

1 SENATE BILL NO. 268

2 INTRODUCED BY D. HARGROVE, VICK, BERRY, BOOKOUT-REINICKE, ELLIOTT, GROSFIELD,
3 HALLIGAN, MAHLUM, STAPLETON, STONINGTON, TASH, WANZENRIED, J. WELLS, C. YOUNKIN

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A NONPROFIT CONVENTION AND VISITORS
6 BUREAU LOCATED IN A RESORT AREA OR RESORT AREA DISTRICT TO RECEIVE A PORTION OF
7 LODGING FACILITY USE TAX FUNDS IN THE SAME MANNER THAT A NONPROFIT CONVENTION AND
8 VISITORS BUREAU LOCATED IN A CITY OR CONSOLIDATED CITY-COUNTY MAY RECEIVE FUNDS;
9 AMENDING SECTIONS 15-65-101, 15-65-121, AND 15-65-122, MCA; AND PROVIDING AN IMMEDIATE
10 EFFECTIVE DATE."

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

13
14 **Section 1.** Section 15-65-101, MCA, is amended to read:

15 **"15-65-101. Definitions.** For purposes of this part, the following definitions apply:

16 (1) "Accommodation charge" means the fee charged by the owner or operator of a facility for use
17 of the facility for lodging, including bath house facilities, but excluding charges for meals, transportation,
18 entertainment, or any other similar charges.

19 (2) (a) "Campground" means a place, publicly or privately owned, used for public camping where
20 persons may camp, secure tents, or park individual recreational vehicles for camping and sleeping
21 purposes.

22 (b) The term does not include that portion of a trailer court, trailer park, or mobile home park
23 intended for occupancy by trailers or mobile homes for resident dwelling purposes for periods of 30
24 consecutive days or more.

25 (3) "Council" means the tourism advisory council established in 2-15-1816.

26 (4) (a) "Facility" means a building containing individual sleeping rooms or suites, providing
27 overnight lodging facilities for periods of less than 30 days to the general public for compensation. The
28 term includes a facility represented to the public as a hotel, motel, campground, resort, dormitory,
29 condominium inn, dude ranch, guest ranch, hostel, public lodginghouse, or bed and breakfast facility.

30 (b) The term does not include any health care facility, as defined in 50-5-101, any facility owned

1 by a corporation organized under Title 35, chapter 2 or 3, that is used primarily by persons under the age
 2 of 18 years for camping purposes, any hotel, motel, hostel, public lodginghouse, or bed and breakfast
 3 facility whose average daily accommodation charge for single occupancy does not exceed 60% of the
 4 amount authorized under 2-18-501 for the actual cost of lodging for travel within the state of Montana,
 5 or any other facility that is rented solely on a monthly basis or for a period of 30 days or more.

6 (5) "Nonprofit convention and visitors bureau" means a nonprofit corporation organized under
 7 Montana law and recognized by a majority of the governing body in the city, ~~or consolidated city-county,~~
 8 resort area, or resort area district in which the bureau is located.

9 (6) "Regional nonprofit tourism corporation" means a nonprofit corporation organized under
 10 Montana law and recognized by the council as the entity for promoting tourism within one of several
 11 regions established by executive order of the governor.

12 (7) "Resort area" means an area established pursuant to 7-6-1508.

13 (8) "Resort area district" has the meaning provided in 7-6-1531."

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15 **Section 2.** Section 15-65-121, MCA, is amended to read:

16 **"15-65-121. (Temporary) Distribution of tax proceeds.** (1) The proceeds of the tax imposed by
 17 15-65-111 must, in accordance with the provisions of 15-1-501, be deposited in an account in the state
 18 special revenue fund to the credit of the department. The department may spend from that account in
 19 accordance with an expenditure appropriation by the legislature based on an estimate of the costs of
 20 collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in
 21 accordance with the provisions of 15-1-501 and as provided in subsections (1)(a) through (1)(e) of this
 22 section, the department shall determine the expenditures by state agencies for in-state lodging for each
 23 reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The
 24 amount deducted must be deposited in the fund or funds from which in-state lodging expenditures were
 25 paid by state agencies. The amount of \$400,000 each year must be deposited in the Montana heritage
 26 preservation and development account provided for in 22-3-1004. On July 1, 1997, the amount of
 27 \$45,000 is transferred to the department of commerce for purposes of a grant to the Fort Peck
 28 interpretive center. The balance of the tax proceeds received each reporting period and not deducted
 29 pursuant to the expenditure appropriation or deposited in the fund or funds from which in-state lodging
 30 expenditures were paid by state agencies or in the Montana heritage preservation and development

1 account is statutorily appropriated, as provided in 17-7-502, and must be transferred to an account in the
2 state special revenue fund to the credit of the department of commerce for tourism promotion and
3 promotion of the state as a location for the production of motion pictures and television commercials, to
4 the Montana historical society, to the university system, and to the department of fish, wildlife, and parks,
5 as follows:

6 (a) 1% to the Montana historical society to be used for the installation or maintenance of roadside
7 historical signs and historic sites;

8 (b) 2.5% to the university system for the establishment and maintenance of a Montana travel
9 research program;

10 (c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state
11 parks that have both resident and nonresident use;

12 (d) 67.5% to be used directly by the department of commerce; and

13 (e) (i) except as provided in subsection (1)(e)(ii), 22.5% to be distributed by the department to
14 regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the
15 total proceeds collected statewide; and

16 (ii) if 22.5% of the proceeds collected annually within the limits of a city, ~~or~~ consolidated
17 city-county, resort area, or resort area district exceeds \$35,000, 50% of the amount available for
18 distribution to the regional nonprofit tourism corporation in the region where the city, ~~or~~ consolidated
19 city-county, resort area, or resort area district is located, to be distributed to the nonprofit convention and
20 visitors bureau in that city, ~~or~~ consolidated city-county, resort area, or resort area district.

21 (2) If a city, ~~or~~ consolidated city-county, resort area, or resort area district qualifies under this
22 section for funds but fails to either recognize a nonprofit convention and visitors bureau or submit and gain
23 approval for an annual marketing plan as required in 15-65-122, then those funds must be allocated to the
24 regional nonprofit tourism corporation in the region in which the city, ~~or~~ consolidated city-county, resort
25 area, or resort area district is located.

26 (3) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual
27 marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit
28 tourism corporation may be used by the department of commerce for tourism promotion and promotion
29 of the state as a location for the production of motion pictures and television commercials. (Terminates
30 July 1, 2001--sec. 23(3), Ch. 469, L. 1997.)

1 **15-65-121. (Effective July 1, 2001) Distribution of tax proceeds.** (1) The proceeds of the tax
2 imposed by 15-65-111 must, in accordance with the provisions of 15-1-501, be deposited in an account
3 in the state special revenue fund to the credit of the department. The department may spend from that
4 account in accordance with an expenditure appropriation by the legislature based on an estimate of the
5 costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax
6 proceeds in accordance with the provisions of 15-1-501 and as provided in subsections (1)(a) through
7 (1)(e) of this section, the department shall determine the expenditures by state agencies for in-state
8 lodging for each reporting period and deduct 4% of that amount from the tax proceeds received each
9 reporting period. The amount deducted must be deposited in the fund or funds from which in-state lodging
10 expenditures were paid by state agencies. The balance of the tax proceeds received each reporting period
11 and not deducted pursuant to the expenditure appropriation or deposited in the fund or funds from which
12 in-state lodging expenditures were paid by state agencies is statutorily appropriated, as provided in
13 17-7-502, and must be transferred to an account in the state special revenue fund to the credit of the
14 department of commerce for tourism promotion and promotion of the state as a location for the production
15 of motion pictures and television commercials, to the Montana historical society, to the university system,
16 and to the department of fish, wildlife, and parks, as follows:

17 (a) 1% to the Montana historical society to be used for the installation or maintenance of roadside
18 historical signs and historic sites;

19 (b) 2.5% to the university system for the establishment and maintenance of a Montana travel
20 research program;

21 (c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state
22 parks that have both resident and nonresident use;

23 (d) 67.5% to be used directly by the department of commerce; and

24 (e) (i) except as provided in subsection (1)(e)(ii), 22.5% to be distributed by the department to
25 regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the
26 total proceeds collected statewide; and

27 (ii) if 22.5% of the proceeds collected annually within the limits of a city, ~~or~~ consolidated
28 city-county, resort area, or resort area district exceeds \$35,000, 50% of the amount available for
29 distribution to the regional nonprofit tourism corporation in the region where the city, ~~or~~ consolidated
30 city-county, resort area, or resort area district is located, to be distributed to the nonprofit convention and

1 visitors bureau in that city, ~~or~~ consolidated city-county, resort area, or resort area district.

2 (2) If a city, ~~or~~ consolidated city-county, resort area, or resort area district qualifies under this
3 section for funds but fails to either recognize a nonprofit convention and visitors bureau or submit and gain
4 approval for an annual marketing plan as required in 15-65-122, then those funds must be allocated to the
5 regional nonprofit tourism corporation in the region in which the city, ~~or~~ consolidated city-county, resort
6 area, or resort area district is located.

7 (3) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual
8 marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit
9 tourism corporation may be used by the department of commerce for tourism promotion and promotion
10 of the state as a location for the production of motion pictures and television commercials."
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12 **Section 3.** Section 15-65-122, MCA, is amended to read:

13 **"15-65-122. Qualification of nonprofit entities for receipt of funds -- limitation on administrative**
14 **costs.** (1) The department of revenue shall provide the council with quarterly reports of regional tax
15 proceeds and tax proceeds of cities, ~~and~~ consolidated city-counties, resort areas, and resort area districts
16 that qualify for disbursement of funds under 15-65-121.

17 (2) ~~No funds~~ Funds may not be disbursed to a regional nonprofit tourism corporation or nonprofit
18 convention and visitors bureau until that entity has submitted an annual marketing plan to the council and
19 that plan has been approved by the council.

20 (3) A maximum of 20% of the funds received by a regional nonprofit tourism corporation or
21 nonprofit convention and visitors bureau may be used for administrative purposes as defined by the
22 council."
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24 NEW SECTION. **Section 4. Effective date.** [This act] is effective ~~on passage and approval~~ JULY
25 1, 2001.

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