

HOUSE BILL NO. 262

INTRODUCED BY K. WHITE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LIMIT ON THE RESORT TAX RATE; ALLOWING AN ADDITIONAL RESORT TAX LEVY AT THE RATE OF 1%; PROVIDING THAT THE ADDITIONAL REVENUE FUND HISTORIC PRESERVATION; AND AMENDING SECTIONS 7-6-1503 AND 7-6-1504, MCA."

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

Section 1. Section 7-6-1503, MCA, is amended to read:

"7-6-1503. Limit on resort tax rate -- goods and services subject to tax. (1) ~~The~~ (a) Except as provided in subsection (1)(b), the rate of the resort tax must be established by the election petition or resolution provided for in 7-6-1504, but the rate may not exceed 3%.

(b) An election petition or resolution provided for in 7-6-1504 may provide for an additional resort tax levy at the rate of 1%. The revenue from the additional 1% tax must be used for the purpose provided for in 7-6-1504(4)(d).

(2) (a) The resort tax is a tax on the retail value of all goods and services sold, except for goods and services sold for resale, within the resort community or area by the following establishments:

(i) hotels, motels, and other lodging or camping facilities;

(ii) restaurants, fast food stores, and other food service establishments;

(iii) taverns, bars, night clubs, lounges, and other public establishments that serve beer, wine, liquor, or other alcoholic beverages by the drink; and

(iv) destination ski resorts and other destination recreational facilities.

(b) Establishments that sell luxuries shall collect a tax on ~~such~~ those luxuries."

Section 2. Section 7-6-1504, MCA, is amended to read:

"7-6-1504. Resort tax -- election required -- procedure -- notice. (1) A resort community or area may not impose or, except as provided in 7-6-1505, amend or repeal a resort tax unless the resort tax question has been submitted to the electorate of the resort community or area and approved by a majority of the electors voting on the question.

- 1 (2) The resort tax question may be presented to the electors of:
- 2 (a) a resort community by a petition of the electors as provided by 7-1-4130, 7-5-132, and 7-5-134
- 3 through 7-5-137 or by a resolution of the governing body of the resort community; or
- 4 (b) a resort area by a resolution of the board of county commissioners, following receipt of a petition of
- 5 electors as provided in 7-6-1508.
- 6 (3) If a resort area is in more than one county, the resort tax question must be presented to and approved
- 7 by the electors in the resort area of each county.
- 8 (4) The petition or resolution referring the taxing question must state:
- 9 (a) the rate of the resort tax;
- 10 (b) the duration of the resort tax;
- 11 (c) the date when the tax becomes effective, which date may not be earlier than 35 days after the
- 12 election; and
- 13 (d) the purposes that may be funded by the resort tax revenue. If the petition or resolution includes the
- 14 additional 1% tax rate provided for in 7-6-1503(1)(b), the revenue from the additional 1% tax must fund the
- 15 preservation or restoration of historic buildings.
- 16 (5) Upon receipt of an adequate petition, the governing body may:
- 17 (a) call a special election on the resort tax question; or
- 18 (b) have the resort tax question placed on the ballot at the next regularly scheduled election.
- 19 (6) (a) Before the resort tax question is submitted to the electorate of a resort community or area, the
- 20 governing body of the resort community or the board of county commissioners in the county in which the resort
- 21 area is located shall publish notice of the goods and services subject to the resort tax, in a newspaper that meets
- 22 the qualifications of subsection (6)(b). The notice must be published twice, with at least 6 days separating
- 23 publications. The first publication must be no more than 30 days prior to the election and the last no less than 3
- 24 days prior to the election.
- 25 (b) The newspaper must be:
- 26 (i) of general, paid circulation with a second-class mailing permit;
- 27 (ii) published at least once a week; and
- 28 (iii) published in the county where the election will take place.
- 29 (7) The question of the imposition of a resort tax may not be placed before the electors more than once
- 30 in any fiscal year."

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