

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATED TO THE MONTANA HISTORICAL
5 SOCIETY AND HISTORIC PRESERVATION; CREATING THE HISTORIC PRESERVATION GRANT
6 PROGRAM; ALLOCATING MONEY FOR THE HISTORIC PRESERVATION GRANT PROGRAM; GRANTING
7 AUTHORITY TO CONSTRUCT THE MONTANA HERITAGE CENTER; PROVIDING FUNDING FOR THE
8 CONSTRUCTION AND OPERATION OF THE MONTANA HERITAGE CENTER; CREATING ACCOUNTS AND
9 ALLOCATING A PORTION OF TAX PROCEEDS TO THE ACCOUNTS; REVISING THE SALES TAX ON
10 ACCOMMODATIONS AND CAMPGROUNDS; PROVIDING RULEMAKING AUTHORITY; AMENDING
11 SECTIONS 15-68-102 AND 15-68-820, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN
12 APPLICABILITY DATE."

13
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15
16 NEW SECTION. **Section 1. Montana heritage center construction account.** There is an account in
17 the state special revenue fund established in 17-2-102 known as the Montana heritage center construction
18 account. The tax collections allocated in 15-68-820(3)(a) must be deposited in the account until June 30, 2024.
19 The money in the account is allocated to the department of administration and may be used only for capital
20 construction of the Montana heritage center.

21
22 NEW SECTION. **Section 2. Montana heritage center operations account.** Beginning July 1, 2024,
23 there is an account in the state special revenue fund established in 17-2-102 known as the Montana heritage
24 center operations account. The tax collections allocated in 15-68-820(3)(b)(i) must be deposited in the account.
25 The money in the account is allocated to the historical society and may be used only for expenses incurred in the
26 operation and maintenance of the Montana heritage center complex as provided for in [section 3(3)].

27
28 NEW SECTION. **Section 3. Authorization to construct Montana heritage center.** (1) The department
29 of administration is authorized to construct the Montana heritage center, which includes the remodel of the
30 veterans' and pioneer memorial building.



1 (2) The department of administration shall determine the most cost-effective and efficient manner in
2 which to construct the Montana heritage center based on the funding available. The department may construct
3 the Montana heritage center in phases.

4 (3) After the construction of the Montana heritage center and the remodel of the veteran's and pioneer
5 memorial building are completed, the properties must be known as the Montana heritage center complex.

6 (4) This section constitutes legislative consent for the construction of the Montana heritage center within
7 the meaning of 18-2-102.

8

9 **NEW SECTION. Section 4. Historic preservation grant program -- proposals -- recommendations.**

10 (1) There is a historic preservation grant program established within the department of commerce. A person,
11 association, or representative of a governing unit seeking a historic preservation grant under this section must
12 submit a grant proposal to the department by March 1 of the year preceding the convening of a regular legislative
13 session.

14 (2) The department shall review all proposals for historic preservation grants in consultation with the
15 state historic preservation office before they are submitted to the legislature.

16 (3) Consistent with the rules adopted in accordance with [section 5], the department shall make
17 recommendations to the legislature on each proposal submitted to the department.

18 (4) The department's recommendations to the legislature are advisory only.

19 (5) The department shall present its recommendations to the appropriations committee of the legislature
20 by the 15th day of a regular legislative session.

21

22 **NEW SECTION. Section 5. Priorities for funding -- rulemaking.** (1) The department of commerce

23 shall make recommendations for grants awarded under the historic preservation grant program to public or private
24 entities for the preservation of historic sites, historical societies, or history museums in the state. The
25 recommendations must be based on competitive criteria created by the department, as guided by the legislature.

26 The criteria may include:

27 (a) the degree of economic stimulus or economic activity, including job creation and work creation for
28 Montana contractors and service workers;

29 (b) the timing of the project, including access to matching funds, if needed, and approval of permits so
30 that work can be completed without delay;

- 1 (c) the historic or heritage value related to the state of Montana;
- 2 (d) the successful track record or experience of the organization directing the project; and
- 3 (e) the expected ongoing economic benefit to the state as a result of the project completion.
- 4 (2) The department shall adopt rules necessary to implement the historic preservation grant program.
- 5 In adopting rules, the department shall look to the rules adopted for the treasure state endowment program, the
- 6 cultural and aesthetic grant program, and other similar state programs. To the extent feasible, the department
- 7 shall make the rules compatible with those other programs.

8

9 **NEW SECTION. Section 6. Historic preservation grants account.** (1) There is an account in the state

10 special revenue fund established in 17-2-102 known as the historic preservation grants account. The tax

11 collections allocated in 15-68-820(4) must be deposited in the account.

12 (2) Money deposited in the account is subject to appropriation by the legislature and may be used only

13 for historic preservation grants to be administered by the department of commerce.

14 (3) The department shall allocate and disburse the account funds as appropriated by the legislature.

15

16 **NEW SECTION. Section 7. Allocation from historic preservation grants account.** (1) There is

17 allocated \$800,000 from the historic preservation grants account established in [section 6] to the department of

18 commerce for the biennium beginning July 1, 2019, to finance program grants authorized in subsection (2) as

19 long as there are sufficient funds available in the historic preservation grants account.

20 (2) The department shall distribute grants as follows:

- 21 (a) \$400,000 to the Daly Mansion to be used for repair of infrastructure and maintenance needs; and
- 22 (b) \$400,000 to the Moss Mansion to be used for repair of infrastructure and maintenance needs.
- 23

24 **Section 8.** Section 15-68-102, MCA, is amended to read:

25 **"15-68-102. Imposition and rate of sales tax and use tax -- exceptions.** (1) A sales tax of the

26 following percentages is imposed on sales of the following property or services:

- 27 (a) ~~3%~~ 4% on accommodations and campgrounds;
- 28 (b) 4% on the base rental charge for rental vehicles.

29 (2) The sales tax is imposed on the purchaser and must be collected by the seller and paid to the

30 department by the seller. The seller holds all sales taxes collected in trust for the state. The sales tax must be

1 applied to the sales price.

2 (3) (a) For the privilege of using property or services within this state, there is imposed on the person
3 using the following property or services a use tax equal to the following percentages of the value of the property
4 or services:

5 (i) ~~3%~~ 4% on accommodations and campgrounds;

6 (ii) 4% on the base rental charge for rental vehicles.

7 (b) The use tax is imposed on property or services that were:

8 (i) acquired outside this state as the result of a transaction that would have been subject to the sales tax
9 had it occurred within this state;

10 (ii) acquired within the exterior boundaries of an Indian reservation within this state as a result of a
11 transaction that would have been subject to the sales tax had it occurred outside the exterior boundaries of an
12 Indian reservation within this state;

13 (iii) acquired as the result of a transaction that was not initially subject to the sales tax imposed by
14 subsection (1) or the use tax imposed by subsection (3)(a) but which transaction, because of the buyer's
15 subsequent use of the property, is subject to the sales tax or use tax; or

16 (iv) rendered as the result of a transaction that was not initially subject to the sales tax or use tax but that
17 because of the buyer's subsequent use of the services is subject to the sales tax or use tax.

18 (4) For purposes of this section, the value of property must be determined as of the time of acquisition,
19 introduction into this state, or conversion to use, whichever is latest.

20 (5) The sale of property or services exempt or nontaxable under this chapter is exempt from the tax
21 imposed in subsections (1) and (3).

22 (6) Lodging facilities and campgrounds are exempt from the tax imposed in subsections (1)(a) and
23 (3)(a)(i) until October 1, 2003, for contracts entered into prior to April 30, 2003, that provide for a guaranteed
24 charge for accommodations or campgrounds."

25

26 **Section 9.** Section 15-68-820, MCA, is amended to read:

27 **"15-68-820. Sales tax and use tax proceeds.** (1) Except as provided in ~~subsection~~ subsections (2)
28 through (4), all money collected under this chapter must, in accordance with the provisions of 17-2-124, be
29 deposited by the department into the general fund.

30 (2) Twenty-five percent of the revenue collected on the base rental charge for rental vehicles under

1 15-68-102(1)(b) and ~~15-68-102(3)(a)(ii)~~ must be deposited in the state special revenue fund to the credit of the
 2 senior citizen and persons with disabilities transportation services account provided for in 7-14-112.

3 (3) (a) Until June 30, 2024, 18% of the revenue collected on the sale or use of accommodations and
 4 campgrounds under 15-68-102(1)(a) and (3)(a)(i) must be deposited in the Montana heritage center construction
 5 account established in [section 1].

6 (b) Starting July 1, 2024, the revenue collected on the sale or use of accommodations and campgrounds
 7 under 15-68-102(1)(a) and (3)(a)(i) must be deposited as follows:

8 (i) 5% in the Montana heritage center operations account established in [section 2]; and

9 (ii) 6.5% distributed as provided for in 15-65-121.

10 (4) Of the revenue collected on accommodations and campgrounds under 15-68-102(1)(a) and (3)(a)(i),
 11 7% must be deposited in the historic preservation grants account established in [section 6] to be used for the
 12 historic preservation grant program established in [section 4]."

13
 14 COORDINATION SECTION. Section 10. Coordination instruction. If [section 5] of House Bill No. 553
 15 and [this act] are both passed and approved and if [this act] contains a section that amends 15-68-820, then the
 16 section in [this act] amending 15-68-820 is void and 15-68-820 must be amended as follows:

17 **"15-68-820. Sales tax and use tax proceeds.** (1) Except as provided in ~~subsection~~ subsections (2)
 18 through (4), all money collected under this chapter must, in accordance with the provisions of 17-2-124, be
 19 deposited by the department into the general fund.

20 (2) Twenty-five percent of the revenue collected on the base rental charge for rental vehicles under
 21 15-68-102(1)(b) and ~~15-68-102(3)(a)(ii)~~ must be deposited in the state special revenue fund to the credit of the
 22 senior citizen and persons with disabilities transportation services account provided for in 7-14-112.

23 (3) (a) Until June 30, 2024, 18% of the revenue collected on the sale or use of accommodations and
 24 campgrounds under 15-68-102(1)(a) and (3)(a)(i) must be deposited in the Montana heritage center construction
 25 account established in [section 1].

26 (b) Starting July 1, 2024, the revenue collected on the sale or use of accommodations and campgrounds
 27 under 15-68-102(1)(a) and (3)(a)(i) must be deposited as follows:

28 (i) 5% in the Montana heritage center operations account established in [section 2];

29 (ii) 6.5% distributed as provided for in 15-65-121; and

30 (iii) 6.5% in the account established in [section 5 of House Bill No. 553].

