



## Revenue and Transportation Interim Committee

### 64th Montana Legislature

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

TO: Committee Members

FROM: Jaret Coles, Staff Attorney

RE: Administrative Rule Activity

DATE: May 25, 2016

## Department of Revenue

*Proposal and Adoption Notices are available on the Internet:*

Department of Revenue 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 "42" in the "Search by Notice No." box and click on the "Go" icon.

### Notice of Proposed Rules:

Uniform Dispute Review Process -- Department's Office of Dispute Resolution. MAR 42-2-950. A public hearing was held on April 5, 2016. Additionally, the public comment period was extended by three weeks on March 7, 2016, in order to give tax practitioners that were impacted by the tax season additional time to submit public comments. The Department proposes to amend nine rules. In the proposed amendments, terms that are used in the rules are added and definitions that are no longer used are deleted, the dispute resolution flowchart is redesigned, more details are added regarding the initial office of dispute resolution conference, the mediation process, and the hearing process, and outdated language is revised.

### Notice of Adopted Rules

Public Utilities, Cooperative Utilities, and Electricity Suppliers -- Universal System Benefits Programs -- Senate Bill No. 312 (2015). MAR 42-2-947. Adopted May 9, 2016. A public hearing was held and comments were received from two individuals. The Department extended the public comment period and amended three rules based on the comments received. Two of the

amendments are clerical in nature, while one of the amendments implements [Senate Bill No. 312](#) by imposing a notification requirement on the Department and a penalty provision for utilities and large customers who fail to timely file a universal system benefits (USB) program annual summary report each year with the Department.

Crude Oil Pricing -- Stripper Well Bonus and Stripper Well Exemption Definitions -- House Bill No. 67 and House Bill No. 411 (2015). MAR 42-2-948. Adopted April 11, 2016. A public hearing was held and no public comments were received. The Department amended one rule regarding definitions for "stripper well bonus" and "stripper well exemption" as proposed. The amendments implement [House Bill No. 67](#) by deleting references to the Wall Street Journal for the average price for a barrel of west Texas intermediate crude oil. Additionally, the amendments implement [House Bill No. 411](#) by revising the price of a barrel of crude oil in relation to the imposition of production tax rates. Under [HB 411](#) and the proposed amendments, when crude oil is less than \$54 a barrel for a calendar quarter, the stripper exemption production tax rate takes effect.

Meetings With Department Leadership, Information Access, and the Department's Acceptance of Power of Attorney Requests. MAR 42-2-949. Adopted April 25, 2016. A public hearing was held and no public comments were received. The Department amended two rules as proposed. The first amendment lists the Deputy Director as a person that is available to meet with individuals or groups regarding matters of concern under the responsibility of the Department. The second amendment updates language and permits a tax practitioner to use an IRS Power of Attorney ([Form 2848](#)) to represent a taxpayer in front of the Department.

Housekeeping -- Industrial Machinery and Equipment Trend Factors. MAR 42-2-951. Adopted April 11, 2016. No public comments were received, and the Department amended one rule as proposed. The amendment strikes a reference to 2015 in a heading. The change was made because historically the content of the referenced table remains intact from year to year.

## **Department of Transportation**

*Proposal and Adoption Notices are available on the Internet:*

Department of Transportation 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:

Transportation Commission -- Outdoor Advertising Control. MAR 18-158. A public hearing was held on April 1, 2016. The public comment period ended on April 1, 2016. The Transportation Commission proposes to adopt one new rule, amend 23 rules, and repeal two rules regarding outdoor advertising.

The proposed new rule provides for electronic billboards on controlled routes, subject to a variety of restrictions, including brightness level, display time of the message, and static nature of the message (*i.e.*, streaming messages and messages that fade, roll, explode, dissolve, or spin are prohibited).

The proposed amendments are comprehensive in nature, and they pertain to the following topics: revised definitions, unzoned commercial activities that may qualify for an off-premises outdoor advertising permit, on-premises signs, off-premises signs (including bus shelters), unzoned industrial activity, new sign permits, fees (the inspection fee increased from \$100 to \$150), new sign construction standards, off-premises sign standards, prohibited signs, community "welcome to" signs, mobile advertising devices, temporary signs, church and service club signs, directional signs, political signs, official signs, repair of nonconforming signs, upgrade or relocation of conforming signs, sign structures that are blank, illegal signs, and cultural signs.

The proposed repeals eliminate cultural (now part of the directional sign category) and noncommercial signs as separate categories.

**Staff Comment:** Pursuant to section [75-15-121](#), MCA, the Transportation Commission of Montana "may adopt rules to control the erection and maintenance of outdoor advertising along the interstate and primary highway systems in conformance with the terms of [Title 75, ch. 15, part 1] and in conformity with 23 U.S.C. 131, as amended." As such, as part of the adoption process the Commission is implementing federal law. However, section [75-15-105](#), MCA, also contains a provision requiring the Commission to amend rules when federal law no longer contains a restriction that previously existed.

Motor Carrier Services -- Load Height -- Divisible and Nondivisible Loads. MAR 18-159. No public hearing is contemplated and the public comment period ended May 20, 2016. The Department of Transportation proposes to amend one rule regarding height of a load. A permittee is prohibited from traveling under a bridge, underpass, or other obstruction that is smaller than the height of the load or vehicle. Additionally, both divisible loads and nondivisible loads are no longer treated differently for the purpose of the height rule.

## Notice of Adopted Rules

None.

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