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Biofuels Statutory Citations

State of Montana

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STATE OF MONTANA

This compilation of state statutory citations focuses predominantly on biofuels laws in effect January 1, 1970 through December 31, 2013. It is intended to serve as a researcher-friendly inventory of state laws by providing the formal title of relevant legislation, the standard legal citation for each statute, the applicability of the statute (ethanol, biodiesel, or both), and a brief description of the law. Some statutes and regulations listed do not specifically relate to biofuels, but are included because of their complementary relationship to the evolution of biofuels law in the state. These statutes are placed in reverse chronological order using the date of the most recent amendment to the statute. Many biofuels laws were enacted as amendments to previously passed laws.

Title	Citation	Applicability	Description
Class eight property (2013)	MONT. CODE § 15-6-138	Ethanol	All manufacturing machinery, fixtures, equipment, tools, and personal property related to ethanol manufacturing is considered class eight property and exempt from property tax on the first \$100,000 of market value, 1.5% for value in excess of the exemption up to \$6 million, and 3% for market value beyond that.
Class fourteen property (2011)	MONT. CODE § 15-6-157	Both	Biodiesel and ethanol facilities that began production after June 1, 2007, are considered class fourteen property and subject to property taxes for 3% of market value.
Petroleum storage tank cleanup fee (2009)	MONT. CODE § 75-11-314	Ethanol	Distributors are required to pay a clean-up fee to the Dep't of Transp. of $\frac{3}{4}$ of a cent per gallon distributed, which includes ethanol that is to be blended with gasoline.

Ethanol Tax Incentive (2009)	MONT. CODE §§ 15-70-501 TO 15-70-527	Ethanol	Provides for the licensing of ethanol distributors, as well as certain reporting requirements. Creates a \$.20/gallon tax credit for ethanol producers that use 100% MT products and pay standard wages for construction of the facility, during the first 6 years of production. The incentive reduces proportionately when products from outside the state used. The program is capped at \$6 million/year and each producer can receive a maximum of \$2 million/tax year.
Exemption from special fuel tax (2009)	MONT. CODE § 15-70-320	Biodiesel	Biodiesel producers that are registered with the state and use waste vegetable oil to produce biodiesel are exempt from the special fuel tax.
Refund or credit authorized (2009)	MONT. CODE § 15-70-221	Ethanol	Purchasers of ethanol-blended gasoline used in stationary engines off the public roads are entitled to a refund of any fuel tax paid on the gasoline.
Credit for alternative fuel motor vehicle conversion (2009)	MONT. CODE § 15-30-2320	Ethanol	Provides an income tax credit for 50% the investment in equipment and labor to convert motor vehicles to operate on alternative fuels. The credit may not exceed \$500 for vehicle with gross weight of 10,000lbs or less, or \$1,000 for vehicle over 10,000lbs.
Energy production or development, tax abatement (2009)	MONT. CODE § 15-24-3111	Both	Provides a 50% property tax abatement for biodiesel and ethanol production facilities during the construction period and the first 15 years after the facility begins production, but cannot exceed 19 years. It requires that standard wages for heavy construction be paid during construction to qualify.
Class fifteen property (2009)	MONT. CODE § 15-6-158	Both	Pipelines used to transport biodiesel and ethanol are considered class fifteen property and subject to property taxes for 3% of market value.
License of gas distributors (2007)	MONT. CODE § 15-70-202	Ethanol	Requires ethanol blenders to obtain a license, if they cannot be licensed then they must buy preblended gasoline.

Biodiesel blending and storage tax credit (2007)	MONT. CODE § 15-32-703	Biodiesel	Provides an income tax credit of 15% of the investment made for storing or blending biodiesel infrastructure, up to \$52,500 for distributors and \$7,500 for fuel outlet operators. To qualify it must be for biodiesel entirely from Montana feedstocks.
Biodiesel or biolubricant tax credit (2007)	MONT. CODE § 15-32-702	Biodiesel	Provides an income tax credit of 15% of the investment made for property to construct or equip a biodiesel production facility, includes 2 years of construction and any subsequent years in which the facility produces biodiesel. To qualify the property must be put to use by January 1, 2015.
Oilseed crush facility -- tax credit (2007)	MONT. CODE § 15-32-701	Biodiesel	Provides an income tax credit of 15% of the investment made for property used in producing biodiesel from oilseed crops, up to \$500,000. To qualify the property must be put to use by January 1, 2015.
Class five property (2007)	MONT. CODE § 15-6-135	Ethanol	Any personal and real property used in ethanol-blended gas production, during construction and the first 3 years of operation, is considered class five property and subject to property taxes at 3% market value.
State vehicles to use ethanol (2007)	MONT. CODE § 2-17-414	Ethanol	All branches of state government shall ensure that fleet vehicles that can run on ethanol-blended gasoline actually use that fuel when it is commercially available.
Exemptions from use of ethanol (2005)	MONT. CODE § 82-15-122	Ethanol	Aviation fuel and fuel dispensed at public or private race tracks for off-road racing is exempt from the ethanol-blend requirement.
Required use of gasoline blended with ethanol (2005)	MONT. CODE § 82-15-121	Ethanol	Once the state has maintained an annual production level of 40 million gallons for at least 3 months, the Dep't of Transp. must set standards to require all gasoline sold in the state to contain 10% ethanol.
Standards for petroleum products (2005)	MONT. CODE § 82-15-103	Both	Standards for fuels, including ethanol-blended gasoline and biodiesel, must be based on nationally recognized standards.

Biodiesel production incentive (2005)	MONT. CODE § 15-70-601	Biodiesel	Creates a \$.10/gallon tax incentive for biodiesel producers during the first year of production, and for any amount they increase production in the following two years. Expires July 1, 2010.
Refund for taxes paid on biodiesel by distributor or retailer (2005)	MONT. CODE § 15-70-369	Biodiesel	Allows licensed distributors and retail motor fuel outlets to claim a refund of a portion of the special fuel tax paid on biodiesel if it was created entirely from Montana ingredients.
License of special fuel distributors (2005)	MONT. CODE § 15-70-341	Biodiesel	Requires biodiesel blenders to obtain a license, if they cannot be licensed then they must buy biodiesel on which the fuel tax has been paid.
Ag processing facilities exemption (2005)	MONT. CODE § 15-6-220	Ethanol	All manufacturing machinery, fixtures, equipment, and tools used for the production of ethanol are exempt from property tax during construction and for 10 years after completion.
Alternative fuels policy (1995)	MONT. CODE § 90-4-1011	Both	Establishes a state policy to encourage the use of alternative fuels and fuel blends within the state through incentive programs and state fleet usage.