

1 SENATE BILL NO. 75

2 INTRODUCED BY D. BROWN

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4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A MONTANA TRADE CENTER IN CALGARY,
5 ALBERTA, CANADA; REVISING DISTRIBUTION OF THE LODGING FACILITY TAX PROCEEDS TO INCLUDE
6 FUNDING FOR A TRADE CENTER IN PART BY LIMITING FUNDING FOR FILM PROMOTION; AMENDING
7 SECTION 15-65-121, MCA; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

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

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11 NEW SECTION. **Section 1. Trade center -- intent -- funding.** (1) The department of commerce shall
12 establish, staff with at least one person, and maintain a trade center in Calgary, Alberta, Canada, to promote trade
13 and tourism between the residents of Canada and the residents of Montana.

14 (2) The establishment of the trade center is for promotional purposes only and is not intended to regulate
15 or impede interstate commerce or commerce with foreign nations.

16 (3) Funding for the trade center is included in the statutory appropriation for the lodging facility use tax,
17 as provided in 15-65-121.

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

20 **"15-65-121. Distribution of tax proceeds.** (1) The proceeds of the tax imposed by 15-65-111 must,
21 in accordance with the provisions of 17-2-124, be deposited in an account in the state special revenue fund to
22 the credit of the department. The department may spend from that account in accordance with an expenditure
23 appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of
24 the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 17-2-124 and as
25 provided in subsections (2)(a) through (2)(f) of this section, the department shall determine the expenditures by
26 state agencies for in-state lodging for each reporting period and deduct 4% of that amount from the tax proceeds
27 received each reporting period. The department shall distribute the portion of the 4% that was paid with federal
28 funds to the agency that made the in-state lodging expenditure and deposit 30% of the amount deducted less
29 the portion paid with federal funds in the state general fund. The amount of \$400,000 each year must be
30 deposited in the Montana heritage preservation and development account provided for in 22-3-1004.

1 (2) The balance of the tax proceeds received each reporting period and not deducted pursuant to the
2 expenditure appropriation, deposited in the state general fund, distributed to agencies that paid the tax with
3 federal funds, or deposited in the heritage preservation and development account must be transferred to an
4 account in the state special revenue fund to the credit of the department of commerce for tourism promotion,
5 establishing and maintaining a Montana trade center in Calgary, Alberta, Canada, and promotion of the state as
6 a location for the production of motion pictures and television commercials, to the Montana historical interpretation
7 state special revenue account, to the Montana historical society, to the university system, and to the department
8 of fish, wildlife, and parks, as follows:

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

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

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

15 (d) 64.9% to be used directly by the department of commerce; for tourism promotion and establishing
16 and maintaining a trade center in Calgary, Alberta, Canada. As part of tourism promotion, the department of
17 commerce may use no more than 1% of the amount designated under this subsection (2)(d) for promotion of the
18 state as a location for the production of motion pictures and television commercials.

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

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

27 (f) 2.6% to the Montana historical interpretation state special revenue account established in 22-3-115.

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

1 tourism corporation in the region in which the city, consolidated city-county, resort area, or resort area district is
2 located.

3 (4) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual marketing
4 plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation
5 may be used by the department of commerce ~~for tourism promotion and promotion of the state as a location for~~
6 ~~the production of motion pictures and television commercials~~ as provided in subsection (2)(d).

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

9 (6) The tax proceeds received that are transferred to the Montana historical interpretation state special
10 revenue account pursuant to subsection (2)(f) are subject to appropriation by the legislature."
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12 NEW SECTION. **Section 3. Codification instruction.** [Section 1] is intended to be codified as an
13 integral part of Title 90, and the provisions of Title 90 apply to [section 1].
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15 NEW SECTION. **Section 4. Effective date.** [This act] is effective July 1, 2017.
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17 NEW SECTION. **Section 5. Termination.** [This act] terminates June 30, 2023.
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