

## 1 SENATE JOINT RESOLUTION NO. 24

2 INTRODUCED BY D. BROWN

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4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF  
5 MONTANA REQUESTING AN INTERIM STUDY OF THE REVENUES AND DISTRIBUTION OF THE LODGING  
6 FACILITY USE TAX; AND REQUIRING THAT THE FINAL RESULTS OF THE STUDY BE REPORTED TO THE  
7 67TH LEGISLATURE.

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

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

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

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

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

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

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

30 That the Legislative Council be requested to designate an appropriate interim committee, pursuant to

1 section 5-5-217, MCA, or direct sufficient staff resources to examine the revenues received in the past 5 years  
2 from the lodging facility use tax and the uses on which the Department of Commerce has expended those  
3 revenues.

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

5 (1) obtain and review recommendations from the Tourism Advisory Council and local heritage  
6 preservation and cultural tourism commissions to see how expenditures align with recommendations; and

7 (2) involve these industry-related associations in determining recommendations for the study.

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

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

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

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

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