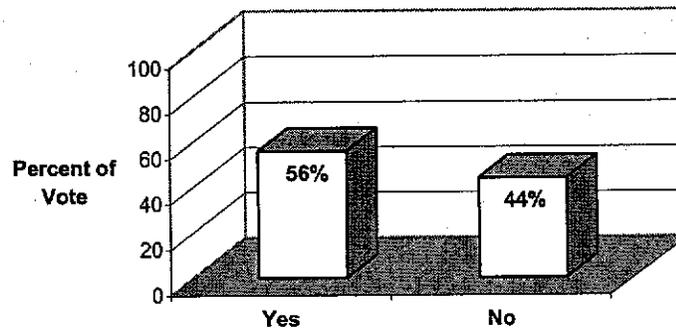




WHITEFISH RESORT TAX OVERVIEW (1996 to date)

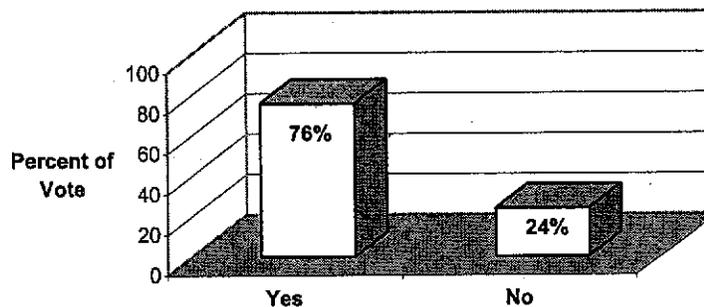
The Whitefish Resort Tax was approved by City voters, with 56% voting in favor, on November 7, 1995. The tax was implemented on February 1, 1996, initiating a 20-year term that expires on January 31, 2016.

Resort Tax Election Results
November, 1995



On November 2, 2004, Whitefish voters approved a ballot measure to reauthorized the tax for a new 20-year term, effectively extending the ending date of the tax an additional 9 years, from 2016 to 2025. The election results for reauthorization were 76% "Yes" and 24% "No".

Resort Tax Reauthorization Election Results
November, 2004



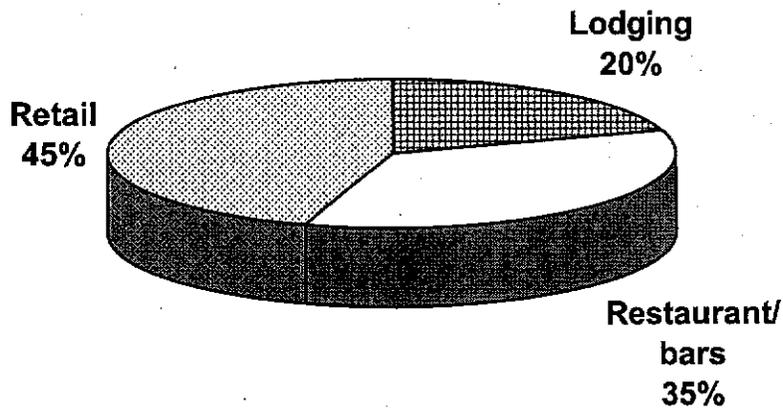
Resort Tax Structure:

The tax rate, tax base (including exemptions), use of tax dollars, and other terms are set by the Resort Tax Ordinance, which can only be changed with voter approval. The ordinance levies a 2% sales tax on specified goods and services sold within the City by:

- Lodging facilities (hotels, motels, etc.)
- Restaurants, bars and taverns.
- Retailers (who sell items defined as "luxuries" by the Resort Tax Ordinance).

Distribution of Tax Collections (by economic sector):

**Whitefish Resort Taxes
collected by economic sectors
(1996 to date)**



Uses of Resort Tax Revenue:

The Resort Tax Ordinance specifies that the proceeds from the tax be distributed as follows:

- 25 percent to property tax reduction for taxpayers residing in the City of Whitefish.
- 65 percent to the improvement of streets, sidewalks, gutters, curbs and City related underground utilities.
- 5 percent to bicycle paths and other park capital improvements.
- 5 percent to administration of the tax (retained by tax collecting businesses).

Resort Tax Monitoring Committee:

The Whitefish Resort Tax Monitoring Committee is a committee created by City ordinance. The purpose of the committee is to (a) monitor the use of Resort Tax proceeds to assure compliance with the voter-approved Resort Tax Ordinance and (b) advise the City Council on matters pertinent to the Resort Tax, such as project recommendations. The committee has no authority to approve or deny projects or expenditures. Such decisions are reserved to the elected City Council.

Committee membership:

The Resort Tax Monitoring Committee has nine members with the following representative positions:

- One member representing lodging businesses.
- One member representing restaurants/bars/taverns.
- One member representing retail businesses.
- One member representing community businesses at-large.
- One member representing the City Council.
- Four members representing the general public.

Resort Tax Revenue Collected:

Collections (Inception through FY03/04):	\$7,786,517
Interest Income	273,059
Projected collections for FY04/05:	<u>\$1,303,490</u>
TOTAL:	<u>\$9,363,066</u>

Since inception, tax collections have seen average annual growth of 6 percent, demonstrating sustained growth in the local economy.

Resort Tax Expenditures (Inception to FY04-05):

Property tax relief since 1996:	\$2,164,860
Street improvements since 1996:	\$4,360,705
Park improvements since 1996:	\$244,681
Improvements/tax relief pending	<u>\$2,592,820</u>
TOTAL:	<u>\$9,363,066</u>

Annual Property Tax Relief since 1996:

Fiscal Year	Dollars Rebated
1996/97	\$ 66,172
1997/98	\$ 205,910
1998/99	\$ 205,573
1999/00	\$ 246,228
2000/01	\$ 269,651
2001/02	\$ 272,631
2002/03	\$ 278,562
2003/04	\$ 296,668
2004/05	\$ 323,465
TOTAL	<u>\$ 2,164,860</u>

The total of \$2,164,860 rebated to taxpayers represents 25.3 percent of all mill-based taxes levied by the City during the time period of FY1996/1997 through FY2004/2005.

Resort Tax projects funded since 1996:

STREETS:

Baker Avenue (2nd Street to River)
Baker Avenue (River to 10th Street)
7th Street (Columbia Avenue to Pine Avenue)
Columbia Avenue (River to 7th Street)
Columbia Avenue (2nd Street to 7th Street)
Skyles Place (Wisconsin Avenue to Dakota Avenue)
Lupfer Avenue (Entire length)
Railway St. (Miles Avenue to O'Brien Avenue)
Railway St. (Columbia Avenue to Somers Avenue)
Somers Avenue (Railway Street to 2nd Street)
Community-wide sidewalk replacement project - 84 blocks

PARKS:

Riverside Park Bike/Ped Path.
Baker Street Park Bike/Ped Path.
Grouse Mountain Park Tennis Court reconstruction.
Riverside Park Tennis Court improvements.
Kay Beller Park Construction.
Memorial Park Basketball Court Resurfacing.