

SB 244

SPONSOR'S REBUTTAL TO FISCAL NOTE

Bill Number: SB244

Date Prepared: 2/6/15

Short Title: Establish a Montana trade center in Calgary

Sponsor: Senator Dee Brown

The original bed tax collections were meant for the promotion of the state so that we could entice more visitors to spend money in Montana. The trade center in Calgary, Alberta, Canada would do just that-- promote trade and tourism between Canada and all aspects of the state including film, natural resources, health care, agriculture, retail, and all other parts of Montana's economy.

Specifically, what in the fiscal note do you feel is flawed?

The price tag of \$306,300 is a moving target since we haven't put out a prospectus nor hired a person to staff the center. This bill would direct the Department of Commerce, MT Promotion Division to use funding to market and advertise through the office in Calgary using ever-increasing accommodation collections from bed tax properties. The increase for the last few years have been and are projected to be:

FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
\$11.072	\$12.850	\$14.060	\$14.758	\$15.482	\$16.441	\$17.841	\$19.428

Therefore, I believe that the cost for the office and one staff member would not redirect funds being spent in another way, but funds put to use for another great marketing tool using only a portion of the projected increase. Legislators will decide the policy of this bill knowing it isn't redirecting funding.

What is your estimate of the fiscal impact?

It will be whatever the department decides is reasonable rent and staff expenses once they put out a prospectus for the Calgary office.

Sponsor Signature:

Dee L. Brown 2/6/15