

FISCAL NOTE

Bill #: HB0236

Title: Fund special non-recurring tourism related events

Primary

Sponsor: Dennis Himmelberger

Status: Second Reading

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
Expenditures:	0	0
Revenue:		
State Special Revenue		
Dept of Commerce account for tourism events	\$500,000	\$500,000
Dept Commerce marketing program	(\$500,000)	(\$500,000)
Net Impact on General Fund Balance:	\$0	\$0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
X		Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long- Term Impacts
	X	Dedicated Revenue Form Attached		X	Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

Department of Commerce

1. As amended, HB 236 redistributes the tax proceeds allocated within the Department of Commerce so that there is \$500,000 per year for four years for grants for local governments to fund non-recurring tourism related events. The department will develop guidelines to implement the program and will provide administrative support for the process and projects. For the purposes of this fiscal note, it is assumed administrative costs would come from the \$500,000 grant account.

(continued)

2. Grant applications would likely be reviewed and awarded quarterly.
3. Available funding for Travel Montana is reduced by \$500,000 per year, resulting in some program modifications and a reduction in consumer and group/convention marketing program since these funds are redirected to the grants program.
4. As amended, this bill will have no impact on other agencies that receive lodging facility use tax receipts.
5. This bill will have no administrative impacts on the Department of Revenue.

FISCAL IMPACT:

Department of Commerce

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
<u>Expenditures:</u>		
Consumer/Group Marketing	(500,000)	(500,000)
Operating Expenses	35,000	30,000
Tourism Events Grants	<u>465,000</u>	<u>470,000</u>
TOTAL	\$0	\$0

Funding:

State Special Revenue (02)	\$0	\$0
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Revenues:

State Special Revenue (02)		
DOC new account for tourism events	\$500,000	\$500,000
DOC Consumer/Group Marketing	(\$500,000)	(\$500,000)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

This bill would provide \$500,000 in grants to local governments for non-recurring tourism related events each fiscal year for four years.

LONG-RANGE IMPACTS:

This bill has a termination date of June 30, 2005. Lodging facility use tax receipts would be allocated the same as under current law beginning in FY 2006.