

## 1 SENATE BILL NO. 355

2 INTRODUCED BY M. LANG

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4 A BILL FOR AN ACT ENTITLED: "AN ACT DISTRIBUTING LODGING FACILITY USE TAX REVENUE TO  
5 COUNTIES WITH LARGE AMOUNTS OF STATE LAND; AMENDING SECTION 15-65-121, MCA; AND  
6 PROVIDING AN EFFECTIVE DATE."

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8 WHEREAS, the state owns large amounts of land in some counties and that land is exempt from  
9 property taxes; and

10 WHEREAS, in counties where more than 6% of the land area is owned by the state, the state  
11 exemption for property taxes places an undue burden on schools and local governments; and

12 WHEREAS, tourists use these public lands, which justifies distributing a portion of the lodging facility  
13 use tax to those counties most affected by large state land ownership.

14

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

16

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

18 **"15-65-121. Distribution of tax proceeds.** (1) (a) The proceeds of the tax imposed by 15-65-111  
19 must, in accordance with the provisions of 17-2-124, be deposited in an account in the state special revenue  
20 fund to the credit of the department. The department may spend from that account in accordance with an  
21 expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing the  
22 proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 17-  
23 2-124 and as provided in subsections (2)(a) through (2)(h) of this section, the department shall determine the  
24 expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of that amount from  
25 the tax proceeds received each reporting period. The department shall distribute the portion of the 4% that was  
26 paid with federal funds to the agency that made the in-state lodging expenditure and deposit 30% of the amount  
27 deducted less the portion paid with federal funds in the state general fund. The amount of \$400,000 each year  
28 must be deposited in the Montana heritage preservation and development account provided for in 22-3-1004.

1           **(b) The amount of \$482,000 must be distributed annually to the following counties and in the**  
2 **percentage allocations indicated:**

3           **(i) Daniels County, 69.4%;**

4           **(ii) Chouteau County, 12.89%;**

5           **(iii) Liberty County, 2.64%;**

6           **(iv) Hill County, 1.76%;**

7           **(v) Judith Basin County, 0.87%;**

8           **(vi) Toole County, 1.14%;**

9           **(vii) Wheatland County, 0.98%;**

10           **(viii) Teton County, 1.03%;**

11           **(ix) Prairie County, 0.07%;**

12           **(x) Lake County, 2.47%;**

13           **(xi) Fallon County, 3.29%;**

14           **(xii) Powder River County, 0.25%;**

15           **(xiii) Carter County, 0.98%;**

16           **(xiv) Custer County, 0.53%;**

17           **(xv) Musselshell County, 0.37%; and**

18           **(xvi) Richland County, 1.33%.**

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

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

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

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

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

6 (e) 63% to be used directly by the department of commerce;

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

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

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

17 (h) 2.6% to the Montana historical interpretation state special revenue account established in 22-3-  
18 115.

19 (3) If a city, consolidated city-county, resort area, or resort area district qualifies under 15-68-  
20 820(5)(b)(iii) or this section for funds but fails to either recognize a nonprofit convention and visitors bureau or  
21 submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be  
22 allocated to the regional nonprofit tourism corporation in the region in which the city, consolidated city-county,  
23 resort area, or resort area district is located.

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

28 (5) The tax proceeds received that are transferred to a state special revenue account pursuant to

1 subsections (2)(a) through (2)(c), (2)(e), and (2)(f) are statutorily appropriated to the entities as provided in 17-  
2 7-502.

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

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7 NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 2021.

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