

Amendments to House Bill No. 316 Bill No. SB 316
Reference Copy

For the House Free Conference Committee

Prepared by Jaret Coles
April 26, 2011 (9:36am)

1. Title, page 2, line 3.

Strike: "AN"

2. Title, page 2, line 4.

Strike: "DATE" through "DATE"

Insert: "DATES AND TERMINATION DATES"

3. Page 39, line 8.

Insert: "COORDINATION SECTION. Section 13. Coordination instruction. If House Bill No. 477 and [this act] are both passed and approved and if both of these bills contain a section that amends 15-65-121, then the sections amending 15-65-121 are void and 15-65-121 must be amended as follows:

"15-65-121. Distribution of tax proceeds. (1) The proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 17-2-124, be deposited in an account in the state special revenue fund to the credit of the department. The department may spend from that account in accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 17-2-124 and as provided in subsections ~~(1)(a)~~ (2)(a) through ~~(1)(e)~~ (2)(g) of this section, the department shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The amount deducted must be deposited in the fund or funds from which in-state lodging expenditures were paid by state agencies. The amount of ~~\$400,000~~ \$360,000 each year must be deposited in the Montana heritage preservation and development account provided for in 22-3-1004 and the amount of \$40,000 each year must be deposited in the state general fund.

(2) The balance of the tax proceeds received each reporting period and not deducted pursuant to the expenditure appropriation, deposited in the fund or funds from which in-state lodging expenditures were paid by state agencies, or deposited in the heritage preservation and development account, or deposited in the state general fund under this section is statutorily appropriated, as provided in 17-7-502, and must be transferred to an account in the state special revenue fund to the credit of the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials, to the Montana historical interpretation state special revenue account, to the Montana historical society,

to the university system, and to the department of fish, wildlife, and parks, as follows:

(a) ~~1%~~ 0.9% to the Montana historical society to be used for the installation or maintenance of roadside historical signs and historic sites;

(b) ~~2.5%~~ 2.25% to the university system for the establishment and maintenance of a Montana travel research program;

(c) ~~6.5%~~ 5.85% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks that have both resident and nonresident use;

(d) ~~67.5%~~ 58.41% to be used directly by the department of commerce; and

(e) (i) except as provided in subsection ~~(1)(e)(ii)~~ (2)(e)(ii), ~~22.5%~~ 20.25% to be distributed by the department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds collected statewide; and

(ii) if ~~22.5%~~ 20.25% of the proceeds collected annually within the limits of a city, consolidated city-county, resort area, or resort area district exceeds ~~\$35,000~~ \$31,500, 50% of the amount available for distribution to the regional nonprofit tourism corporation in the region where the city, consolidated city-county, resort area, or resort area district is located, to be distributed to the nonprofit convention and visitors bureau in that city, consolidated city-county, resort area, or resort area district;

(f) 2.34% to the Montana historical interpretation state special revenue account established in [section 1 of House Bill No. 477]; and

(g) the remainder to be deposited in the general fund.

~~(2)(3)~~ If a city, consolidated city-county, resort area, or resort area district qualifies under this section for funds but fails to either recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism corporation in the region in which the city, consolidated city-county, resort area, or resort area district is located.

~~(3)(4)~~ If a regional nonprofit tourism corporation fails to submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation may be used by the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials.

(5) The tax proceeds received that are transferred to a state special revenue account pursuant to subsections (2)(a) through (2)(e) are statutorily appropriated to the entities as provided in 17-7-502.

(6) The tax proceeds received that are transferred to the Montana historical interpretation state special revenue account pursuant to subsection (2)(f) are subject to appropriation by the legislature."

{Internal References to 15-65-121:

15-65-122x 15-65-131x 15-65-131x 17-7-502x }"

Insert: "COORDINATION SECTION. Section 14. Coordination instruction. If House Bill No. 477 and [this act] are both passed and approved and if both of these bills contain a section that amends 15-65-121, then the sections amending 15-65-121 are void and 15-65-121 must be amended as follows:

"15-65-121. **Distribution of tax proceeds.** (1) The proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 17-2-124, be deposited in an account in the state special revenue fund to the credit of the department. The department may spend from that account in accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 17-2-124 and as provided in subsections ~~(1)(a)~~ (2)(a) through ~~(1)(e)~~ (2)(f) of this section, the department shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The amount deducted must be deposited in the fund or funds from which in-state lodging expenditures were paid by state agencies. The amount of \$400,000 each year must be deposited in the Montana heritage preservation and development account provided for in 22-3-1004.

(2) The balance of the tax proceeds received each reporting period and not deducted pursuant to the expenditure appropriation, deposited in the fund or funds from which in-state lodging expenditures were paid by state agencies, or deposited in the heritage preservation and development account ~~is statutorily appropriated, as provided in 17-7-502,~~ and must be transferred to an account in the state special revenue fund to the credit of the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials, to the Montana historical interpretation state special revenue account, to the Montana historical society, to the university system, and to the department of fish, wildlife, and parks, as follows:

(a) 1% to the Montana historical society to be used for the installation or maintenance of roadside historical signs and historic sites;

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

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

(d) ~~67.5%~~ 64.9% to be used directly by the department of commerce; and

(e) (i) except as provided in subsection ~~(1)(e)(ii)~~ (2)(e)(ii), 22.5% to be distributed by the department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds collected statewide; and

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

(f) 2.6% to the Montana historical interpretation state special revenue account established in [section 1 of House Bill No. 477].

~~(2)~~(3) If a city, consolidated city-county, resort area, or resort area district qualifies under this section for funds but fails to either recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism corporation in the region in which the city, consolidated city-county, resort area, or resort area district is located.

~~(3)~~(4) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation may be used by the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials.

(5) The tax proceeds received that are transferred to a state special revenue account pursuant to subsections (2)(a) through (2)(e) are statutorily appropriated to the entities as provided in 17-7-502.

(6) The tax proceeds received that are transferred to the Montana historical interpretation state special revenue account pursuant to subsection (2)(f) are subject to appropriation by the legislature."

{Internal References to 15-65-121:

15-65-122x 15-65-131x 15-65-131x 17-7-502x }

Renumber: subsequent sections

4. Page 39, line 13.

Strike: "[This act] "

Insert: "(1) Except as provided in subsection (2), [this act]"

5. Page 39, line 14.

Following: line 13

Insert: "(2) The amendments to 15-65-121 contained in [section 14] are effective July 1, 2014."

6. Page 39, line 15 through 16.

Strike: "EXCEPT" on page 39, line 15 through "TERMINATES" on line 16

Insert: "[Sections 1 through 5 and 7 through 12] terminate"

7. Page 39, line 17.

Strike: "[SECTION 6] TERMINATES"

Insert: "[Sections 6 and 13] terminate"

- END -

Explanation - House Bill No. 477 (passed by the House and the Senate) establishes a state special revenue account for the Montana historical society for costs associated with historical interpretation and the Robert Scriver collection. The state special revenue account that is created by HB 477 is funded by an allocation reduction of 2.34% from the department of commerce.

Section 13 of this coordination instruction merges language in HB 316 and HB 477 and it reduces the allocation to the department of commerce by an additional 2.34% more than the reduction in HB 316. See 15-65-121(2)(d).

Section 14 becomes effective when the amendments that allocate 10% to the general fund from the lodging and facility tax terminates and the language in section 15-65-121, MCA, mirrors the language of HB 477.