

MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE
4

5 Legislative Document

No. 2380

6
7 H.P. 1799

House of Representatives, March 29, 1984

8 Submitted pursuant to PL 1983, c. 94.

9 Reported by Representative Carroll pursuant to Public Law 1983, chapter
10 94 and printed under Joint Rule 18.

EDWIN H. PERT, Clerk

11
12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-FOUR
16

17 AN ACT to Establish a Regional Fuel Tax
18 Agreement.
19

20 Be it enacted by the People of the State of Maine as
21 follows:

22 Sec. 1. 29 MRSA §246-A, sub-§1, as amended by PL
23 1983, c. 455, §11, is further amended to read:

24 1. Application. Notwithstanding any other pro-
25 vision of law, a person owning, operating or causing
26 operation of a vehicle on the highways of this State,
27 subject to Title 36, chapter 453, ~~455~~, 457 or 459,
28 shall apply to the Secretary of State for a fuel use
29 identification decal for each vehicle covered by
30 those reports or licensing requirement, except vehi-
31 cles owned and operated by government agencies and,
32 vehicles bearing dealer registration plates pursuant
33 to subchapter III-A and recreational vehicles.

1 Sec. 2. 29 MRSA §246-A, sub-§2, as amended by PL
2 1983, c. 533, is repealed and the following enacted
3 in its place:

4 2. Vehicles requiring a fuel use identification
5 decal. The following vehicles require a fuel use
6 identification decal:

7 A. Gasoline powered motor vehicles or combina-
8 tions of vehicles which are registered for a
9 gross weight of 18,000 pounds or over;

10 B. Gasoline powered motor vehicles designed to
11 carry 20 passengers or more for hire;

12 C. All other motor vehicles propelled by an in-
13 ternal combustion engine, powered by other than
14 gasoline, registered for a gross weight of 7,000
15 pounds or over;

16 D. All motor vehicles propelled by an internal
17 combustion engine powered by other than gasoline
18 designed to carry 20 passengers or more for hire;
19 and

20 Interstate bus operators shall be required to obtain
21 this decal on the same prorated basis as is used to
22 determine fuel used within the State. The number of
23 buses that the state mileage factor represents of the
24 entire fleet mileage shall be required to display the
25 fuel use identification decal or be issued a certi-
26 fied statement that the appropriate fee has been
27 paid.

28 Farm vehicles and farm motor trucks subject to a lim-
29 ited inspection, as provided in section 2506, subsec-
30 tion 5, are not required to have a fuel use identifi-
31 cation decal pursuant to this section.

32 Sec. 3. 29 MRSA §246-A, sub-§5, as enacted by PL
33 1981, c. 689, §1, is amended to read:

34 5. Issuance; display; expiration. The Secretary
35 of State shall issue an identification decal of such
36 size and design as he shall prescribe, which shall be
37 permanently affixed to the exterior of the vehicle in
38 a location the Secretary of State shall specify and

1 such decal shall at all times be visible and legible.
2 The decal shall become void on ~~February 1st~~ December
3 31st next following the date of issue.

4 Effective February 1, 1983, the Secretary of State
5 shall also issue a fuel use certificate to be carried
6 in the vehicle at all times.

7 Sec. 4. 29 MRSA §246-A, sub-§9, as enacted by PL
8 1981, c. 689, §1, is amended to read:

9 9. Suspension. On certification by the State
10 Tax Assessor to the Secretary of State that a vehicle
11 owner is not in compliance with Title 36, chapter
12 453, 455 or 457, the Secretary of State shall suspend
13 all fuel use identification decals issued to that
14 owner. Until the State Tax Assessor certifies to the
15 Secretary of State that an owner is in full compli-
16 ance, an owner who has had his fuel use identifica-
17 tion decals revoked shall not operate or cause opera-
18 tion of vehicles registered to him which require dec-
19 als to operate on Maine highways.

20 Reinstatement of the fuel use decal requires, in ad-
21 dition to meeting the requirements of this law, the
22 payment of a fee of \$20 \$25 to the Secretary of
23 State, section 2241-D.

24 The Secretary of State shall promptly notify the De-
25 partment of Public Safety of any suspension, revoca-
26 tion and reinstatement under provisions of this sec-
27 tion. Every owner transferring ownership of a vehi-
28 cle bearing a valid fuel use identification decal
29 shall disfigure any such decal and no person acquir-
30 ing a vehicle with an unexpired fuel use identifica-
31 tion decal may operate or cause operation of such
32 vehicle without a valid trip permit or bearing a de-
33 cal issued to him.

34 Sec. 5. 36 MRSA §2971, as amended by PL 1965, c.
35 289, is repealed and the following enacted in its
36 place:

37 §2971. Application to certain carriers

38 This chapter shall include motor vehicles, in-
39 cluding trucks, tractors and semi-trailers or any

1 combination thereof, which are licensed for a gross
2 weight of 18,000 pounds or over and vehicles designed
3 to carry 20 passengers or more for hire, except for
4 recreational vehicles. A vehicle shall be considered
5 to be registered for such gross weight as is autho-
6 rized under a permit issued by the Secretary of State
7 in accordance with Title 29, section 246. These vehi-
8 cles shall not be required to secure a permit from
9 the Bureau of State Police.

10 Sec. 6. 36 MRSA §3040, as enacted by PL 1983, c.
11 310, §5, is repealed and the following enacted in its
12 place:

13 §3040. Fuel use tax; compact

14 The State Tax Assessor or his designee, acting
15 upon the advice of the Commissioner of Transportation
16 and the Director of the Division of Motor Vehicles,
17 may enter into agreements with other states, the Dis-
18 trict of Columbia and Canadian provinces, with the
19 approval of the Governor and the Legislature, provid-
20 ing for the reciprocal enforcement of the fuel tax
21 laws imposed by the states or provinces entering into
22 the agreement and empowering the duly authorized of-
23 ficer of any contracting state or province, which ex-
24 tends like authority to officers or employees of this
25 State, to sue for the collection of the state's or
26 province's fuel taxes in the courts of this State.

27 The State Tax Assessor or his designee, acting
28 upon the advice of the Commissioner of Transportation
29 and the Director of the Division of Motor Vehicles,
30 may execute and extend the provisions of any fuel use
31 compact approved by the Governor and the Legislature.

32 The State Tax Assessor or his designee, acting
33 upon the advice of the Commissioner of Transportation
34 and the Director of the Division of Motor Vehicles,
35 shall prepare an annual report to the Legislature by
36 January 31st of each year describing, explaining and
37 justifying any changes that need to be made in the
38 fuel use compact, as well as an overall evaluation of
39 the effectiveness of the fuel use compact agreement.
40 This report shall be sent directly to the joint
41 standing committee of the Legislature having juris-
42 isdiction over transportation, the joint standing com-

1 mittee of the Legislature having jurisdiction over
2 taxation and the Legislative Council, and the State
3 Tax Assessor or his designee shall be prepared to
4 consult with both these committees to secure neces-
5 sary legislative concurrence.

6 Sec. 7. 36 MRSA §§3041 and 3042 are enacted to
7 read:

8 §3041. Tax levied

9 The tax administered and collected by chapter 463
10 is levied in accordance with chapters 453 and 459.

11 §3042. Reporting and remitting tax

12 Reporting and remitting of the tax under chapter
13 463 shall be subject to the requirements and penal-
14 ties of chapters 453 and 459 and the applicable trust
15 fund provisions of chapter 461.

16 Sec. 8. 36 MRSA §3202, sub-§9, as enacted by PL
17 1983, c. 94, Pt. D, §§6 and 9, is repealed and the
18 following enacted in its place:

19 9. User. "User" means any person who is the reg-
20 istered owner of a motor vehicle, registered for
21 7,000 pounds or over or designed to carry 20 passen-
22 gers or more for hire, who uses and consumes special
23 fuel within this State in an internal combustion en-
24 gine for the generation of power to propel vehicles
25 of any kind or character, except recreational vehi-
26 cles.

27 Sec. 9. 36 MRSA §3203, as enacted by PL 1983, c.
28 94, Pt. D, §§6 and 9, is repealed and the following
29 enacted in its place:

30 §3203. Tax levied

31 An excise tax is levied and imposed upon all sup-
32 pliers of special fuel sold and on all users of spe-
33 cial fuel used in this State on each gallon of dis-
34 tillate at the rate prescribed in section 2903 and on
35 each gallon of low-energy fuel at the rate prescribed
36 in section 2903, less 1¢, except sales of special fu-
37 el made to the State or any political subdivision of

1 the State; the special fuel sold or used in such form
2 and under such circumstances as shall preclude the
3 collection of this tax by reasons of the laws of the
4 United States; sold only for exportation from this
5 State; delivered into a tank used solely for heating
6 purposes, sold for resale to a licensed supplier; and
7 sold to a person for the generation of power for re-
8 sale or manufacturing. Where special fuel is deliv-
9 ered by a supplier on a consignment basis to a con-
10 sumer or to a retail outlet, whether the retail out-
11 let is wholly owned by the supplier or not, it shall
12 be considered to have been "sold" within the meaning
13 of the Special Fuel Tax Act. All taxes collected un-
14 der this section shall be credited to the Highway
15 Fund.

16 Sec. 10. 36 MRSA §3235, as enacted by PL 1983,
17 c. 94, Pt. D, §§7 and 9, is amended to read:

18 §3235. Tax a debt; recovery; preference

19 The taxes, interest and penalties imposed by
20 chapters 7, 451 and 453, 459 and 463, from the time
21 the same shall be due, shall be personal debt of the
22 supplier, distributor, importer, motor carrier or us-
23 er to the State, recoverable in any court of compe-
24 tent jurisdiction in a civil action in the name of
25 the State, and shall have preference in any distribu-
26 tion of the assets of the taxpayer, whether in bank-
27 ruptcy, insolvency or otherwise. The proceeds of any
28 judgment obtained shall be paid to the State Tax As-
29 sessor.

30 Sec. 11. 36 MRSA §3236, first ¶, as enacted by
31 PL 1983, c. 94, Pt. D, §§7 and 9, is amended to read:

32 If any amount required to be paid to the State,
33 under chapter 451, 453 ~~or~~, 459 or 463, is not paid
34 when due, and no further review of the assessment is
35 available under section 151, the State Tax Assessor
36 may, within 3 years after administrative and judicial
37 review has been exhausted, notify the person who ac-
38 cording to the records of the State Tax Assessor is
39 liable, specifying the amount required to be paid and
40 interest and penalty due, and demanding payment with-
41 in 12 days after the sending of that notice. The no-
42 tice shall be given, as required by section 111, sub-

1 section 2, and shall warn the person that if he does
2 not make payment as demanded, the State Tax Assessor
3 may proceed to have the amount due collected by war-
4 rant as provided or may certify the amount due to the
5 Attorney General for collection and, in addition, in
6 the case of an amount due in respect to any vehicle,
7 that if he does not make payment as demanded, suspen-
8 sion of the registration certificate and plates is-
9 sued for that vehicle may result.

10 Sec. 12. 36 MRSA §3238, as enacted by PL 1983,
11 c. 94, Pt. D., §§7 and 9, is amended to read:

12 §3238. Lien of tax

13 If any amount required to be paid to the State,
14 under chapter 7, 451, 453 ~~or~~, 459 or 463, is not paid
15 when due, the State Tax Assessor may file in the of-
16 fice of the registry of deeds of the county where
17 that property is located, with respect to real prop-
18 erty or fixtures and in the office in which a securi-
19 ty or financing statement or notice with respect to
20 personal property would be filed, a notice of lien
21 specifying the amount of tax, interest, penalty and
22 costs due, the name and last known address of the
23 person liable for the amount and the fact that the
24 State Tax Assessor has complied with all the provi-
25 sions of chapter 7, 451, 453 ~~or~~, 459 or 463 in the
26 assessment of the tax. From the time of filing, the
27 amount set forth in the certificate constitutes a
28 lien upon all property of the person liable in the
29 county then owned by him or thereafter acquired by
30 him in the period before the expiration of the lien.
31 In the case of any prior mortgage on any real or per-
32 sonal property so written as to secure a present debt
33 and also future advances by the mortgage to the mort-
34 gator, the lien provided in this section, when notice
35 of it has been filed in the proper office, shall be
36 subject to the prior mortgage, unless the State Tax
37 Assessor also notifies the mortgagee of the recording
38 of the lien in writing, in which case any indebted-
39 ness thereafter created from the mortgagor to the
40 mortgagee shall be junior to the lien provided in
41 this section. The lien provided in this section has
42 the same force, effect and priority as a judgment
43 lien and shall continue for 5 years from the date of
44 filing unless sooner released or otherwise dis-

1 charged. The lien may, within the 5-year period or
2 within 5 years from the date of the last extension of
3 the lien in the manner provided in this section, be
4 extended by filing for record in the appropriate of-
5 fice a notice of extension of lien and from the time
6 of that filing, the lien shall be extended for 5
7 years unless sooner released or otherwise discharged.

8 Sec. 13. 36 M RSA c. 463 is enacted to read:

9 CHAPTER 463

10 REGIONAL FUEL TAX AGREEMENT

11 §3291. Purpose and principle

12 1. Agreement. This multijurisdictional agreement
13 shall be referred to, cited and known as the Regional
14 Fuel Tax Agreement, referred to in this chapter as
15 the "agreement."

16 2. Purpose. It is the purpose of this agreement
17 to:

18 A. Promote and encourage the fullest and most
19 efficient possible use of the highway system by
20 making uniform the administration of motor fuels
21 consumption taxation laws with respect to motor
22 vehicles operated interstate;

23 B. Enable participating jurisdictions to act co-
24 operatively and provide mutual assistance in the
25 administration and collection of motor fuels con-
26 sumption taxes; and

27 C. Establish and maintain the concept of one ad-
28 ministering base jurisdiction for each licensee
29 to provide that a licensee's base jurisdiction
30 will be the administrator of this agreement and
31 execute all of its provisions with respect to the
32 licensee.

33 §3292. Definitions

34 As used in this chapter, unless the context indi-
35 cates otherwise, the following terms have the follow-
36 ing meanings.

1 1. Applicant. "Applicant" means a person in
2 whose name an application for licensing is filed with
3 a base jurisdiction for the purpose of motor fuel tax
4 reporting under the provisions of this agreement.

5 2. Base jurisdiction. "Base jurisdiction" means
6 a jurisdiction that is a member of this compact where
7 qualified motor vehicles are based for registration
8 purposes. If the fleet has more than one member ju-
9 risdiction with qualified vehicles registered, then
10 the person shall choose one member to be its base ju-
11 risdiction. In making the selection, consideration
12 should be given to location of records and the number
13 of vehicles registered in the base jurisdictions.

14 3. Calendar quarter. "Calendar quarter" means
15 the 4 periods of January 1st to March 31st, April 1st
16 to June 30th, July 1st to September 30th and October
17 1st to December 31st.

18 4. Commissioner. "Commissioner" means the offi-
19 cial designated by the jurisdiction to be responsible
20 for administration of this agreement. In respect to
21 the State, the commissioner shall mean the State Tax
22 Assessor.

23 5. In-jurisdiction miles. "In-jurisdiction
24 miles" means the total number of taxable miles oper-
25 ated by a licensee's qualified motor vehicles in a
26 jurisdiction. In-jurisdiction miles does not include
27 miles operated on a fuel tax permit or miles exempted
28 from fuel taxation by a jurisdiction.

29 6. Jurisdiction. "Jurisdiction" means a state of
30 the United States, the District of Columbia or a
31 province or territory of Canada.

32 7. Licensee. "Licensee" means a person who holds
33 an uncanceled motor fuel user license issued by his
34 base jurisdiction.

35 8. Motor fuels. "Motor fuels" means diesel fuel
36 and any blend of diesel and other fuel used or suit-
37 able for use for the generation of power for propul-
38 sion of motor vehicles. Motor fuels shall also in-
39 clude gasoline.

1 9. Person. "Person" means an individual, corpo-
2 ration, partnership, association, trust or other en-
3 tity.

4 10. Qualified motor vehicle. "Qualified motor
5 vehicle" means a truck having a gross weight of
6 18,000 pounds or more if it is powered by gasoline or
7 7,000 pounds or more if powered by any other fuel,
8 and passenger vehicles designed to carry 20 passen-
9 gers or more for hire. "Qualified motor vehicle" does
10 not include recreational vehicles.

11 11. Recreational vehicle. "Recreational vehicle"
12 means vehicles such as motor homes, pickup trucks
13 with attached campers and buses when used exclusively
14 for personal pleasure by an individual. In order to
15 qualify as a recreational vehicle, the vehicle shall
16 not be used in connection with any business endeavor.

17 12. Registration. "Registration" means the qual-
18 ification of motor vehicles normally associated with
19 a prepayment of licensing fees for the privilege of
20 using the highway, such as a weight fee and the issu-
21 ance of a license plate and a registration card or
22 temporary registration containing owner and vehicle
23 data.

24 13. Total miles. "Total miles" means the total
25 number of miles operated by a licensee's qualified
26 motor vehicles.

27 §3293. Taxation of motor fuels

28 1. Taxable event. For the purposes of this
29 agreement, the taxable event is the consumption of
30 motor fuels used in the propulsion of qualified motor
31 vehicles subject to registration.

32 2. Basis for assessment. The basis for assessing
33 the tax and measuring use in the agreement will be a
34 volumetric basis. The acceptable methods are on a
35 gallon basis for fuel consumed in the United States
36 and a litre basis for fuel consumed in Canada.

37 3. Declaration of tax rates. Each applicant ju-
38 risdiction will declare the tax rates for its taxable
39 motor fuels by filing with its membership application

1 to this agreement a statement of tax rates for the
2 motor fuels taxes under this agreement.

3 4. Notification of changes in tax rates. Juris-
4 dictions shall notify every other member jurisdiction
5 of a change in tax rate at least 60 days in advance
6 of the due date of the calendar quarterly report for
7 which a change of tax rate is to be effective. Fail-
8 ure to provide the notice will relieve other juris-
9 dictions from being required to take extraordinary
10 measures to implement the change. Notification shall
11 be by return receipt-requested mail.

12 5. Taxable motor fuel. All motor fuel acquired
13 which is normally subject to consumption taxation is
14 taxable unless proof to the contrary is provided by
15 the licensee.

16 §3294. Application of the agreement

17 1. Persons required to license. Any person oper-
18 ating one or more qualified motor vehicles in 2 or
19 more member jurisdictions is required to license un-
20 der this agreement.

21 2. Trip permits; trip fees. Trip permits will be
22 issued by each applicant's base jurisdiction for all
23 member jurisdictions in accordance with the laws of
24 the member jurisdictions on forms as prescribed by
25 the administrative procedure committee. The base ju-
26 risdiction shall collect the trip fees for each mem-
27 ber jurisdiction. Base jurisdictions shall forward
28 trip permit fees in accordance with section 3298,
29 subsection 5.

30 3. Reporting. Fuel use reporting under this
31 agreement shall be for qualified motor vehicles as
32 defined in section 3292, subsection 10.

33 §3295. Fuel user licensing

34 1. Filing of application. A person shall file an
35 application for licensing with the base jurisdiction.
36 The application shall have the same content as speci-
37 fied in the administrative procedures manual.

1 2. Operational records. Operational records
2 shall be maintained or be made available for audit in
3 the base jurisdiction.

4 3. Tax licensing to be in the name of vehicle
5 registrant. Tax licensing under this agreement shall
6 be in the name of the vehicle registrant.

7 4. Lessors. A lessor who is regularly engaged in
8 the business of leasing or renting motor vehicles
9 without drivers for compensation to licensees or oth-
10 er lessees may be deemed at its option to be the li-
11 censee and the lessor may be issued a license if ap-
12 plication has been properly filed and approved by the
13 base jurisdiction. Any lessee may exclude miles and
14 gallons from his reports for such motor vehicles of
15 which he is lessee and from his liabilities, but only
16 if the motor vehicles have been leased from a lessor
17 holding a license and operated under the lessor's li-
18 cence.

19 5. Issuance; exceptions. The base jurisdiction
20 shall review the application and issue the license,
21 unless.

22 A. The applicant has been previously licensed
23 under this agreement and the license is still un-
24 der revocation by any member jurisdiction.

25 B. The application fails to comply with the form
26 and content as specified in the administrative
27 procedures manual, or is fraudulent.

28 6. Revocation; failure to comply with agreement
29 provisions. Failure to comply with all applicable
30 provisions of this agreement shall be grounds for
31 revocation of the license issued under the agreement.

32 7. Cancellation on request. A licensee may re-
33 quest that his license be cancelled.

34 8. Revocation; good faith. The commissioner of
35 the base jurisdiction may revoke the license of the
36 licensee if it is determined that licensee is not
37 demonstrating good faith in complying with this
38 agreement.

1 9. Appeal. An applicant who has been denied a
2 license and a licensee who has his license revoked
3 may file an appeal in accordance with section 3202.

4 10. Bonds posted. The base jurisdiction, at its
5 discretion, may require a licensee to post bond for
6 any or all member jurisdictions. Bonds may be re-
7 quired only when a licensee has failed to file timely
8 reports, when tax has not been remitted or when an
9 audit indicates problems severe enough that in the
10 commissioner's discretion, a bond is required to pro-
11 tect the interests of the member jurisdictions.

12 §3296. Reporting

13 1. Quarterly report; taxes. The licensee shall
14 file a calendar quarterly report with the base juris-
15 isdiction and shall pay all taxes due to all member ju-
16 risdictions with one money order or certified or
17 cashier's check to be made payable to the base juris-
18 isdiction and included with the return. The tax report
19 shall be for the previous calendar quarter.

20 2. Due date; report. The report filed by the li-
21 censee shall be due on the last day of the month im-
22 mediately following the close of the quarter for
23 which the report is due. Reports postmarked by the
24 due date shall be considered timely filed. Postmarked
25 means the postal cancellation issued by the United
26 States Post Office.

27 3. Tax payment; penalty. When any licensee cov-
28 ered by this agreement fails to pay the amount of
29 taxes due all member jurisdictions when the same are
30 payable, a penalty of 10% or \$50, whichever is
31 greater, shall be added to the amount of the tax due
32 and shall be paid at the time of paying the tax.

33 The penalty shall be retained by the base jurisdic-
34 tion. The tax, but not penalty, shall bear interest
35 at the rate of 1 1/2% per month or fraction thereof
36 from the due date of the tax to the date of payment.

37 4. Waiver of penalty. The commissioner of the
38 base jurisdiction may waive the penalty but not the
39 interest authorized by subsection 3 when it is proven
40 to his satisfaction that the failure to pay any tax

1 on time was due to reasonable cause and was not in-
2 entional or due to neglect.

3 5. Appeal. Licensees against whom a penalty has
4 been levied may file an appeal in accordance with
5 section 3302.

6 6. Credit claimed. Credit for tax-paid purchases
7 shall be claimed pursuant to existing jurisdictional
8 law.

9 7. Reporting format. The tax report format used
10 by each member jurisdiction will be as specified in
11 the administrative procedures manual.

12 §3297. Tax-paid purchases

13 1. Payment of taxes. Jurisdictions may require
14 payment of motor fuels taxes on sales from retail
15 filling stations of motor fuels delivered into the
16 fuel tank which propels the motor vehicles.

17 2. Receipt as evidence of payment of tax. In or-
18 der for the licensee to obtain credit for tax-paid
19 purchases, a receipt or a credit card receipt shall
20 be retained by the licensee showing evidence of these
21 purchases and tax having been paid. The content of
22 the receipt and credit card receipt shall be as spec-
23 ified in the administrative procedures manual.

24 3. Identification of motor vehicle. In order to
25 obtain credit for tax-paid purchases from retail
26 filling stations, the receipts shall identify the mo-
27 tor vehicle into which the motor fuel was placed.

28 4. Tax payment on fuel in bulk storage. Juris-
29 dictions may require tax payments of fuel delivered
30 into bulk storage or withdrawn from bulk storage. Mo-
31 tor fuels placed into the fuel tank of a qualified
32 motor vehicle from a licensee's own bulk storage and
33 upon which tax has been paid to the jurisdiction
34 where the bulk fuel is located shall be considered as
35 tax-paid purchases. The licensee's records shall
36 identify the motor vehicle into which the fuel was
37 placed.

38 §3298. Base-jurisdiction accounting

1 1. Records for licenses based in jurisdiction.
2 The base jurisdiction shall maintain the record for
3 licenses based in that jurisdiction. The record shall
4 include a copy of tax reports, applications and other
5 documents specified in the administrative procedures
6 manual.

7 2. Record of motor fuel taxes, tax credits and
8 payments. The base jurisdiction shall maintain a
9 record of motor fuel taxes, tax credits and payments
10 for each of its licensees for each jurisdiction. The
11 record shall include the results of audits performed
12 by the base jurisdiction and other jurisdictions.

13 3. Records of funds received from and trans-
14 mitted to other jurisdictions. Each base jurisdiction
15 shall maintain records of funds received from and
16 transmitted to other jurisdictions. These records
17 shall identify licensees and remittances from each
18 licensee.

19 4. Uniform account number system. A uniform ac-
20 count number system shall be adopted and used by all
21 member jurisdictions as specified in the administra-
22 tive procedures manual.

23 5. Fund transmittal. Each jurisdiction shall
24 forward all funds received to the appropriate juris-
25 dictions once a month. All funds received during each
26 month shall be forwarded by the end of the following
27 month. Reports are required even if no funds are col-
28 lected. The fund transmittal shall include a remit-
29 tance listing for each state.

30 §3299. Motor vehicle identification

31 1. Evidence of licensing. The base jurisdiction
32 shall issue evidence of licensing under this agree-
33 ment. This evidence shall qualify a licensee to oper-
34 ate in all member jurisdictions without further li-
35 censing requirements or identification requirements
36 in regard to motor fuels consumption taxes.

37 2. Commissioner to issue license. The commis-
38 sioner of the base jurisdiction shall issue a license
39 which shall be placed in the licensee's motor vehi-
40 cle.

1 3. License form, content and placement. The
2 form, content and placement of the license shall be
3 as specified in the administrative procedures manual.

4 4. Fees for issuance of license. The base juris-
5 isdiction may collect fees for issuance of the license
6 issued to the licensees based in the jurisdiction in
7 accordance with existing jurisdictional laws of the
8 member jurisdictions.

9 5. Improper use of license; revocation. Improper
10 use of the license by the licensee may be cause for
11 revocation of the license.

12 §3300. Records requirements

13 1. Records maintained. Every licensee shall
14 maintain records to substantiate information reported
15 on the calendar quarterly tax report. Record require-
16 ments shall be as specified in the administrative
17 procedures manual.

18 2. Records preserved. Every licensee shall pre-
19 serve the records for a period of 3 years from the
20 date of filing the report. These records shall be
21 made available upon request by any member jurisdic-
22 tion for audit.

23 §3301. Auditing

24 1. Audit committee. The president shall appoint
25 an audit committee of at least 3 members. Members
26 shall be jurisdiction audit supervisors nominated by
27 member jurisdiction commissioners. The audit commit-
28 tee shall have the responsibility of developing and
29 maintaining an audit procedures manual which will
30 contain recommended guidelines, forms and audit meth-
31 ods in accordance with accepted audit practices. The
32 audit procedures manual, and subsequent changes to
33 it, will be approved and adopted in accordance with
34 section 3307. All member jurisdictions shall be in
35 substantial compliance with this manual.

36 2. Audit of licensees by base jurisdiction. The
37 base jurisdiction shall audit its licensees on behalf
38 of all member jurisdictions. This shall not preclude
39 another jurisdiction from auditing a licensee to de-

1 termine the liability to that jurisdiction. If another
2 jurisdiction requests to audit a licensee, that
3 jurisdiction shall pay all audit expenses.

4 3. Documentation of ability to comply with audit
5 policies. A jurisdiction shall not enter this agree-
6 ment without submitting documentation that it can
7 comply with audit policies and procedures of the
8 agreement and shall also be required to maintain com-
9 pliance with these policies and procedures. Any
10 change in audit policies and procedures shall not be
11 effective with less than a one-year notification, un-
12 less unanimously approved for an earlier date.

13 4. Reimbursement of base jurisdiction. In the
14 event that the licensee's records are not located in
15 the base jurisdiction and the base jurisdiction shall
16 send auditors to the place records are kept, the base
17 jurisdiction may require the licensee to reimburse
18 the base jurisdiction for reasonable per diem and
19 travel expenses of its auditors as authorized by law.

20 5. Notification of audit findings. Upon comple-
21 tion of an audit, the commissioner shall notify the
22 licensee and all member jurisdictions in which mile-
23 age was accrued of the audit findings in the format
24 and on forms as specified in the audit procedures
25 manual.

26 6. Tax-credit claims for payments of tax on bulk
27 inventory. The base jurisdiction is not required to
28 audit for tax-credit claims for tax payments of fuel
29 taxes upon withdrawal from or delivery into bulk in-
30 ventory located in another jurisdiction. The base ju-
31 risdiction during an audit shall verify the receipts
32 of tax credit claimed for purchases from retail and
33 shall verify that tax payments were made for tax
34 credits claimed on bulk acquisition or withdrawal.

35 7. Failure to make records available. If any li-
36 icensee fails to make records available upon proper
37 request or if any licensee fails to maintain records
38 from which his true liability may be determined, a
39 jurisdiction may, 30 days after requesting in writing
40 that the records be made available or receiving noti-
41 fication of insufficient records, determine a tax
42 finding for each jurisdiction based upon the commis-

1 sioner's determination of the true liability of these
2 licensee. The commissioner may make his determination
3 from information furnished by the licenses and such
4 pertinent information as may be available to the com-
5 missioner.

6 8. Penalties and interest. If the base jurisdic-
7 tion office or field audits the returns of any li-
8 icensee the following penalties and interest applies.

9 A. If any deficiency discovered at time of audit
10 is due to negligence, a penalty of 10% of the
11 amount of the deficiency assessment or \$50,
12 whichever amount is greater, shall be added
13 thereto. If any part of the deficiency for which
14 a deficiency assessment is made is due to fraud
15 or intent to evade a penalty of 25% of the amount
16 of the deficiency assessment shall be added
17 thereto. These penalties shall be retained by the
18 base jurisdiction.

19 B. The amount of the deficiency assessment, ex-
20 clusive of penalties shall bear interest at the
21 rate of 1 1/2% per month or fraction thereof from
22 the last day of the month succeeding the quarter-
23 ly period for which the amount of any portion
24 thereof should have been returned until the date
25 of payment.

26 C. The commissioner of the base jurisdiction may
27 waive the penalties but not the interest autho-
28 rized by this section when it is proven to his
29 satisfaction that the failure to pay any tax on
30 time was due to reasonable cause and was not in-
31 entional or due to neglect.

32 D. The commissioner of the base jurisdiction
33 shall give written notice to any licensee covered
34 by this agreement of any deficiency assessment.
35 If the notice is served by mail, it shall be ad-
36 ressed to the licensee at the address appearing
37 in the records of the base jurisdiction. Except
38 in the case of fraud, intent to evade or failure
39 to submit a return, the notice of a deficiency
40 assessment shall be mailed within 3 years after
41 the last day of the month following the quarterly
42 period for which the amount is assessed or within

1 3 years after the return for the period is filed,
2 whichever is later.

3 E. If, prior to the expiration of the time pre-
4 scribed in paragraph D for the mailing of notice
5 of a deficiency assessment, the taxpayer has con-
6 sented in writing to the mailing of notice after
7 that time, the notice may be mailed at any time
8 prior to the expiration of the period agreed upon
9 for the mailing. The period so agreed upon may be
10 extended by subsequent agreements in writing made
11 before the expiration of that period.

12 9. Tax collection and enforcement; remedies.
13 Each base jurisdiction may employ any and all legal
14 remedies provided by the laws of the base jurisdic-
15 tion to collect and enforce the total amount of tax,
16 penalties and interest owed to all member jurisdic-
17 tions.

18 §3302. Appeal procedures

19 1. Appeal; request for hearing. A licensee or
20 applicant may appeal an action or audit finding is-
21 sued by the commissioner of the base jurisdiction by
22 making a written request for a hearing within 30 days
23 after service of notice of the original action or
24 finding. If the hearing is not requested within 30
25 days in writing, the original finding or action is
26 final.

27 2. Hearing; continuation; notice. The hearing
28 shall be held expeditiously but may be continued for
29 reasonable cause being shown by either party. The
30 commissioner shall give at least 10 days' written
31 notice of the time and place of the hearing.

32 3. Notification; request for additional audits.
33 The commissioners will notify the appellant of the
34 findings of fact and ruling on the appeal. In the
35 case of any audit, if the licensee is still in dis-
36 agreement with the original finding, the licensee may
37 request any or every jurisdiction to audit the
38 licensee's records. Each commissioner to whom a
39 request was made may elect to accept or deny the re-
40 quest. Each jurisdiction electing to audit the
41 licensee's records will audit only for its own por-

1 tion of the licensee's operation. The licensee shall
2 make records available at the office of the commis-
3 sioner or at a place designated by the commissioner
4 or pay the reasonable per diem and travel expenses
5 associated with conducting an audit at the licensee's
6 place of business.

7 4. Counsel; witnesses; material. The applicant
8 may appear in person or be represented by counsel at
9 the hearing and is entitled to produce witnesses,
10 documents or other pertinent material to substantiate
11 the appeal.

12 5. Further appeal. Further appeal of any
13 jurisdiction's findings will proceed in accordance
14 with that jurisdiction's laws.

15 §3303. Credit and refunds

16 1. Refunds; request. Refunds need not be made
17 for an overpayment for which records are no longer
18 required under this agreement. A request for refund
19 shall toll the records requirement date until the re-
20 fund is made or denied.

21 2. Condition. As a condition to issuance of a
22 motor fuels tax license under this agreement, an ap-
23 plicant will authorize on the application that re-
24 funds may be withheld if the licensee is not current
25 on all motor fuel use taxes due to any member ju-
26 isdiction.

27 3. Payment of credits; unpaid taxes, penalties
28 or interest. Credits may be refunded to the licensee
29 only if all motor fuels taxes, penalty and interest
30 governed by this agreement due every other member ju-
31 isdiction have been paid, unless the unpaid amount
32 is under proper appeal procedures.

33 4. Interest; payment. Interest may be paid by a
34 jurisdiction to a licensee for a refund in accordance
35 with jurisdictional law. The rate of interest shall
36 be the rate specified in section 3296, subsection 3.

37 5. Refunds; payment. Refunds determined to be
38 properly due shall be paid within 90 days after re-
39 ceipt of a request for payment from a licensee.

1 §3304. Entry and withdrawal

2 1. Application for membership by jurisdictions.
3 A jurisdiction applying for membership to this agree-
4 ment shall submit the prescribed adopting resolution
5 to the repository for balloting by member jurisdic-
6 tions.

7 2. Ballot for membership. The ballot for member-
8 ship shall include the following:

9 A. The estimated number of licensees based in
10 the jurisdiction which could be licensed under
11 this agreement;

12 B. The number of auditor personnel who will be
13 dedicated to auditing under this agreement;

14 C. The number of supervisory and clerical per-
15 sonnel who will be dedicated to the receipting,
16 processing and disbursing of funds received under
17 this agreement; and

18 D. A copy of the enabling statute authorizing
19 the jurisdiction to enter into this agreement.

20 3. Adopting resolution; unanimous approval re-
21 quired. Membership shall not be granted unless the
22 adopting resolution receives unanimous approval from
23 all member jurisdictions. Failure of jurisdictions to
24 submit their votes on the ballot for new membership
25 within 120 days after receipt shall be deemed to con-
26 stitute approval of the application for membership.
27 Ballots shall be mailed, return receipt requested, to
28 the commissioner of each member jurisdiction by the
29 repository.

30 4. Membership; effective date. Membership shall
31 become effective no sooner than 2 complete calendar
32 quarters after approval of the application unless the
33 new and all current members agree to an earlier ef-
34 fective date which shall be stated in the adopting
35 resolution.

36 5. Withdrawal. A member may withdraw from the
37 agreement by giving at least 2 full calendar quar-
38 ters' written notice to all member jurisdictions.

1 Each member jurisdiction shall notify each of its li-
2 censees of the withdrawal at least one full calendar
3 quarter prior to the withdrawal. Cancellation by one
4 jurisdiction shall not affect this agreement between
5 other jurisdictions. All evidence of motor fuels li-
6 censing issued under this agreement by the cancelling
7 jurisdiction shall be valid until the effective date
8 of cancellation.

9 6. Employment of auditors. As a condition for
10 entry into this agreement, a jurisdiction shall em-
11 ploy sufficient auditors to assure that 25% of the
12 fleets based in the jurisdiction and licensed under
13 this agreement will be audited at least once every 3
14 years.

15 7. Limited membership. A jurisdiction may apply
16 for membership to this agreement on a limited basis.
17 The limited membership shall be solely for the col-
18 lection of fees for the issuance of licenses as pro-
19 vided by section 3299. A jurisdiction applying for
20 that membership shall comply with each provision of
21 this section to the extent that they apply to a lim-
22 ited membership.

23 §3305. Expulsion of a member

24 1. Request for expulsion. Any member jurisdic-
25 tion may seek expulsion of another member jurisdic-
26 tion. A jurisdiction initiating the request for ex-
27 pulsion of another member shall submit an expulsion
28 resolution in writing for balloting by the member ju-
29 risdictions. The resolution for expulsion shall con-
30 tain detailed reasons for seeking expulsion and exam-
31 ples of noncompliance with this agreement, if appli-
32 cable.

33 2. Response. The resolution for expulsion shall
34 be sent to the jurisdiction named in the resolution
35 to prepare a response. This response shall be submit-
36 ted to all members within 30 days and may contain re-
37 buttal, extenuating circumstances, corrective action
38 initiated or planned or any other information perti-
39 nent to the matter.

40 3. Failure to submit vote. Failure of a member
41 jurisdiction to submit its vote on the ballot for ex-

1 pulsion within 120 days after receipt shall be deemed
2 to constitute a vote against the resolution for ex-
3 pulsion.

4 4. Written vote; ratification of expulsion reso-
5 lution. The vote of each jurisdiction on the resolu-
6 tion for expulsion shall be in writing. Adoption of
7 the resolution for expulsion shall require ratifica-
8 tion by all member jurisdictions except the member
9 jurisdiction at issue.

10 §3306. Agreement amendments and interpretations

11 1. Proposal of amendments. Any member jurisdic-
12 tion may propose amendments to this agreement.

13 2. Form; circulation; review period; balloting.
14 The proposed amendment shall be placed in writing and
15 circulated for comment to the member jurisdictions.
16 The comment period shall be at least 90 days from the
17 date of distribution and shall include at least one
18 open meeting of the commissioners. At the conclusion
19 of the review period, the proposed amendment may be
20 distributed for balloting. Each ballot shall contain
21 the proposed amendment and comments submitted in
22 writing by member jurisdictions.

23 3. Adoption of amendments. Adoption of an
24 amendment to this agreement requires ratification by
25 3/4 of the member jurisdictions.

26 4. Amendments; effective date. Amendments shall
27 not be effective for at least one year from the date
28 of notice of adoption. Amendments to be effective at
29 an earlier date require concurrence by all member ju-
30 risdictions.

31 5. Proposed amendments; void. Proposed amend-
32 ments which have not received sufficient ballots to
33 determine ratification or rejection within 2 years
34 from the date ballots were distributed shall be void.

35 6. Interpretation; 3/4 membership agreement. De-
36 isions regarding interpretations of any question at
37 issue relating to this agreement shall be reached by
38 agreement of 3/4 of the member jurisdictions using
39 the procedures as specified for adoption of amend-
40 ments in this section.

1 7. Amendments or interpretations; vote of com-
2 missioner or delegate. Votes on amendments or inter-
3 pretations shall be cast by the commissioner or a
4 delegate named in writing by the commissioner.

5 §3307. Adoption of administrative procedures

6 1. Administrative procedures committee. The
7 president shall appoint an administrative procedures
8 committee of at least 3 members, who shall be juris-
9 isdiction supervisors nominated by member jurisdiction
10 commissioners. The administrative procedures commit-
11 tee shall have the responsibility of developing and
12 maintaining an administrative procedures manual,
13 which shall contain procedures and forms. The admin-
14 istrative procedures manual and subsequent changes to
15 it, shall be approved and adopted in accordance with
16 section 3306. All member jurisdictions shall comply
17 with the procedures in this manual.

18 2. Administrative procedures manual. The admin-
19 istrative procedures committee will develop and main-
20 tain an administrative procedures manual to implement
21 the terms of this agreement. Before the manual and
22 revisions to it become effective, they shall be ap-
23 proved by the member jurisdictions.

24 3. Adoption of procedures; approval at 3/4 of
25 member jurisdiction; review period. Adoption of ad-
26 ministrative procedures requires approval of at least
27 3/4 of the member jurisdictions. Proposed administra-
28 tive procedures shall be placed in writing and dis-
29 tributed to the commissioner of every member juris-
30 isdiction for review. The review period shall not ex-
31 ceed 60 days.

32 4. Ballots; voting. At the conclusion of the re-
33 view period, the committee shall distribute the pro-
34 posed procedure for balloting. Each ballot shall con-
35 tain the proposed procedure, comments submitted by
36 member jurisdictions and the earliest and latest vot-
37 ing dates which shall begin the first day after dis-
38 tribution and end not more than 30 days later.

39 5. Written votes. Each jurisdiction will place
40 its vote in writing. Failure of a jurisdiction to
41 vote shall be construed to be a vote of approval of
42 the proposed procedures.

1 6. Adopted procedures to become part of agree-
2 ment. Adopted procedures shall become a part of this
3 agreement and shall be placed in writing in the ad-
4 ministrative procedures manual.

5 7. Effective date of adopted procedure. Unless
6 otherwise specified, the effective date of an adopted
7 procedure shall be 30 days after the final date of
8 voting.

9 §3308. Administration

10 1. Regular meetings. The member jurisdictions
11 shall convene a regular meeting at least once every 2
12 years for the purpose of administration of this
13 agreement. All arrangements for the meeting shall be
14 made by the president of the agreement.

15 2. President. The member jurisdictions shall
16 elect by majority vote of those present at the regu-
17 lar meeting a member commissioner to be the president
18 for administration of this agreement.

19 3. Term of president. The term of the president
20 shall be 2 years.

21 4. Duties of president. The duties of the presi-
22 dent shall include the following:

23 A. Appointing chairmen for the administrative
24 procedures committee, audit committee and other
25 committees;

26 B. Appointing members to standing committees and
27 ad hoc committees; and

28 C. Other duties as specified by the members.

29 5. Membership fee. To help defray some of the
30 expenses associated with being the agreement presi-
31 dent, a membership fee shall be levied on each juris-
32 isdiction. The fee shall be annual and be based upon a
33 budget adopted by majority vote at a regular meeting.
34 The fee shall be prorated for each member jurisdic-
35 tion based upon the number of licensees based in the
36 jurisdiction.

1 Connecticut, Maine, New Hampshire and Vermont
2 agree to work together for the reciprocal enforcement
3 of the fuel use tax laws imposed by their jurisdic-
4 tions, using the Regional Fuel Tax Agreement as their
5 legal vehicle. The agreement stipulates that the
6 states involved will act cooperatively and provide
7 mutual assistance in the administration and collec-
8 tion of motor fuel consumption taxes and fuel use
9 identification decal fees. Specifically, this agree-
10 ment establishes a more simplified reporting proce-
11 dure which obligates a licensee to file quarterly re-
12 ports for fuel use with the base jurisdiction, the
13 motor vehicle company's home base, only. The licensee
14 shall pay all taxes for fuel use owed to all jurisdic-
15 tions who are members of the agreement by writing
16 one check to the base jurisdiction. Each jurisdiction
17 shall then forward all funds received to the appro-
18 priate jurisdictions once a month and the amount for-
19 warded will be determined from the quarterly fuel use
20 reprint which describes travel by licensee in member
21 jurisdictions. This reprinting and payment procedure
22 eliminates the duplication of effort presently in-
23 volved in requiring a licensee to comply separately
24 with each state's requirements.

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