

1 HOUSE BILL NO. 365

2 INTRODUCED BY K. DUDIK

3
4 ABILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR AN AGRITOURISM PILOT PROGRAM; REVISING
5 THE DISTRIBUTION OF THE LODGING FACILITY USE TAX TO PROVIDE FUNDING FOR THE
6 AGRITOURISM PILOT PROGRAM, INCLUDING GRANTS, LOANS, AND PROGRAM ADMINISTRATION;
7 PROVIDING THAT THE AGRITOURISM PILOT PROGRAM IS ADMINISTERED BY THE AGRICULTURE
8 DEVELOPMENT COUNCIL; EXPANDING A STATUTORY APPROPRIATION; AMENDING SECTIONS
9 15-65-121, 90-9-202, 90-9-301, AND 90-9-306, MCA; AND PROVIDING AN EFFECTIVE DATE AND A
10 TERMINATION DATE."

11

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

13

14 **Section 1.** 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)(g) of this section, the department shall determine the expenditures by
21 state agencies for in-state lodging for each reporting period and deduct 4% of that amount from the tax proceeds
22 received each reporting period. The department shall distribute the portion of the 4% that was paid with federal
23 funds to the agency that made the in-state lodging expenditure and deposit 30% of the amount deducted less
24 the portion paid with federal funds in the state general fund. The amount of \$400,000 each year must be
25 deposited in the Montana heritage preservation and development account provided for in 22-3-1004. The amount
26 of \$500,000 each year must be deposited in the agriculture seed capital account provided for in 90-9-301 and
27 used for the agritourism pilot program.

28 (2) The balance of the tax proceeds received each reporting period and not deducted pursuant to the
29 expenditure appropriation, deposited in the state general fund, distributed to agencies that paid the tax with
30 federal funds, or deposited in the heritage preservation and development account must be transferred to an

1 account in the state special revenue fund to the credit of the department of commerce for tourism promotion and
2 promotion of the state as a location for the production of motion pictures and television commercials, to the
3 Montana historical interpretation state special revenue account, to the Montana historical society, to the university
4 system, and to the department of fish, wildlife, and parks, as follows:

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

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

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

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

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

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

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

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

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

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

1 the production of motion pictures and television commercials.

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

4 (6) The tax proceeds received that are transferred to the Montana historical interpretation state special
5 revenue account pursuant to subsection (2)(g) are subject to appropriation by the legislature."
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7 **Section 2.** Section 90-9-202, MCA, is amended to read:

8 **"90-9-202. Powers and duties of council.** (1) The council shall:

9 (a) establish policies and priorities to enhance the future development of agriculture in Montana,
10 including the Indian reservations in the state;

11 (b) make loans or grants, pursuant to the provisions of Title 90, chapter 9, part 3;

12 (i) that have a short-term or long-term ability to stimulate agriculture development and diversification in
13 rural, urban, and tribal settings in Montana; and

14 (ii) for a pilot program to promote agritourism operations that bring visitors to farm and ranch operations;

15 and

16 (c) accept grants or receive devises of money or property for use in making the loans or grants
17 authorized by this chapter.

18 (2) The council may:

19 (a) defer or forgive any loan in whole or in part; and

20 (b) forgive any accrued interest in whole or in part."
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22 **Section 3.** Section 90-9-301, MCA, is amended to read:

23 **"90-9-301. Agriculture seed capital account -- matching funds.** (1) There is an agriculture seed
24 capital account administered by the council. Money received by the council under 15-65-121 and 90-9-306 must
25 be deposited in this account.

26 (2) The council may loan or grant money from the agriculture seed capital account, pursuant to the
27 provisions of 90-9-308 through 90-9-311.

28 (3) The amount deposited pursuant to 15-65-121(1) must be accounted for separately within the account
29 and used for grants, loans, and program administration for the agritourism pilot program."
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1 **Section 4.** Section 90-9-306, MCA, is amended to read:

2 **"90-9-306. Appropriation authority and funding -- prohibitions.** (1) The council may accept and
3 expend the funds that it receives from 15-65-121(1), grants, donations, or other private or public income, including
4 amounts repaid as principal and interest on loans made by the council. These funds are statutorily appropriated
5 to the council, as provided in 17-7-502, for the purposes of this chapter, except that expenditures for actual and
6 necessary expenses required for the efficient administration of this chapter must be made from temporary
7 appropriations, as described in 17-7-501(1) or (2), made for that purpose.

8 (2) Council members may not personally apply for or receive council funds. If an organization with which
9 a member is affiliated applies for council funds, the member shall disclose the nature of the affiliation and, if the
10 council member is a board member or officer of the organization, may not participate in the decision of the council
11 regarding the application."

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13 NEW SECTION. **Section 5. Effective date.** [This act] is effective July 1, 2019.

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15 NEW SECTION. **Section 6. Termination.** [This act] terminates June 30, 2028.

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