

SENATE BILL NO. 309

INTRODUCED BY L. WHITFORD

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4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING ECONOMIC DEVELOPMENT LAWS
5 RELATED TO INDIAN COUNTRY ECONOMIC DEVELOPMENT, THE TOURISM ADVISORY COUNCIL, AND
6 STATE-TRIBAL ECONOMIC DEVELOPMENT COMMISSION; ADDING ANOTHER INDIAN MEMBER TO THE
7 TOURISM ADVISORY COUNCIL; REMOVING OPTIONS FOR THE TOURISM ADVISORY COUNCIL TO
8 REDESIGN ITSELF; DEFINING ADDITIONAL DUTIES AND ACCOUNTS OF THE STATE-TRIBAL ECONOMIC
9 DEVELOPMENT COMMISSION; AMENDING SECTIONS 2-15-1816, 15-65-101, 15-65-121, 90-1-132, AND
10 90-1-135, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

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14 **Section 1.** Section 2-15-1816, MCA, is amended to read:
- 15 **"2-15-1816. Tourism advisory council.** (1) There is created a tourism advisory council.
- 16 (2) The council is composed of not less than 12 members appointed by the governor from Montana's
17 private sector travel industry and includes at least one member from Indian tribal governments and one tribal
18 member from the private sector, with representation from each tourism region initially established by executive
19 order of the governor and as may be modified by the council under subsection (5).
- 20 (3) Members of the council shall serve staggered 3-year terms, subject to replacement at the discretion
21 of the governor.
- 22 (4) The council shall:
- 23 (a) oversee distribution of funds to regional nonprofit tourism corporations for tourism promotion ~~and to,~~
24 nonprofit convention and visitors bureaus, and the state-tribal economic development commission established
25 in 90-1-131 on behalf of an Indian tourism region in accordance with Title 15, chapter 65, part 1, and this section;
- 26 (b) advise the department of commerce relative to tourism promotion;
- 27 (c) advise the governor on significant matters relative to Montana's travel industry;
- 28 (d) prescribe allowable administrative expenses for which accommodation tax proceeds may be used
29 by regional nonprofit tourism corporations and nonprofit convention and visitors bureaus;
- 30 (e) direct the university system regarding Montana travel research;

- 1 (f) approve all travel research programs prior to their being undertaken;
- 2 (g) encourage the state-tribal economic development commission and regional nonprofit tourism
3 corporations to promote tourist activities on Indian reservations in their regions;
- 4 (h) encourage regional nonprofit tourism corporations and nonprofit convention and visitors bureaus
5 receiving money under subsection (4)(a) to promote public and nonprofit history museums in their regions; and
- 6 (i) urge the department of transportation to include museums recognized by the museums association
7 of Montana when it updates and publishes the state maps.
- 8 (5) The council may modify the tourism regions established by executive order of the governor.
- 9 (6) The department of commerce shall adopt rules to implement and administer Title 15, chapter 65, part
10 1, and this section."

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12 **Section 2.** Section 15-65-101, MCA, is amended to read:

13 **"15-65-101. Definitions.** For purposes of this part, the following definitions apply:

14 (1) "Accommodation charge" means the fee charged by the owner or operator of a facility for use of the
15 facility for lodging, including bath house facilities, but excluding charges for meals, transportation, entertainment,
16 or any other similar charges.

17 (2) (a) "Campground" means a place, publicly or privately owned, used for public camping where
18 persons may camp, secure tents, or park individual recreational vehicles for camping and sleeping purposes.

19 (b) The term does not include that portion of a trailer court, trailer park, or mobile home park intended
20 for occupancy by trailers or mobile homes for resident dwelling purposes for periods of 30 consecutive days or
21 more.

22 (3) "Council" means the tourism advisory council established in 2-15-1816.

23 (4) (a) "Facility" means a building containing individual sleeping rooms or suites, providing overnight
24 lodging facilities for periods of less than 30 days to the general public for compensation. The term includes a
25 facility represented to the public as a hotel, motel, campground, resort, dormitory, condominium inn, dude ranch,
26 guest ranch, hostel, public lodginghouse, or bed and breakfast facility.

27 (b) The term does not include any health care facility, as defined in 50-5-101, or any facility owned by
28 a corporation organized under Title 35, chapter 2 or 3, that is used primarily by persons under the age of 18 years
29 for camping purposes, any hotel, motel, hostel, public lodginghouse, or bed and breakfast facility whose average
30 daily accommodation charge for single occupancy does not exceed 60% of the amount authorized under

1 2-18-501 for the actual cost of lodging for travel within the state of Montana, or any other facility that is rented
2 solely on a monthly basis or for a period of 30 days or more.

3 (5) "Indian tourism region" includes the area recognized as being historically associated with the seven
4 federally recognized reservations in Montana and the Little Shell Chippewa tribe.

5 ~~(5)(6)~~ "Nonprofit convention and visitors bureau" means a nonprofit corporation organized under
6 Montana law and recognized by a majority of the governing body in the city, consolidated city-county, resort area,
7 or resort area district in which the bureau is located.

8 ~~(6)(7)~~ "Regional nonprofit tourism corporation" means a nonprofit corporation organized under Montana
9 law and recognized by the council as the entity for promoting tourism within one of several regions established
10 by executive order of the governor.

11 ~~(7)(8)~~ "Resort area" means an area established pursuant to 7-6-1508.

12 ~~(8)(9)~~ "Resort area district" has the meaning provided in 7-6-1501."
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14 **Section 3.** Section 15-65-121, MCA, is amended to read:

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

26 (2) The balance of the tax proceeds received each reporting period and not deducted pursuant to the
27 expenditure appropriation, deposited in the state general fund, distributed to agencies that paid the tax with
28 federal funds, or deposited in the heritage preservation and development account must be transferred to an
29 account in the state special revenue fund to the credit of the department of commerce for tourism promotion and
30 promotion of the state as a location for the production of motion pictures and television commercials, to the

1 Montana historical interpretation state special revenue account, to the Montana historical society, to the university
2 system, and to the department of fish, wildlife, and parks, as follows:

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

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

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

9 (d) ~~64.9%~~ 63.5% to be used directly by the department of commerce;

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

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

18 (f) 1.4% to the state special revenue account provided for in 90-1-135 for use by the state-tribal economic
19 development commission established in 90-1-131 for activities in the Indian tourism region; and

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

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

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

30 (5) The tax proceeds received that are transferred to a state special revenue account pursuant to

1 subsections (2)(a) through (2)(e) are statutorily appropriated to the entities as provided in 17-7-502.

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

4

5 **Section 4.** Section 90-1-132, MCA, is amended to read:

6 **"90-1-132. Commission purposes -- duties and responsibilities.** (1) The general purposes of the
7 state-tribal economic development commission include:

8 (a) assisting, promoting, encouraging, developing, and advancing economic prosperity and employment
9 on Indian reservations in Montana by fostering the expansion of business, manufacturing, tourism, agriculture,
10 and community development programs;

11 (b) cooperating and acting in conjunction with other organizations, public and private, to benefit tribal
12 communities;

13 (c) recruiting business enterprises to locate on or invest in enterprises on the reservations; and

14 (d) identifying, obtaining, and coordinating federal, state, and private sector gifts, grants, loans, and
15 donations to further economic development on the Indian reservations in Montana.

16 (2) The state-tribal economic development commission shall:

17 (a) oversee use of proceeds to expand tourism activities and visitation in the Indian tourism region;

18 ~~(a)~~(b) determine, with assistance from the tribal business center coordinator and the federal grants
19 coordinator in the office of the state director of Indian affairs, the availability of federal, state, and private sector
20 gifts, grants, loans, and donations to tribal governments, Indian business enterprises, and communities located
21 on Indian reservations in Montana;

22 ~~(b)~~(c) apply for grants listed in the Catalog of Federal Domestic Assistance for which the commission
23 is eligible and which would, if awarded, supply identifiable economic benefits to any or all of the Indian
24 reservations in Montana;

25 ~~(c)~~(d) in cooperation with a tribal government, and when allowed by federal law and regulation, assist
26 the tribe in applying for grants listed in the Catalog of Federal Domestic Assistance for which an appropriate tribal
27 entity is eligible and which would, if awarded, supply identifiable economic benefits to any or all of the Indian
28 reservations in Montana;

29 ~~(d)~~(e) evaluate the apportionment of current spending of federal funds by state agencies in areas
30 including but not limited to economic development, housing, community infrastructure, business finance, tourism

1 promotion, transportation, and agriculture;

2 ~~(e)~~(f) conduct or commission and oversee a comprehensive assessment of the economic development
3 needs and priorities of each Indian reservation in the state;

4 ~~(f)~~(g) notify tribal governments, the governor, the state director of Indian affairs, and the directors of the
5 departments of commerce, agriculture, and transportation, of the availability of specific federal, state, or private
6 sector funding programs or opportunities that would directly benefit Indian communities in Montana;

7 ~~(g)~~(h) assist tribal governments and other tribal entities that are eligible for federal assistance programs
8 as provided in the most recent published edition in the Catalog of Federal Domestic Assistance in applying for
9 funds that would contribute to the respective tribes' economic development;

10 ~~(h)~~(i) work cooperatively with tribal government officials, the state director of Indian affairs, and other
11 appropriate state officials to help foster state-tribal cooperative agreements pursuant to Title 18, chapter 11, part
12 1, that will:

13 (i) enhance economic development on the Indian reservations in Montana; and

14 (ii) help the department of commerce to fully implement and comply with the provisions of 90-1-105; and

15 ~~(i)~~(j) provide to the governor, the legislative council, the state-tribal relations committee, the legislative
16 auditor, and to each of the presiding officers of the tribal governments in Montana a biennial report that
17 summarizes the activities of the commission."
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19 **Section 5.** Section 90-1-135, MCA, is amended to read:

20 **"90-1-135. Special revenue accounts.** (1) There is ~~an~~ a state special revenue account in the state
21 treasury for the receipt of state and private funds and ~~an~~ a federal special revenue account in the state treasury
22 for the receipt of federal funds for expenditure by the state-tribal economic development commission established
23 in 90-1-131.

24 (2) Money in the state special revenue account from proceeds distributed under 15-65-121(2)(f) is to be
25 used for activities for the Indian tourism region, defined in 15-65-101.

26 ~~(2)~~(3) Money Except as provided in subsection (2), money in the accounts established in subsection (1)
27 must be used to pay:

28 (a) the commission's administrative costs;

29 (b) the salary, benefits, and administrative expenses of the tribal business center coordinator and the
30 federal grants coordinator; and

1 (c) the costs of conducting or commissioning and periodically updating or otherwise modifying a
2 comprehensive assessment of economic development needs and priorities on each of the Indian reservations
3 in the state.

4 ~~(3)~~(4) Money in the accounts that is not expended for the purposes identified in subsection (2) or (3) may
5 be used for other purposes that the commission considers prudent or necessary.

6 ~~(4)~~(5) Interest and income earned on the money in the accounts must be deposited in the accounts for
7 the commission's use."

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9 NEW SECTION. **Section 6. Notification to tribal governments.** The secretary of state shall send a
10 copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell
11 Chippewa tribe.

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13 NEW SECTION. **Section 7. Effective date.** [This act] is effective July 1, 2017.

14 - END -