

SENATE BILL NO. 284
INTRODUCED BY MOSS, PERRY

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE ALLOCATION OF SALES TAX PROCEEDS; ALLOCATING A PORTION OF SALES TAX PROCEEDS FOR TOURISM-RELATED PURPOSES; AMENDING SECTION 15-68-820, MCA; AND PROVIDING AN EFFECTIVE DATE."

WHEREAS, the rich historic, cultural, and recreational heritage of Montana is and has been linked to tourism; and

WHEREAS, tourism is one of Montana's largest and fastest growing industries, accounting for \$2.7 billion in revenue and 45,940 jobs, and heritage preservation and cultural tourism are vital components of this industry; and

WHEREAS, the money tourists spend in our state helps enable many of our most cherished places to exist for the enjoyment of all Montanans; and

WHEREAS, Montana has fallen to 34th in tourism promotion spending and is losing market share to competing states in the increasingly fierce market for tourism dollars; and

WHEREAS, increased funding to enhance tourism promotion and better fund tourism's cultural, historic, and recreational partners will secure a healthy future for this key industry and a better sense of place for all Montanans.

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

Section 1. Section 15-68-820, MCA, is amended to read:

"15-68-820. Sales tax and use tax proceeds. (1) All money collected under this chapter must, in accordance with the provisions of 15-1-501, be deposited by the department into the general fund 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. The remaining money in the account is allocated as follows:

(a) ~~2.64%~~ 1.848% to the Montana historical society to be used for the purposes of Title 22, chapter 3, part 1;

(b) ~~0.36% to the university system for the maintenance of a Montana travel research program;~~

- ~~(c) 3.25% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks;~~
- ~~(d) 56.62% to the department of commerce to be used for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials;~~
- ~~(e) 3.52% to the Montana heritage preservation and development commission to be used as provided in Title 22, chapter 3, part 10;~~
- ~~(f) 5.43% to the trust fund established in 15-35-108 for the purpose of protection of works of art in the capitol and for other cultural and aesthetic projects;~~
- ~~(g)(B) 3.62% 2.534% to the Montana historical society to be used for the preservation and acquisition of heritage property;~~
- ~~(h)(C) 1.03% 2% to the department of commerce to be used for the promotion of tribal tourism or transferred to an entity established to promote tribal tourism; and~~
- ~~(D) 0.252% TO THE UNIVERSITY SYSTEM FOR THE MAINTENANCE OF A MONTANA TRAVEL RESEARCH PROGRAM;~~
- ~~(E) 2.275% TO THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS FOR THE MAINTENANCE OF FACILITIES IN STATE PARKS;~~
- ~~(F) 39.634% TO THE DEPARTMENT OF COMMERCE TO BE USED FOR TOURISM PROMOTION AND PROMOTION OF THE STATE AS A LOCATION FOR THE PRODUCTION OF MOTION PICTURES AND TELEVISION COMMERCIALS, AS APPROPRIATE;~~
- ~~(G) 2.464% TO THE MONTANA HERITAGE PRESERVATION AND DEVELOPMENT COMMISSION TO BE USED AS PROVIDED IN TITLE 22, CHAPTER 3, PART 10;~~
- ~~(H) 3.801% TO THE TRUST FUND ESTABLISHED IN 15-35-108 FOR THE PURPOSE OF PROTECTION OF WORKS OF ART IN THE CAPITOL AND FOR OTHER CULTURAL AND AESTHETIC PROJECTS;~~
- ~~(i)(D)(I) (i) except as provided in subsection (1)(i)(ii), 23.53% (1)(D)(II) (1)(I)(II), \$500,000 to the department of commerce to be distributed to regional nonprofit tourism corporations, TO BE USED TO SUPPORT CULTURAL AND HERITAGE TOURISM, in the ratio of the proceeds collected in each tourism region to the total proceeds collected statewide; or~~
- ~~(ii) if the proceeds collected annually within the limits of a city, consolidated city-county, resort area, or resort area district are qualified under 15-65-121, then 100% of the 23.53% \$500,000 is available for distribution to the nonprofit convention and visitors bureau in that city, consolidated city-county, resort area, or resort area district; AND~~
- ~~(J) (I) EXCEPT AS PROVIDED IN SUBSECTION (1)(J)(II), 16.471% TO THE DEPARTMENT OF COMMERCE TO BE DISTRIBUTED TO REGIONAL NONPROFIT TOURISM CORPORATIONS IN THE RATIO OF THE PROCEEDS COLLECTED IN EACH TOURISM REGION TO THE TOTAL PROCEEDS COLLECTED STATEWIDE; OR~~

(II) IF THE PROCEEDS COLLECTED ANNUALLY WITHIN THE LIMITS OF A CITY, CONSOLIDATED CITY-COUNTY, RESORT AREA, OR RESORT AREA DISTRICT ARE QUALIFIED UNDER 15-65-121, THEN 100% OF THE 16.471% IS AVAILABLE FOR DISTRIBUTION TO THE NONPROFIT CONVENTION AND VISITORS BUREAU IN THAT CITY, CONSOLIDATED CITY-COUNTY, RESORT AREA, OR RESORT AREA DISTRICT; AND

(E)(K) ALL REMAINING PROCEEDS TO THE STATE GENERAL FUND.

(2) 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) 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 THE SUPPORT OF CULTURAL AND HERITAGE TOURISM OR FOR TOURISM PROMOTION AND PROMOTION OF THE STATE AS A LOCATION FOR THE PRODUCTION OF MOTION PICTURES AND TELEVISION COMMERCIALS, AS APPROPRIATE."

NEW SECTION. Section 2. Notification to tribal governments. The secretary of state shall send a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell band of Chippewa.

NEW SECTION. Section 3. Effective date. [This act] is effective July 1, 2007.

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