

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LODGING TAX DISTRIBUTIONS TO DISTRIBUTE
5 REVENUE TO THE HOUSING MONTANA FUND; REVISING A STATUTORY APPROPRIATION; AMENDING
6 SECTIONS 15-65-121 AND 15-68-820, MCA; AND PROVIDING AN EFFECTIVE DATE."

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9
10 **Section 1.** Section 15-65-121, MCA, is amended to read:

11 **"15-65-121. Distribution of tax proceeds.** (1) The proceeds of the tax imposed by 15-65-111 must,
12 in accordance with the provisions of 17-2-124, be deposited in an account in the state special revenue fund to
13 the credit of the department. The department may spend from that account in accordance with an expenditure
14 appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of
15 the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 17-2-124 and as
16 provided in subsections (2)(a) through ~~(2)(h)~~ (2)(i) of this section, the department shall determine the
17 expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of that amount from
18 the tax proceeds received each reporting period. The department shall distribute the portion of the 4% that was
19 paid with federal funds to the agency that made the in-state lodging expenditure and deposit 30% of the amount
20 deducted less the portion paid with federal funds in the state general fund. The amount of \$400,000 each year
21 must be deposited in the Montana heritage preservation and development account provided for in 22-3-1004.

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

1 and parks, and to the housing Montana fund 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
7 that have both resident and nonresident use;

8 (d) 1.4% to the invasive species state special revenue account established in 80-7-1004;

9 (e) ~~63%~~ 43% to be used directly by the department of commerce;

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

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

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

20 (h) 2.6% to the Montana historical interpretation state special revenue account established in 22-3-
21 115; and

22 (i) 20% to the housing Montana fund provided for in 90-6-133.

23 (3) If a city, consolidated city-county, resort area, or resort area district qualifies under 15-68-
24 820(5)(b)(iii) or this section for funds but fails to either recognize a nonprofit convention and visitors bureau or
25 submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be
26 allocated to the regional nonprofit tourism corporation in the region in which the city, consolidated city-county,
27 resort area, or resort area district is located.

28 (4) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual

1 marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism
2 corporation may be used by the department of commerce for tourism promotion and promotion of the state as a
3 location for the production of motion pictures and television commercials.

4 (5) The tax proceeds received that are transferred to a state special revenue account pursuant to
5 subsections (2)(a) through (2)(c), (2)(e), and (2)(f), and to the housing Montana fund pursuant to subsection
6 (2)(i) are statutorily appropriated to the entities as provided in 17-7-502.

7 (6) The tax proceeds received that are transferred to the invasive species state special revenue
8 account pursuant to subsection (2)(d) and to the Montana historical interpretation state special revenue account
9 pursuant to subsection (2)(h) are subject to appropriation by the legislature."
10

11 **Section 2.** Section 15-68-820, MCA, is amended to read:

12 **"15-68-820. Sales tax and use tax proceeds.** (1) Except as provided in subsections (2) through (6),
13 all money collected under this chapter must, in accordance with the provisions of 17-2-124, be deposited by the
14 department into the general fund.

15 (2) Twenty-five percent of the revenue collected on the base rental charge for rental vehicles under
16 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
17 senior citizen and persons with disabilities transportation services account provided for in 7-14-112.

18 (3) Until December 30, 2024, a portion of the revenue collected on the sale or use of
19 accommodations and campgrounds under 15-68-102 (1)(a) and (3)(a)(i) must be deposited as follows:

20 (a) 20% in the account established in 22-3-1303 for construction of the Montana heritage center; and

21 (b) 5% in the account established in 22-3-1307 for historic preservation grants.

22 (4) Starting January 1, 2025, a portion of the revenue collected on the sale or use of accommodations
23 and campgrounds under 15-68-102(1)(a) and (3)(a)(i) must be deposited or distributed as follows:

24 (a) 6% in the account established in 22-3-1304 for operation and maintenance of the Montana
25 heritage center;

26 (b) 6% distributed as provided in subsection (5);

27 (c) 6% in the account established in 22-3-1307 for historic preservation grants; and

28 (d) 7% in the account established in 17-7-209.

1 (5) (a) Before allocating the balance of the tax proceeds in accordance with the provisions of 17-2-
 2 124 and as provided in subsection (5)(b) of this section, the department shall determine the expenditures by
 3 state agencies for in-state lodging for each reporting period and deduct 1% of that amount from the tax
 4 proceeds received each reporting period. The department shall distribute the portion of the 1% that was paid
 5 with federal funds to the agency that made the in-state lodging expenditure and deposit 30% of the amount
 6 deducted less the portion paid with federal funds in the state general fund.

7 (b) The balance of the tax proceeds received each reporting period and not distributed to agencies
 8 that paid the tax with federal funds must be transferred to an account in the state special revenue fund to the
 9 credit of the department of commerce for tourism promotion and promotion of the state as a location for the
 10 production of motion pictures and television commercials, to the department of fish, wildlife, and parks, ~~and to~~
 11 the state-tribal economic development commission, and to the housing Montana fund as follows:

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

14 (ii) ~~68.5%~~ 48.5% to be used directly by the department of commerce;

15 (iii) (A) except as provided in subsection (5)(b)(iii)(B), 24% to be distributed by the department of
 16 commerce to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism
 17 region to the total proceeds collected statewide; and

18 (B) if 24% of the proceeds collected annually within the limits of a city, consolidated city-county, resort
 19 area, or resort area district exceeds \$35,000, 50% of the amount available for distribution to the regional
 20 nonprofit tourism corporation in the region where the city, consolidated city-county, resort area, or resort area
 21 district is located to be distributed to the nonprofit convention and visitors bureau in that city, consolidated city-
 22 county, resort area, or resort area district; ~~and~~

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

25 (v) 20% to the housing Montana fund provided for in 90-6-133.

26 (6) The tax proceeds received that are transferred to a state special revenue account pursuant to
 27 subsection (5)(b) are allocated to the entities."
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