

## OFFICE OF THE CITY ATTORNEY

**John M. Phelps, City Attorney**  
jphelps@cityofwhitefish.org  
(406) 863-2444

**Keni L. Hopkins, Legal Assistant**  
khopkins@cityofwhitefish.org  
(406) 863-2445

Post Office Box 158  
Whitefish, MT 59937-0158  
Facsimile (406) 863-1249

SENATE TAXATION

DATE 2-15-07

EXHIBIT NO. 7

BILL NO. SB-418

February 14, 2007

Jan Metzmaker, Director  
Whitefish Convention and Visitor Bureau  
PO Box 4232  
Whitefish, MT 59937-4232

RE: Support for SB 418

Dear Jan:

I am writing to register the support of the City of Whitefish for SB 418, sponsored by Senator Dan Weinberg.

Many Montana cities, including Whitefish, have a tourism marketing community that is larger than the city limits. Such communities often have a ski area, a resort ranch or an attractive lodging property which share a symbiotic relationship. The city and the nearby attraction have a community of interest and benefit from one another's marketing efforts. They are mutually supporting in their marketing functions. In such cases the whole is much greater than the sum of its parts, and by working together, and marketing together, the entire community benefits.

Unfortunately, under existing law, lodging tax revenues collected from the city, and the neighboring resort attraction, cannot be joined together, except in a very few, very limited situations. Rather than encourage joint marketing efforts between close marketing partners, the current law forces partners to go it alone. In Whitefish, although the Big Mountain Resort, and several neighboring lodging properties, have asked that a portion of their lodging tax be distributed to the Whitefish Convention and Visitor Bureau, that cannot happen under existing law. SB 418 would address this situation.

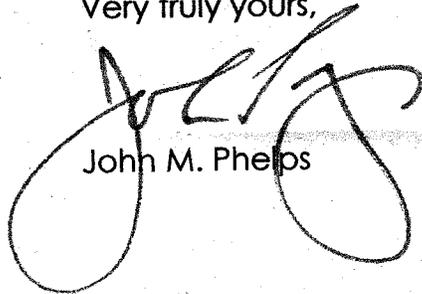
Current state law (Section 76-2-310, MCA) allows cities, depending on whether they are of the first class, second class or third class, to extend their zoning jurisdiction by to one, two or three miles, respectively. A number of cities, including Whitefish, have already done so. SB 418 would allow a portion of the lodging tax revenues collected from the expanded zoning jurisdiction to be aggregated and returned to the community, for marketing.

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SB 418 relies on an existing provision in state law (Section 76-2-310, MCA) to allow marketing partners to join forces. It does not create a new mechanism, new entity or boundary. With the addition of only a few brief words to the lodging tax law the problem faced by Whitefish, and many other cities, is solved.

The City of Whitefish strongly supports SB 418, and requests that you share this letter as you think appropriate.

Very truly yours,



John M. Phelps

JMP/klh