



A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF THE REVENUES AND DISTRIBUTION OF THE LODGING FACILITY USE TAX; AND REQUIRING THAT THE FINAL RESULTS OF THE STUDY BE REPORTED TO THE 67TH LEGISLATURE.

WHEREAS, the lodging facility use tax is one of Montana's few sales taxes at a rate of 4% of the accommodation charge, requested by the lodging industry in 1987 as a way of promoting tourism; and

WHEREAS, collection of the lodging facility use tax involves a public-private partnership in which the lodging facilities collect and forward taxes to the state for the purposes of marketing tourism; and

WHEREAS, in 2003 the Legislature enacted an additional 3% lodging tax, along with a 4% rental car sales tax, which both mainly go to the general fund, with a small percentage allowed to be paid back to vendors for their collection efforts; and

WHEREAS, 64.4% of the 4% lodging facility use tax, after deductions have been made as provided in law, is statutorily appropriated to the Department of Commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials while the remainder is parceled out to various entities including regional nonprofit tourism corporations and local nonprofit convention and visitors bureaus; and

WHEREAS, the directive to the Department of Commerce to promote tourism and the state as a location for the production of motion pictures and television commercials is broad, with the money statutorily appropriated, which contrasts with many state-funded programs that have specific directives and closer financial oversight; and

WHEREAS, transparency regarding the expenditure of a state tax suggests that periodic legislative review is important to help determine whether the public-private partnership continues to benefit the state from the perspectives of the hospitality and tourism industry, their customers, and the state as a whole.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Legislative Council be requested to designate an appropriate interim committee, pursuant to section 5-5-217, MCA, or direct sufficient staff resources to examine the revenues received in the past 5 years from the lodging facility use tax and the uses on which the Department of Commerce has expended those revenues.

BE IT FURTHER RESOLVED, that the interim committee seek to:

- (1) obtain and review recommendations from the Tourism Advisory Council and local heritage preservation and cultural tourism commissions to see how expenditures align with recommendations; and
- (2) involve these industry-related associations in determining recommendations for the study.

BE IT FURTHER RESOLVED, that the interim committee work with stakeholders in the tourism industry to determine if changes are necessary for distribution of the 22.5% of funding that goes to regional nonprofit tourism corporations or to nonprofit convention and visitors bureaus.

BE IT FURTHER RESOLVED, that if the study is assigned to staff, any findings or conclusions be presented to and reviewed by an appropriate committee designated by the Legislative Council.

BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review requirements, be concluded prior to September 15, 2020.

BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions, comments, or recommendations of the appropriate committee, be reported to the 67th Legislature.

- END -

I hereby certify that the within joint resolution,
SJ 0024, originated in the Senate.

President of the Senate

Signed this _____ day
of _____, 2019.

Secretary of the Senate

Speaker of the House

Signed this _____ day
of _____, 2019.

SENATE JOINT RESOLUTION NO. 24

INTRODUCED BY D. BROWN

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