

HOUSE BILL 200

Introduced by Cohen

1/16	Introduced
1/16	Referred to Taxation
1/16	Reading
1/23	Hearing
3/27	Tabled in Committee

1 HOUSE BILL NO. 200

2 INTRODUCED BY \_\_\_\_\_

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A LOCAL  
5 GOVERNMENT TO IMPOSE A LOCAL OPTION TAX UNDER THE LODGING  
6 FACILITY USE TAX; PROVIDING FOR THE DISTRIBUTION OF THE TAX  
7 PROCEEDS; PROVIDING FOR STATUTORY APPROPRIATION OF THE TAX;  
8 AMENDING SECTIONS 15-65-111, 15-65-121, 15-65-131, AND  
9 17-7-502, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

10  
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 **Section 1.** Section 15-65-111, MCA, is amended to read:

13 "15-65-111. Tax rate -- local option lodging facility  
14 use tax. (1) There is imposed on the user of a facility a  
15 tax at a rate equal to 4% of the accommodation charge  
16 collected by the facility.

17 (2) (a) Subject to the provisions of [section 2], a  
18 local government may impose on the user of a facility within  
19 its jurisdiction a local option lodging facility use tax at  
20 a rate not to exceed 4% of the accommodation charge  
21 collected by the facility.

22 (b) A local option lodging facility use tax is  
23 collected and reported at the same time and in the same  
24 manner as provided under 15-65-112.

25 (c) After conducting a public hearing, a local

1 government may, before July 1 of the fiscal year, impose a  
2 local option lodging facility use tax effective for that  
3 fiscal year.

4 (2)(3) Accommodation charges do not include charges for  
5 rooms used for purposes other than lodging."

6 NEW SECTION. Section 2. Distribution of local option  
7 lodging facility use tax proceeds. (1) The department of  
8 revenue shall return the proceeds from the tax imposed by  
9 15-65-111(2)(a) to the jurisdiction where they were  
10 collected, except:

11 (a) the amount for refunds; and

12 (b) the costs of administering the tax, not exceeding  
13 2% of the amount collected in each jurisdiction.

14 (2) If a county imposes a local option lodging facility  
15 use tax, the proceeds must be distributed to:

16 (a) the municipality in which the tax was collected; or

17 (b) if the tax was collected in an unincorporated area  
18 of the county, to the county in which the tax was collected.

19 (3) A municipality may impose a local option lodging  
20 facility use tax only if it is in a county that does not  
21 impose a facility tax. Except as provided in subsection (1),  
22 all proceeds must be distributed to the municipality that  
23 imposes the tax.

24 (4) The distributions made under subsections (1)  
25 through (3) are statutory appropriations as defined in

1 17-7-502.

2 **Section 3.** Section 15-65-121, MCA, is amended to read:

3 **"15-65-121. Distribution of tax proceeds -- general**  
 4 **fund loan authority. (1) The Except as provided in [section**  
 5 **2], the proceeds of the tax imposed by 15-65-111 must be**  
 6 **deposited in an account in the state special revenue fund to**  
 7 **the credit of the department of revenue. The department may**  
 8 **spend from that account in accordance with an expenditure**  
 9 **appropriation by the legislature based on an estimate of the**  
 10 **costs of collecting and disbursing the proceeds of the tax.**  
 11 **Before allocating the balance of the tax proceeds as**  
 12 **provided in subsections (1)(a) through (1)(c), the**  
 13 **department shall determine the expenditures by state**  
 14 **agencies for in-state lodging for each reporting period and**  
 15 **deduct 4% of that amount from the tax proceeds received each**  
 16 **reporting period. The amount deducted must be deposited in**  
 17 **the general fund. The balance of the tax proceeds received**  
 18 **each reporting period and not deducted pursuant to the**  
 19 **expenditure appropriation or deposited in the general fund**  
 20 **is statutorily appropriated, as provided in 17-7-502, and**  
 21 **must be transferred to an account in the state special**  
 22 **revenue fund to the credit of the department of commerce for**  
 23 **promotion of tourism, promotion of the state as a positive**  
 24 **location for business, and promotion of the state as a**  
 25 **location for the production of motion pictures and**

1 television commercials; 7 to the Montana historical society; 7  
 2 and to the university system, as follows:

3 (a) 1% to the Montana historical society to be used for  
 4 the installation or maintenance of roadside historical signs  
 5 and historic sites;

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

8 (c) the balance of the proceeds as follows:

9 (i) 75% to be used directly by the department of  
 10 commerce;

11 (ii) except as provided in subsection (1)(c)(iii), 25%  
 12 to be distributed by the department to regional nonprofit  
 13 tourism corporations in the ratio of the proceeds collected  
 14 in each tourism region to the total proceeds collected  
 15 statewide;

16 (iii) if 25% of the proceeds collected annually within  
 17 the limits of a city or consolidated city-county exceeds  
 18 \$35,000, 50% of the amount available for distribution to the  
 19 regional nonprofit tourism corporation in the region where  
 20 the city or consolidated city-county is located is to be  
 21 distributed to the nonprofit convention and visitors bureau  
 22 in that city or consolidated city-county.

23 (2) If a city or consolidated city-county qualifies  
 24 under this section for funds but fails to either recognize a  
 25 nonprofit convention and visitors bureau or submit and gain

1 approval for an annual marketing plan as required in  
2 15-65-122, then those funds must be allocated to the  
3 regional nonprofit tourism corporation in the region in  
4 which the city or consolidated city-county is located.

5 (3) If a regional nonprofit tourism corporation fails  
6 to submit and gain approval for an annual marketing plan as  
7 required in 15-65-122, then those funds otherwise allocated  
8 to the regional nonprofit tourism corporation may be used by  
9 the department of commerce for tourism promotion and  
10 promotion of the state as a location for the production of  
11 motion pictures and television commercials.

12 (4) The department of commerce may use general fund  
13 loans for efficient implementation of this section."

14 **Section 4.** Section 15-65-131, MCA, is amended to read:

15 "15-65-131. State agencies to account for in-state  
16 lodging expenditures. Each state agency shall account for  
17 in-state lodging expenditures in a manner that will enable  
18 the department of revenue to determine total expenditures  
19 for in-state lodging by state agencies in order to make an  
20 allocation of a portion of the tax proceeds imposed by  
21 15-65-111(1) to the general fund as provided in 15-65-121."

22 **Section 5.** Section 17-7-502, MCA, is amended to read:

23 "17-7-502. Statutory appropriations -- definition --  
24 requisites for validity. (1) A statutory appropriation is an  
25 appropriation made by permanent law that authorizes spending

1 by a state agency without the need for a biennial  
2 legislative appropriation or budget amendment.

3 (2) Except as provided in subsection (4), to be  
4 effective, a statutory appropriation must comply with both  
5 of the following provisions:

6 (a) The law containing the statutory authority must be  
7 listed in subsection (3).

8 (b) The law or portion of the law making a statutory  
9 appropriation must specifically state that a statutory  
10 appropriation is made as provided in this section.

11 (3) The following laws are the only laws containing  
12 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;  
13 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111;  
14 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-65-121;  
15 [section 2]; 15-70-101; 16-1-404; 16-1-410; 16-1-411;  
16 17-3-212; 17-5-404; 17-5-424; 17-5-804; 19-8-504; 19-9-702;  
17 19-9-1007; 19-10-205; 19-10-305; 19-10-506; 19-11-512;  
18 19-11-513; 19-11-606; 19-12-301; 19-13-604; 20-6-406;  
19 20-8-111; 20-9-361; 23-5-306; 23-5-409; 23-5-610; 23-5-612;  
20 23-5-1016; 23-5-1027; 27-12-206; 37-51-501; 39-71-2504;  
21 53-6-150; 53-24-206; 61-2-406; 61-5-121; 67-3-205;  
22 75-1-1101; 75-5-1108; 75-11-313; 76-12-123; 80-2-103;  
23 82-11-136; 82-11-161; 90-3-301; 90-4-215; 90-4-613;  
24 90-6-331; 90-9-306; and section 13, House Bill No. 861, Laws  
25 of 1985.

1       (4) There is a statutory appropriation to pay the  
2 principal, interest, premiums, and costs of issuing, paying,  
3 and securing all bonds, notes, or other obligations, as due,  
4 that have been authorized and issued pursuant to the laws of  
5 Montana. Agencies that have entered into agreements  
6 authorized by the laws of Montana to pay the state  
7 treasurer, for deposit in accordance with 17-2-101 through  
8 17-2-107, as determined by the state treasurer, an amount  
9 sufficient to pay the principal and interest as due on the  
10 bonds or notes have statutory appropriation authority for  
11 such payments. (In subsection (3), pursuant to sec. 10, Ch.  
12 664, L. 1987, the inclusion of 39-71-2504 terminates June  
13 30, 1991.)"

14       NEW SECTION.   **Section 6.** Codification       instruction.  
15 [Section 2] is intended to be codified as an integral part  
16 of Title 15, chapter 65, part 1, and the provisions of Title  
17 15, chapter 65, part 1, apply to [section 2].

18       NEW SECTION.   **Section 7.** Effective date. [This act] is  
19 effective on passage and approval.

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