

## HOUSE BILL NO. 329

INTRODUCED BY A. REDFIELD

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A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FUNDING TO LOCAL GOVERNMENTS FOR EMERGENCY SERVICES; DISTRIBUTING A PORTION OF LODGING FACILITY USE TAX REVENUE TO COUNTIES FOR EMERGENCY SERVICES; EXPANDING A STATUTORY APPROPRIATION; AMENDING SECTION 15-65-121, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

**Section 1.** Section 15-65-121, MCA, is amended to read:

**"15-65-121. Distribution of tax proceeds.** (1) The proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 17-2-124, be deposited in an account in the state special revenue fund to the credit of the department. The department may spend from that account in accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 17-2-124 and as provided in subsections (2)(a) through (2)(g) of this section, the department shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The department shall distribute the portion of the 4% that was paid with federal funds to the agency that made the in-state lodging expenditure and deposit 30% of the amount deducted less the portion paid with federal funds in the state general fund. The amount of \$400,000 each year must be deposited in the Montana heritage preservation and development account provided for in 22-3-1004. The amount of \$14 million each year must be distributed by the department to counties for emergency services as provided in subsection (7).

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

1 system, and to the department of fish, wildlife, and parks, as follows:

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

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

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

8 (d) 64.4% to be used directly by the department of commerce;

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

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

17 (f) 0.5% to the state special revenue account provided for in 90-1-135 for use by the state-tribal economic  
18 development commission established in 90-1-131 for activities in the Indian tourism region; and

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

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

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

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

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

3           (7) By May 31 of each year, the department shall distribute \$250,000 to each county. The revenue is  
4 statutorily appropriated, as provided in 17-7-502, and must be used for emergency services."

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6           NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

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