

RESORT TAX

LEGISLATOR NOTICE

The Legislative Services Division is required to offer a brief history on the subject matter of a bill draft request prior to drafting. (5-4-105, MCA; [Chapter 309, Laws of 2017](#)) The history must include related legislation introduced over the last five sessions and hyperlinks to the bill, hearing information, and fiscal notes. The legislation links below open to the page showing the status and history of bills introduced on this topic in the past. The bill text and any related fiscal notes can be accessed through the link at the top of that page.

Legislation can be complex and this history is not intended to be exhaustive. Please contact the drafter of the requested bill for more information.

Background Materials and Research

Topic Summary:

[Title 7, chapter 6, part 15, MCA](#) addresses Montana's resort tax, a local option sales tax intended to aid areas with high numbers of visitors but relatively low populations. A resort tax may be used to collect tax from non-residents who enjoy the area's tourist destinations. Local governments must apply to the Department of Commerce for designation as either a resort community or a resort area based on the following criteria:

- The population must be below:
 - 5,500 for an incorporated town (resort community)
 - 2,500 for an unincorporated area (resort area)
- The major portion of an area's economy must be based on tourism

Once designated as a resort community or resort area, local governments may introduce a ballot initiative to qualified voters to determine the tax rate, duration, effective date, and allocation. The tax must not exceed 3%, and at least 5% of the tax revenues must offset municipal or area property taxes. With voter approval, the tax may be imposed on items used by visitors including lodging, food services, served liquor, destination recreation, and luxury items.

SB 241 from the 2019 session also allows a resort community to go to the voters to approve an additional resort tax levy of up to 1%. This additional resort tax must be used for infrastructure needs, as defined in [7-6-1501](#).

Montana's Current Resort Communities/Areas and Tax Rates:

Resort Name	Tax Rate	Year Enacted
Red Lodge	3%	1998
Virginia City	3%	1991
West Yellowstone	3%	1986
Whitefish	3%	1996
Big Sky	3%	1992
Cooke City	3%	2006
Craig	3%	2010
Gardiner	3%	2014
St. Regis	3%	1993
Wolf Creek	3%	2015

Source: [Montana Department of Revenue](#)

Legislative Services Division Materials:

[Local Government Sources of Funding](#), Report for Revenue and Transportation Interim Committee, May 2016

Other Materials:

[Development Exactions and Incentives – Resort and Local Option Taxes](#), Montana Department of Transportation

[Park County Fiscal Year 2017](#) and [Supplemental Diagrams](#), Report to Local Government Interim Committee

[An Assessment of the Resort Tax](#), University of Montana Institute for Tourism & Recreation, October 2016

[Local Government Economic Impacts Defined](#), Legislative Finance Committee, June 2014

Introduced Legislation

2021

[HB 154](#) – Died in Process -- AN ACT REVISING RESORT TAXES LAWS TO INCREASE THE POPULATION LIMITS FOR RESORT AREAS AND RESORT COMMUNITIES; AMENDING SECTION 7-6-1501, MCA; AND PROVIDING AN EFFECTIVE DATE.

[HB 473](#) – Died in Process -- AN ACT REVISING RESORT TAX LAWS TO REQUIRE A RESORT AREA OR RESORT AREA DISTRICT TO SELL TAX-EXEMPT CERTIFICATES; PROVIDING AN EXCEPTION IF RESORT TAX REVENUE IS PLEDGED TO THE REPAYMENT OF BONDS; PROVIDING THAT REVENUE FROM TAX-EXEMPT CERTIFICATES BE USED FOR THE SAME PURPOSES OF THE RESORT TAX; AND AMENDING SECTION 7-6-1503, MCA.

2019

[SB 241](#) - Chapter Number Assigned - AN ACT REVISING RESORT TAX LAWS TO ALLOW FOR THE IMPOSITION OF AN ADDITIONAL RESORT TAX FOR INFRASTRUCTURE; PROVIDING THAT UP TO AN ADDITIONAL 1% MAY BE LEVIED FOR INFRASTRUCTURE; PROVIDING THAT RESORT COMMUNITIES WITH A POPULATION OF GREATER THAN 5,500 MAY NOT LEVY THE ADDITIONAL RESORT TAX; AMENDING SECTIONS 7-6-1501, 7-6-1503, 7-6-1504, 7-6-1541, AND 7-6-1542, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

[HB 449](#) - Died in Process - AN ACT REVISING THE POPULATION LIMIT FOR RESORT AREAS AND RESORT COMMUNITIES FOR PURPOSES OF THE RESORT TAX; AMENDING SECTION 7-6-1501, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

2017

[HB 83](#) – Chapter Number Assigned -- AN ACT GENERALLY REVISING ELECTION LAWS; CLARIFYING WHEN AN ELECTION REQUESTED BY PETITION CONCERNING A LOCAL GOVERNMENT ORDINANCE MUST BE HELD; REVISING NOTICE REQUIREMENTS RELATED TO RESORT TAX ELECTIONS; REVISING THE DEADLINE FOR WRITE-IN CANDIDATES IN SPECIAL DISTRICT AND LOCAL GOVERNMENT ELECTIONS; REVISING THE DEADLINES BY WHICH ABSENTEE AND MAIL BALLOTS MUST BE AVAILABLE; CLARIFYING THE DEADLINE FOR THE CANCELLATION OF A CONSERVATION DISTRICT ELECTION; CLARIFYING THAT COUNTY ELECTION ADMINISTRATORS RATHER THAN SCHOOL CLERKS PERFORM VOTER REGISTRATION DUTIES FOR SCHOOL ELECTIONS; REVISING NOTICE REQUIREMENTS RELATED TO SCHOOL ELECTIONS; CLARIFYING VOTER QUALIFICATIONS FOR WATER AND SEWER DISTRICT ELECTIONS; REVISING CERTAIN ELECTION PROVISIONS RELATED TO IRRIGATION DISTRICTS; CLARIFYING THE TRANSITION OF TERMS OF OFFICE FOR SPECIAL DISTRICT OFFICERS; AMENDING SECTIONS 7-3-103, 7-3-149, 7-5-132, 7-6-1504, 7-13-2212, 13-1-101, 13-1-403, 13-1-404, 13-1-502, 13-2-301, 13-3-213, 13-10-211, 13-13-205, 13-13-222, 20-3-313, 20-20-204, AND 85-7-1702, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.

[HB 577](#) – Died in Standing Committee -- AN ACT AUTHORIZING A MUNICIPALITY, A CONSOLIDATED CITY-COUNTY, OR A COUNTY, BY VOTE OF THE ELECTORATE, TO ADOPT A LOCAL OPTION INFRASTRUCTURE TAX ON LUXURY GOODS AND SERVICES; PROVIDING THAT LOCAL OPTION INFRASTRUCTURE TAX REVENUE MAY BE USED FOR CRITICAL INFRASTRUCTURE PROJECTS; DEFINING "LUXURY GOODS AND SERVICES" THAT MAY BE TAXED; PROVIDING THAT AN EXISTING RESORT TAX IMPOSED BY A RESORT COMMUNITY, RESORT AREA, OR RESORT AREA DISTRICT MAY REMAIN IN EFFECT OR MAY BE DISCONTINUED; PROVIDING FOR A PORTION OF LOCAL OPTION INFRASTRUCTURE TAX REVENUE TO BE USED FOR PROPERTY TAX RELIEF FOR CLASS FOUR PROPERTY TAXPAYERS; AMENDING SECTIONS 7-7-4424 AND 7-7-4428, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

[SB 331](#) – Died in Standing Committee -- AN ACT AUTHORIZING A MUNICIPALITY, A CONSOLIDATED CITY-COUNTY, OR A COUNTY, BY VOTE OF THE ELECTORATE, TO ADOPT A LOCAL OPTION INFRASTRUCTURE TAX ON LUXURY GOODS AND SERVICES; PROVIDING THAT LOCAL OPTION INFRASTRUCTURE TAX REVENUE MAY BE USED FOR CRITICAL INFRASTRUCTURE PROJECTS;

DEFINING "LUXURY GOODS AND SERVICES" THAT MAY BE TAXED; PROVIDING THAT AN EXISTING RESORT TAX IMPOSED BY A RESORT COMMUNITY, RESORT AREA, OR RESORT AREA DISTRICT MAY REMAIN IN EFFECT OR MAY BE DISCONTINUED; PROVIDING FOR A PORTION OF LOCAL OPTION INFRASTRUCTURE TAX REVENUE TO BE USED FOR PROPERTY TAX RELIEF FOR CLASS FOUR PROPERTY TAXPAYERS; AMENDING SECTIONS 7-7-4424 AND 7-7-4428, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

[SB 343](#) – Died in Process -- AN ACT ALLOWING AN ADDITIONAL RESORT TAX OF UP TO 1% TO BE DESIGNATED FOR WORKFORCE HOUSING AND RELATED NEEDS OR ~~COMMUNITY DEVELOPMENT INFRASTRUCTURE~~; REQUIRING THE ADDITIONAL RESORT TAX TO BE APPROVED BY THE QUALIFIED ELECTORS; PROHIBITING A TAX INCREASE FOR A RESORT COMMUNITY WITH A POPULATION IN EXCESS OF THE AMOUNT REQUIRED FOR FORMATION OF A RESORT COMMUNITY; AMENDING SECTIONS 7-6-1501, 7-6-1503, 7-6-1504, 7-6-1541, AND 7-6-1542, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

2015

[SB 209](#) – Chapter Number Assigned -- AN ACT AUTHORIZING RESORT AREA DISTRICTS TO ISSUE BONDS AND PROVIDE FOR REPAYMENT; AMENDING SECTIONS 7-6-1506, 7-6-1541, AND 7-6-1542, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

[HB 262](#) – Motion Failed -- AN ACT REVISING THE LIMIT ON THE RESORT TAX RATE; ALLOWING AN ADDITIONAL RESORT TAX LEVY AT ~~THE RATE OF~~ A RATE OF UP TO 1%; PROVIDING THAT THE ADDITIONAL REVENUE FUND HISTORIC PRESERVATION OR WORKFORCE HOUSING; AND AMENDING SECTIONS 7-6-1501, 7-6-1503, AND 7-6-1504, AND 7-6-1542, MCA.

[HB 602](#) – Missed Deadline for Revenue Bill Transmittal -- AN ACT ALLOWING CERTAIN LOCAL GOVERNMENTS TO ADDRESS OIL AND GAS IMPACTS BY ESTABLISHING AN IMPACT FEE; ALLOWING FOR THE ESTABLISHMENT OF AN IMPACT AREA; ALLOWING FOR THE COLLECTION OF AN IMPACT FEE; ESTABLISHING FACILITIES SUBJECT TO THE FEE; LIMITING THE AMOUNT OF THE FEE; PROVIDING FOR THE DISTRIBUTION AND USE OF THE FEE BY A GOVERNING BODY; PROVIDING FOR THE DISSOLUTION OF AN IMPACT AREA; ALLOWING FOR BONDING; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

2013

[HBI 452](#) – Died in Standing Committee -- AN ACT ALLOWING CERTAIN LOCAL GOVERNMENTS TO ADDRESS INFRASTRUCTURE IMPACTS; ALLOWING FOR THE ESTABLISHMENT OF AN INFRASTRUCTURE IMPACT AREA; ALLOWING FOR THE COLLECTION OF AN INFRASTRUCTURE IMPACT FEE; ESTABLISHING FACILITIES SUBJECT TO THE FEE; LIMITING THE AMOUNT OF THE FEE; PROVIDING FOR THE DISTRIBUTION AND USE OF A FEE BY A GOVERNING BODY; PROVIDING FOR THE DISSOLUTION OF AN INFRASTRUCTURE IMPACT AREA; ALLOWING FOR BONDING; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

2011

[SB 369](#) – Died in Standing Committee -- AN ACT GENERALLY REVISING ELECTIONS LAWS; REDEFINING SPECIAL ELECTIONS; REQUIRING LOCAL GOVERNMENT UNITS, SCHOOL DISTRICTS, AND SELF-GOVERNING DISTRICTS TO HOLD ELECTIONS ON REGULARLY HELD ELECTION DAYS, EXCEPT IN CASES OF EMERGENCY; AND AMENDING SECTIONS 7-2-4602, 7-3-160, 7-3-175, 7-3-176, 7-3-4326, 7-3-4341, 7-5-136, 7-6-1504, 7-7-105, 7-7-2223, 7-7-2227, 7-7-2229, 7-7-2237, 7-7-4226, 7-7-4227, 7-7-4235, 7-7-4427, 7-11-1011, 7-13-2208, 7-13-2323, 7-13-2341, 7-14-210, 13-1-101, 13-1-104, 13-1-107, 13-1-401, 13-3-202, 15-10-425, 20-3-301, 20-9-428, 20-9-471, 20-20-105, 22-1-304, 22-1-702, 76-15-606, 85-7-102, AND 85-8-624, MCA."

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