

# 1991 FUEL TAX CHANGES

TRANSPORTATION INTERIM COMMITTEE  
BECCA BROWN – MARCH 2026

## FUEL TAX CHANGES IN THE 1991 LEGISLATIVE SESSION

In 1991, the 52<sup>nd</sup> Montana Legislature made significant changes to the fuel tax program. It centralized program administration under the Montana Department of Transportation (MDT) by reassigning to it select functions from the departments of Highways (DOH), Commerce (DOC), and Revenue (DOR). The legislature also made updates to the existing tax incentive program for the production and distribution of ethanol (originally enacted in 1983).

### 1991 CHANGES TO TITLE 15, CH. 70

#### Ch. 82, L. 1991

- Amended 15-70-101; and
- made minor changes in style.

Fuel Tax statutes can be found in the [Montana Code Annotated \(MCA\) Title 15, chapter 70.](#)

#### Ch. 512, L. 1991

- Amended 15-70-101, 15-70-104, 15-70-111, 15-70-121, 15-70-122, 15-70-401, 15-70-456, 15-70-503, 15-70-522; and
- transferred motor fuels tax functions to MDT from DOC, DOH, and DOR.

#### Ch. 772, L. 1991

- Amended 15-70-450, 15-70-451, 15-70-452;
- added coordination instructions if Ch. 512 (above) passed; and
- substituted references to MDT for references to DOR.

#### Ch. 723, L. 1991

- Amended 15-70-503 & 15-70-522 with a substantial amendment to modify rulemaking authority;
- provided retroactive applicability of April 1, 1991; and
- made minor changes in style.
- *1991 Statement of Intent:* The statement of intent attached to Ch. 723, L. 1991, provided: "A statement of intent is required for this bill because [section 2(10)] [15-70-522(10)] grants rulemaking authority to the department of revenue to allow the reservation of alcohol tax incentives for alcohol distributors who begin production after July 1, 1991, and to reduce or cancel those incentives if a new alcohol distributor does not comply with the written plan. The legislature intends that the department adopt rules that specify the information that must be contained in the written plan. The department shall also develop procedures to verify that the alcohol

distributor has obtained financing for the acquisition of the plant, land, and equipment and has secured an adequate supply of agricultural products for the production of alcohol. The rules may include procedures for the review of a new alcohol distributor's business plan or prospectus, architectural plans, and process flows. The department shall also develop procedures for reducing or canceling the reservation of alcohol tax incentives if the department determines that the new alcohol distributor does not comply with the written plan."

The [Transportation Interim Committee \(TIC\)](#) plans to review fuel tax needs at the March 2026 and September 2026 meetings, pursuant to the TIC's [adopted workplan for the 2025-26 interim](#).

Further questions on fuel tax or other transportation-related issues can be directed to Becca Brown at [Rebecca.Brown@LegMT.gov](mailto:Rebecca.Brown@LegMT.gov)