

HOUSE BILL NO. 275

INTRODUCED BY N. WILSON

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A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE GASOLINE LICENSE TAX TO IMPROVE THE OPERATION OF PUBLIC HIGHWAYS, STREETS, AND ROADS BY FUNDING IMPROVEMENTS TO COUNTY ROADS, CITY STREETS, AND PUBLIC TRANSPORTATION; ALLOCATING GASOLINE LICENSE TAX REVENUE FOR MAINTENANCE AND REPAIR OF COUNTY ROADS AND CITY STREETS AND FOR PUBLIC TRANSPORTATION; PROVIDING RULEMAKING AUTHORITY; AND AMENDING SECTIONS 15-70-204 AND 60-3-202, MCA."

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, the gasoline tax in Montana has not been increased since 1994; and

WHEREAS, maintenance and repair of county roads and city streets are critical to maintaining taxpayer investment in county roads and city streets; and

WHEREAS, public transportation will reduce the number of single-occupant vehicle miles traveled, which will save local, state, and federal governments' maintenance costs, improve the operation of roadways, improve the safety of roadways, and improve air quality; and

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

WHEREAS, Federal Transit Administration data shows that transit is among the safest way to travel; and

WHEREAS, transportation is the second-largest household expense; and

WHEREAS, investment in public transportation allows elderly persons, persons with disabilities, those in need of medical services unavailable in their communities, and those who choose not to drive to be independent and mobile; and

WHEREAS, availability of public transportation improves safety for all by giving those under the influence of alcohol or other drugs the choice of not driving and removing the hazard to other drivers.

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~~ 32 cents for each gallon of all other gasoline distributed by the distributor within the state and ~~upon~~
7 on 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 providing additional funding for repair and maintenance of county roads and city
17 streets, 3 cents per gallon of the gasoline license tax collected under 15-70-204 is allocated for repair and
18 maintenance of county roads and city streets.

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-half to counties, incorporated cities and towns, and consolidated city-county governments based
22 on population as provided in 15-70-101(6); and

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

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28 NEW SECTION. **Section 3. Funding public transportation -- rulemaking.** (1) For the purpose of
29 funding public transportation, 2 cents per gallon of the gasoline license tax collected under 15-70-204 is allocated
30 for public transportation.

1 (2) The department shall distribute the funds as follows:

2 (a) 35% to providers for use as matching funds for federal programs for the provision of public
3 transportation in nonurbanized areas as provided in 49 U.S.C. 5311;

4 (b) 35% to providers for use as matching funds for federal programs for the provision of public
5 transportation in urbanized areas as provided in 49 U.S.C. 5307;

6 (c) 20% to providers for use as matching funds for federal programs for the provision of additional intercity
7 routes as provided in 49 U.S.C. 5311(f); and

8 (d) 10% to DUI task forces designated by the department.

9 (3) The awarding of funds under subsections (2)(a) through (2)(c) is contingent on the receipt of federal
10 grant funds. If an entity awarded funds does not receive the federal grant funds, the funds provided under
11 subsections (2)(a) through (2)(c) must be returned to the department.

12 (4) The department shall adopt rules, distribution dates, and eligibility and application requirements for
13 the distribution of funds pursuant to this section.

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15 **NEW SECTION. Section 4. Codification instruction.** [Section 4] is intended to be codified as an
16 integral part of Title 60, chapter 3, part 2, and the provisions of Title 60, chapter 3, part 2, apply to [section 4].

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