions of 61-8-906.

3 (2) (a) Upon satisfactory completion of the inspection and verification of the insurance requirements, a
4 decal showing the last inspection date and the expiration date of the insurance coverage must be affixed in a
5 prominent place on the tow truck.

6 (b) If the commercial tow truck operator is participating in the law enforcement rotation system, the decal
7 must also show the classification of the operator's tow truck equipment.

8 (3) The department may establish inspection and decal fees that may not exceed the actual costs of the
9 inspection and the decal. The fees for the inspection and decal must be deposited in the ~~state~~ highway
10 nonrestricted account ~~in the state special revenue fund provided for in 15-70-125.~~"

11

12 **Section 13.** Section 61-10-126, MCA, is amended to read:

13 "**61-10-126. Deposit of fees.** All fees collected under 61-10-101 through 61-10-104 and 61-10-106
14 through 61-10-125 must be forwarded to the department of transportation for deposit in the highway nonrestricted
15 account ~~in the state special revenue fund~~ provided for in 15-70-125."

16

17 **Section 14.** Section 61-10-225, MCA, is amended to read:

18 "**61-10-225. Disposition of fees collected by county treasurer.** The county treasurer shall transmit
19 the fees provided for in 61-10-222 to the state, as provided in 15-1-504, for deposit to the credit of the department
20 of transportation in the highway ~~revenue~~ restricted account provided for in [section 1]. The remittance must be
21 made on forms furnished to the county treasurer by the department of transportation."

22

23 **Section 15.** Section 61-10-226, MCA, is amended to read:

24 "**61-10-226. Deposit of state highway money.** (1) Money received for the use of the department of
25 transportation from the receipt or transfer of GVW license fees, as provided by law, or from other state sources
26 must be deposited in the highway ~~revenue~~ restricted account ~~in the state special revenue fund provided for in~~
27 [section 1] to the credit of the department.

28 (2) Money received from the federal government or other agencies must be deposited in a federal or
29 state special revenue fund to the credit of the department.

30 (3) Money collected for the department as authorized by law must be credited to the appropriate fund

1 by the state treasurer.

2 (4) Money received from the counties must be deposited in the appropriate account in the state special
3 revenue fund to the credit of the department."

4

5 **Section 16.** Section 75-11-301, MCA, is amended to read:

6 **"75-11-301. Intent, findings, and purposes.** (1) The legislature, mindful of its constitutional obligations
7 under Article II, section 3, and Article IX of the Montana constitution, has enacted this part. It is the legislature's
8 intent that the requirements of this part provide adequate remedies for the protection of the environmental life
9 support system from degradation and provide adequate remedies to prevent unreasonable depletion and
10 degradation of natural resources.

11 (2) The legislature finds that the use of petroleum products stored in tanks contributes significantly to
12 the economic well-being and quality of life of Montana citizens.

13 (3) The legislature finds that leaks, spills, and other releases of petroleum products from storage tanks
14 endanger public health and safety, ground water quality, and other state resources.

15 (4) The legislature finds that current administrative and financial resources of the public and private
16 sectors are inadequate to address problems caused by releases from petroleum storage tanks and need to be
17 supplemented by a major program of release detection and corrective action.

18 (5) The legislature finds that proper funding for the program is through a petroleum storage tank cleanup
19 fee paid by persons who use and receive the benefits of petroleum products. The legislature further finds that this
20 general use fee, provided for in 75-11-314, is intended solely to support a program to pay for corrective action
21 and damages caused by releases from petroleum storage tanks. The general use fee is collected from distributors
22 for administrative convenience and is not intended as a method for collecting highway revenue pursuant to the
23 provisions of Article VIII, section 6, of the Montana constitution or [section 1].

24 (6) The purposes of this part are to:

25 (a) protect public health and safety and the environment by providing prompt detection and cleanup of
26 petroleum tank releases;

27 (b) provide adequate financial resources and effective procedures through which tank owners and
28 operators may undertake and be reimbursed for corrective action and payment to third parties for damages
29 caused by releases from petroleum storage tanks;

30 (c) assist certain tank owners and operators in meeting financial assurance requirements under state

1 and federal law governing releases from petroleum storage tanks; and

2 (d) provide tank owners with incentives to improve petroleum storage tank facilities in order to minimize
3 the likelihood of accidental releases."

4
5 **NEW SECTION. Section 17. Codification instruction.** [Section 1] is intended to be codified as an
6 integral part of Title 15, chapter 70, part 1, and the provisions of Title 15, chapter 70, part 1, apply to [section 1].

7
8 **NEW SECTION. Section 18. Effective date.** [This act] is effective July 1, 2017.

9 - END -