



PO BOX 201706
Helena, MT 59620-1706
(406) 444-3064
FAX (406) 444-3036

Revenue and Transportation Interim Committee
63rd Montana Legislature

SENATE MEMBERS

CHRISTINE KAUFMANN--Chair
DICK BARRETT
GREG JERGESON
JANNA TAYLOR
FRED THOMAS
ART WITTICH

HOUSE MEMBERS

NANCY BALLANCE--Vice Chair
CYDNIE (CARLIE) BOLAND
ROY HOLLANDSWORTH
CHUCK HUNTER
TOM JACOBSON
MIKE MILLER

COMMITTEE STAFF

MEGAN MOORE, Lead Staff
JARET COLES, Staff Attorney
FONG HOM, Secretary

September 3, 2014

TO: Committee Members

FROM: Jaret Coles, Staff Attorney *JAC*

RE: Supplemental Memo Regarding Administrative Rule Activity

On September 4, 2014, the Secretary of State published three notices that pertain to the Department of Revenue and two notices that pertain to the Department of Transportation. As such, this memo supplements my August 21, 2014, memo entitled "Administrative Rule Activity".

Department of Revenue

Proposal and Adoption Notices are available on the Internet at:
<http://www.revenue.mt.gov/home/rules.aspx>

Notice of Proposed Rules:

Liquor Administration -- Liquor Vendors. MAR 42-2-915. A public hearing will be held on September 29, 2014, at 1:30 p.m. in the Third Floor Reception Area Conference Room, Mitchell Building, Helena. The public comment period ends on October 10, 2014. The Department proposes to amend eight rules and repeal five rules regarding liquor vendors (the person or entity that sells liquor to the Department). The proposed amendments generally restructure the rules by incorporating language from the proposed repeals into the existing rules. Additionally, the Department proposes to increase the annual vendor representative fee from \$25 to \$50 and the annual vendor permit fee from a \$100 flat fee to a progressive fee schedule based on the volume of liquor cases sold, with a maximum fee of \$400.

Income Tax -- Unlocking State Lands Tax Credit -- House Bill No. 444 (2013). MAR 42-2-916.

A public hearing will be held on September 29, 2014, at 11 a.m. in the Third Floor Reception Area Conference Room, Mitchell Building, Helena. The public comment period ends on October 10, 2014. The Department proposes to adopt three rules regarding the unlocking state lands \$500 refundable tax credit. The proposed new rules provide guidance on the documentation that is required in order to claim the credit. Additionally, the proposed rules address the manner in which the credit is allocated to partners and shareholders of an S corporation.

Notice of Adopted Rules:

Income Tax -- Qualified Endowment Credit -- Senate Bill No. 108 (2013). MAR 42-2-909.

Adopted September 4, 2014. A public hearing was held on July 8, 2014, and a written public comment was received from one individual. The Department amended four rules as proposed after incorporating the public comment into one of the amendments. The proposed amendments expand dates from December 31, 2013, to December 31, 2019, based on the extension of the sunset in Senate Bill No. 108. Additionally, a new example that was proposed during public comment shows how the life expectancy table is utilized for determining when a payment must occur on an annuity contract.

Department of Transportation

Proposal and Adoption Notices are available on the Internet:

The Department of Transportation does not maintain an administrative rules website, but notices can be found on the Secretary of State's website at <http://www.mtrules.org/>. Under the Montana Administrative Register heading, type the number "18" in the "Search by Notice No." box and click on the "Go" icon.

Notice of Proposed Rules:

Nothing further as of the September 4, 2014, publication date.

Notice of Adopted Rules:

Housekeeping -- Junkyard Regulations -- Biennial Review of Administrative Rules. MAR 18-148. Adopted September 4, 2014. Public comment was received from one individual and the

Department of Transportation repealed eight rules pertaining to junkyards as proposed. The Department stated the rules are "archaic and no longer in use".

Motor Carrier Services -- Biennial Review of Administrative Rules. MAR 18-149. Adopted September 4, 2014. No public comments were received and the Department of Transportation amended six rules and repealed three rules as proposed. The amendments provide more specific citations to material that is incorporated by reference in existing rules by providing the year of publication. Additionally, one amendment clarifies that a driver of an overweight, overwide, or overheight vehicle is required to stop at a weigh station, regardless of the in-cab signal. The repeals were identified as no longer in use or repetitious of the requirements in the Montana Code Annotated.