

SENATE BILL NO. 190

INTRODUCED BY B. HAWKS

1
2
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE LODGING FACILITY USE TAX; PROVIDING
5 FOR THE USE OF THE INCREASED TAX FOR HERITAGE AND HISTORIC PRESERVATION GRANTS AND
6 FOR TOURISM PROMOTION; GRANTING RULEMAKING AUTHORITY; AMENDING SECTIONS 15-65-111
7 AND 15-65-121, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."
8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
10

11 **Section 1.** Section 15-65-111, MCA, is amended to read:

12 **"15-65-111. Tax rate.** (1) There is imposed on the user of a facility a tax at a rate equal to ~~4%~~ 5% of the
13 accommodation charge collected by the facility.

14 (2) Accommodation charges do not include charges for rooms used for purposes other than lodging."
15

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

17 **"15-65-121. Distribution of tax proceeds.** (1) The proceeds of the tax imposed by 15-65-111 must,
18 in accordance with the provisions of 17-2-124, be deposited in an account in the state special revenue fund to
19 the credit of the department. The department may spend from that account in accordance with an expenditure
20 appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of
21 the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 17-2-124 and as
22 provided in subsections (1)(a) through ~~(1)(e)~~ (1)(g) of this section, the department shall determine the
23 expenditures by state agencies for in-state lodging for each reporting period and deduct ~~4%~~ 5% of that amount
24 from the tax proceeds received each reporting period. The amount deducted must be deposited in the fund or
25 funds from which in-state lodging expenditures were paid by state agencies. The amount of \$400,000 each year
26 must be deposited in the Montana heritage preservation and development account provided for in 22-3-1004. The
27 balance of the tax proceeds received each reporting period and not deducted pursuant to the expenditure
28 appropriation, deposited in the fund or funds from which in-state lodging expenditures were paid by state
29 agencies, or deposited in the heritage preservation and development account is statutorily appropriated, as
30 provided in 17-7-502, and must be transferred to an account in the state special revenue fund to the credit of the

1 department of commerce for tourism promotion and promotion of the state as a location for the production of
 2 motion pictures and television commercials, to the Montana historical society, to the university system, and to the
 3 department of fish, wildlife, and parks, as follows:

4 (a) ~~4%~~ 0.8% to the Montana historical society to be used for the installation or maintenance of roadside
 5 historical signs and historic sites;

6 (b) ~~2.5%~~ 2% to the university system for the establishment and maintenance of a Montana travel
 7 research program;

8 (c) ~~6.5%~~ 5.2% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks
 9 that have both resident and nonresident use;

10 (d) ~~67.5%~~ 54% to be used directly by the department of commerce; ~~and~~

11 (e) 13.3% to be deposited in an account in the heritage and historic preservation state special revenue
 12 account established in [section 3];

13 (f) 6.65% to be used by the department of commerce for the travel Montana program;

14 ~~(e)(g)~~ (i) except as provided in subsection ~~(1)(e)(ii)~~ (1)(g)(ii), ~~22.5%~~ 18.05% to be distributed by the
 15 department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region
 16 to the total proceeds collected statewide; and

17 (ii) if ~~22.5%~~ 18.05% of the proceeds collected annually within the limits of a city, consolidated city-county,
 18 resort area, or resort area district exceeds \$35,000, 50% of the amount available for distribution to the regional
 19 nonprofit tourism corporation in the region where the city, consolidated city-county, resort area, or resort area
 20 district is located, to be distributed to the nonprofit convention and visitors bureau in that city, consolidated
 21 city-county, resort area, or resort area district.

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

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

