

1 _____ BILL NO. _____

2 INTRODUCED BY _____

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATING TO MOTOR FUELS TAXES
5 COOPERATIVE AGREEMENTS; ESTABLISHING LEGISLATIVE NEGOTIATION AND APPROVAL
6 AUTHORITY FOR MOTOR FUELS TAXES COOPERATIVE AGREEMENTS; PROVIDING CRITERIA;
7 PROVIDING TIMELINES; REQUIRING A LEGISLATIVE AUDIT OF EXISTING MOTOR FUELS TAXES
8 COOPERATIVE AGREEMENTS; AND AMENDING SECTIONS 15-70-450 AND 15-70-451, MCA."

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

11

12 **Section 1.** Section 15-70-450, MCA, is amended to read:

13 **"15-70-450. Cooperative agreement -- motor fuels taxes.** (1) (a) In order to prevent the possibility
14 of dual taxation of motor fuels purchased by Montana citizens and businesses on Indian reservations, the
15 department and an Indian tribe may enter into a cooperative agreement. Beginning on October 1, 2025, The-the
16 department may shall, with the concurrence of the attorney-general legislature, include as a member members
17 of the negotiating team a representative of the department of justice-legislators who has expertise in Indian
18 matters represent districts that include an Indian reservation.

19 (b) Legislators included in the negotiating team must include:

20 (i) one member of the senate appointed by the president of the senate; and

21 (ii) one member of the house of representatives appointed by the speaker of the house.

22 (c) The president of the senate and the speaker of the house may appoint additional legislators
23 who represent districts that include an Indian reservation as needed.

24 (d) The department's negotiating team must include members of the public from districts and
25 counties impacted by the agreement in addition to department staff.

26 (2) The department of transportation shall report the status of cooperative agreement negotiations
27 to the transportation interim committee in accordance with 5-11-210.

28 (3) (a) After negotiations are complete and if the legislature is not in session, an agreement must

1 be presented to the transportation interim committee for review and to provide final recommendations to the
2 legislature. ~~comment before the final agreement is submitted to the attorney general for approval pursuant to~~
3 ~~18-11-105.~~

4 (b) A cooperative agreement in accordance with this section is subject to approval by resolution of
5 the legislature.

6 (4) On or before June 1, 2026, the legislative audit committee shall direct the legislative auditor to
7 conduct or have conducted by persons under 5-13-305 a financial audit of all existing cooperative agreements
8 that were agreed on prior to October 1, 2025, to analyze the current agreement, the formula of calculation, and
9 the methodology used in determining the amount payable to the tribe.

10 (5) On or before October 1, 2026, the legislative auditor shall provide audit findings,
11 recommendations, and a report, if one is written, to the transportation interim committee.

12 (6) Cooperative agreements negotiated and approved by the legislature in accordance with this
13 section may not exceed 10 years.

14 (7) The provisions of this section are not subject to the agreement authority pursuant to 18-11-
15 105."

16
17 **Section 2.** Section 15-70-451, MCA, is amended to read:

18 **"15-70-451. Tribal motor fuels administration account.** (1) There is a tribal motor fuels
19 administration account in the state special revenue fund.

20 (2) The department shall deposit in the tribal motor fuels administration account administrative
21 expenses and refunds deducted under a cooperative agreement provided for in 15-70-450.

22 (3) The department of transportation ~~or the department of justice~~ may expend the tribal motor fuels
23 administration account only for the purposes of administering the gasoline tax and providing refunds under a
24 cooperative agreement."

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26 NEW SECTION. **Section 3. Notification to tribal governments.** The secretary of state shall send a
27 copy of [this act] to each federally recognized tribal government in Montana.

1 NEW SECTION. Section 4. **Saving clause.** [This act] does not affect rights and duties that matured,
2 penalties that were incurred, or proceedings that were begun before [the effective date of this act].

3 - END -