

## 1 SENATE BILL NO. 6

2 INTRODUCED BY J. COHENOUR

3 BY REQUEST OF THE REVENUE INTERIM COMMITTEE

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5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING DISTRIBUTION DATES FOR THE SALES TAX ON  
6 LODGING; AND AMENDING SECTIONS 15-68-820 AND 22-3-1303, MCA."7  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:9  
10 **Section 1.** Section 15-68-820, MCA, is amended to read:11 **"15-68-820. Sales tax and use tax proceeds.** (1) Except as provided in subsections (2) through (6),  
12 all money collected under this chapter must, in accordance with the provisions of 17-2-124, be deposited by the  
13 department into the general fund.14 (2) Twenty-five percent of the revenue collected on the base rental charge for rental vehicles under  
15 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  
16 senior citizen and persons with disabilities transportation services account provided for in 7-14-112.17 (3) Until December ~~30~~ 31, 2024, a portion of the revenue collected on the sale or use of  
18 accommodations and campgrounds under 15-68-102 (1)(a) and (3)(a)(i) must be deposited as follows:

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

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

21 (4) Starting January 1, 2025, a portion of the revenue collected on the sale or use of accommodations  
22 and campgrounds under 15-68-102(1)(a) and (3)(a)(i) must be deposited or distributed as follows:23 (a) 6% in the account established in 22-3-1304 for operation and maintenance of the Montana  
24 heritage center;

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

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

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

28 (5) (a) Before allocating the balance of the tax proceeds in accordance with the provisions of 17-2-

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

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

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

13 (ii) 68.5% to be used directly by the department of commerce;

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

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

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

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

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27 **Section 2.** Section 22-3-1303, MCA, is amended to read:

28 **"22-3-1303. Account -- Montana heritage center construction.** There is an account in the capital

1 projects fund established in 17-2-102 known as the Montana heritage center construction account. The tax  
2 collections allocated in 15-68-820(3)(a) must be deposited in the account until December ~~30~~ 31, 2024. The  
3 money in the account is authorized to the department of administration and may be used only for capital  
4 construction of the Montana heritage center."

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