

HOUSE BILL 861

Introduced by Swysgood, et al.

2/14	Introduced
2/14	Referred to Business & Economic Development
2/15	First Reading
2/15	Fiscal Note Requested
2/22	Fiscal Note Received
2/23	Fiscal Note Printed
3/08	Hearing
3/12	Committee Report--Bill Not Passed as Amended
3/13	Adverse Committee Report Rejected (Placed on 2nd Reading)
3/19	2nd Reading Do Pass as Amended Motion Failed

1 *HOUSE* BILL NO. *861*
 2 INTRODUCED BY *Swygard* *Stang*
 3 *Stang* *Swygard* *Brundage* *AKAESTAD* *Quigley*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT 10
 5 PERCENT OF THE ACCOMMODATION TAX BE PLACED IN A DEPARTMENT
 6 OF COMMERCE DEBT SERVICE ACCOUNT TO REDEEM BONDS USED TO
 7 CONSTRUCT STATE VISITOR INFORMATION CENTERS; AND AMENDING
 8 SECTION 15-65-121, MCA."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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

12 "15-65-121. Distribution of tax proceeds -- general
 13 fund loan authority. (1) The proceeds of the tax imposed by
 14 15-65-111 must be deposited in an account in the state
 15 special revenue fund to the credit of the department of
 16 revenue. The department may spend from that account in
 17 accordance with an expenditure appropriation by the
 18 legislature based on an estimate of the costs of collecting
 19 and disbursing the proceeds of the tax. Before allocating
 20 the balance of the tax proceeds as provided in subsections
 21 (1)(a) through ~~(1)(c)~~ (1)(d), the department shall determine
 22 the expenditures by state agencies for in-state lodging for
 23 each reporting period and deduct 4% of that amount from the
 24 tax proceeds received each reporting period. The amount
 25 deducted must be deposited in the general fund. The balance

1 of the tax proceeds received each reporting period and not
 2 deducted pursuant to the expenditure appropriation or
 3 deposited in the general fund is statutorily appropriated,
 4 as provided in 17-7-502, and must be transferred to an
 5 account in the state special revenue fund to the credit of
 6 the department of commerce for tourism promotion and
 7 promotion of the state as a location for the production of
 8 motion pictures and television commercials, to the Montana
 9 historical society, and to the university system, as
 10 follows:

11 (a) 1% to the Montana historical society to be used for
 12 the installation or maintenance of roadside historical signs
 13 and historic sites;

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

16 (c) 10% to the department of commerce, commencing
 17 fiscal year 1994, for the purpose of paying the interest on
 18 and redeeming bonds sold to construct the state's visitor
 19 information centers; and

20 ~~(e)~~(d) the balance of the proceeds as follows:

21 (i) 75% to be used directly by the department of
 22 commerce;

23 (ii) except as provided in subsection ~~(1)(c)~~(iii)
 24 (1)(d)(iii), 25% to be distributed by the department to
 25 regional nonprofit tourism corporations in the ratio of the



1 proceeds collected in each tourism region to the total
2 proceeds collected statewide;

3 (iii) if 25% of the proceeds collected annually within
4 the limits of a city or consolidated city-county exceeds
5 \$35,000, 50% of the amount available for distribution to the
6 regional nonprofit tourism corporation in the region where
7 the city or consolidated city-county is located is to be
8 distributed to the nonprofit convention and visitors bureau
9 in that city or consolidated city-county.

10 (2) If a city or consolidated city-county qualifies
11 under this section for funds but fails to either recognize a
12 nonprofit convention and visitors bureau or submit and gain
13 approval for an annual marketing plan as required in
14 15-65-122, then those funds must be allocated to the
15 regional nonprofit tourism corporation in the region in
16 which the city or consolidated city-county is located.

17 (3) If a regional nonprofit tourism corporation fails
18 to submit and gain approval for an annual marketing plan as
19 required in 15-65-122, then those funds otherwise allocated
20 to the regional nonprofit tourism corporation may be used by
21 the department of commerce for tourism promotion and
22 promotion of the state as a location for the production of
23 motion pictures and television commercials.

24 (4) The department of commerce may use general fund
25 loans for efficient implementation of this section.

1 (5) There is a debt service account in the state
2 treasury into which the funds allocated under subsection
3 (1)(c) must be deposited. All interest accrued and payments
4 received in excess of any principal, interest, and reserve
5 requirements of the debt service account must be used to
6 retire the outstanding bonds at an accelerated rate. The
7 allocation of funds to the debt service account terminates
8 upon retirement of the outstanding bonds and debt for the
9 construction of the state visitor information centers."

10 NEW SECTION. Section 2. Coordination instruction. If
11 House Bill No. 5 does not pass or passes and does not
12 include a provision for the construction of state visitor
13 information centers with funds derived from the sale of
14 bonds, then [this act] is void.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0861, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to provide that 10% of the accommodation tax be placed in a Department of Commerce debt service account to redeem bonds used to construct state visitor information centers.

ASSUMPTIONS:


1. The proposed legislation changes funding for the accommodations tax beginning in FY94.
2. Under current law the accommodations tax, less deductions for Department of Revenue expenses and 4% for the general fund, is allocated as follows: 1% to the historical society, 2.5% to the university system; of the balance remaining, 75% goes to the Department of Commerce for tourism promotion and 25% to the regional nonprofit tourism corporations based on the ratio of tax collections for each region.
3. Under the proposal, the accommodations tax, less deductions for Department of Revenue expenses and 4% for the general fund, would be allocated as follows: 1% to the historical society, 2.5% to the university system; 10% to the new Department of Commerce debt service account; of the balance remaining, 75% would be used by the Department of Commerce for promotion and 25% would go to regional nonprofit tourism corporations.
4. Accommodations tax collections for 1994 are assumed to be approximately \$6,619,000 (OBPP).
5. The accommodations tax rate does not change under the proposal.

FISCAL IMPACT:

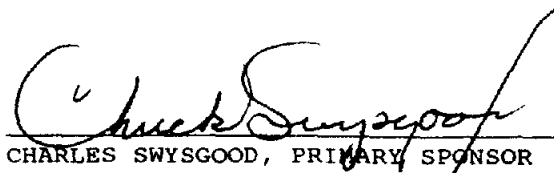
None

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Based on FY93 estimated collections, approximately \$622,700 would go to the proposed Department of Commerce debt service account for payment on interest and redeeming bonds for state visitor centers which will result in a reduction of \$467,025 in commerce promotions and \$155,675 in the regional promotions. The tax revenue is expected to increase by at least \$320,000 in FY95 (OBPP).



ROD SUNDSTED, BUDGET DIRECTOR 2-21-91 DATE
Office of Budget and Program Planning



CHARLES SWYSGOOD, PRIMARY SPONSOR 2-23-91 DATE
Fiscal Note for HB0861, as introduced HB 861

HB 0861/02
COMM. ON BUSINESS
AND ECONOMIC DEVELOPMENT
ON MOTION RECONSIDER
ADVERSE COMMITTEE REPORT

1 HOUSE BILL NO. 861
2 INTRODUCED BY SWYSGOOD, STANG, FELAND, SVRCEK, BRUSKI,
3 AKLESTAD, JERGESON, TUNBY, ANDERSON, HOFFMAN, HAYNE, BRADLEY
4
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6 PERCENT OF THE ACCOMMODATION TAX BE PLACED IN A DEPARTMENT
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- 17 (c) 10% to the department of commerce, commencing
- 18 fiscal year 1994, for the purpose of paying the interest on
- 19 and redeeming bonds sold to construct the state's visitor
- 20 information centers; and

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