

FISCAL NOTE

Bill #: SB0263

Title: Continue bed tax funding for heritage preservation and development program

Primary

Sponsor: Dale Mahlum

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
Expenditures:	0	0
Revenue:	0	0
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. SB 263 would make the funding of the Heritage Preservation and Development program from the lodging facility use tax permanent.
2. Other pending legislation in process regarding the lodging facility use tax is not enacted.
3. Disbursements of lodging facility use tax monies will be made after the Department of Revenue and general fund are reimbursed, and the \$400,000 is set aside for the Heritage Preservation and Development program.
4. Revenue for Travel Montana is reduced by \$270,000 per year, resulting in some program modifications and a reduction in consumer marketing. Additionally, the funding for the tourism regions and convention/visitor bureaus will be reduced by approximately \$90,000 a year resulting in some program modifications. These funds are statutorily appropriated.

Department of Revenue

5. Under current law, \$400,000 in accommodations tax receipts is deposited in the Montana heritage preservation and development account in FY 2001, but not in following years. This bill would make that allocation permanent.

6. This bill would allocate \$400,000 in accommodations tax receipts to the Montana heritage preservation and development account in FY 2002 and FY 2003. It would reduce by \$400,000 the funds from the accommodations tax divided among the Historical Society, the university system, the Department of Fish, Wildlife and Parks, the Department of Commerce, and regional tourism corporations.

7. This bill would have no administrative impacts on the Department of Revenue.

Department of Fish, Wildlife and Parks

8. FWP would receive 6.5% of lodging facilities use tax (LFUT) after the \$400,000 goes to the Montana heritage preservation and development account.

9. FWP revenues would be reduced by 6.5% of \$400,000 = (\$26,000).

Commissioner of Higher Education

10. This bill would continue \$400,000 funding to the Montana heritage and preservation and development program. This reduces the amount available for distribution from the state special revenue account. The university system receives 2.5% of the funds in this state special revenue account (2.5% x \$400,000 = \$10,000 decrease).

Montana Historical Society

11. SB 263 is removing the sunset provision of 15-65-121 and will continue the receipt of \$400,000 each year to the Montana heritage preservation and development account as a statutory appropriation.

12. If the sunset provision had not been removed, the Montana Historical Society would have received \$4,000 of revenue to be used for the installation of or maintenance of roadside historical signs and historic sites.

FISCAL IMPACT:

All State Agencies

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
<u>Revenues:</u>		
State Special Revenue (02)		
Montana heritage preservation acct	400,000	400,000
Historical Society	(4,000)	(4,000)
University system	(10,000)	(10,000)
Fish, Wildlife & Parks	(26,000)	(26,000)
Dept. of Commerce operating	(270,000)	(270,000)
Regional Tourism corporations	<u>(90,000)</u>	<u>(90,000)</u>
TOTAL	0	0

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Disbursements to the six tourism regions and nine convention and visitor bureaus will be reduced by \$90,000 each year (22.5% of \$400,000) and the heritage preservation and development program will be funded.