

HOUSE BILL 17

Introduced by Galvin, et al.

7/07	Introduced
7/07	Referred to Taxation
7/07	Fiscal Note Requested
7/08	First Reading
7/10	Hearing
7/10	Fiscal Note Received
	Died in Committee

1 House BILL NO. 17
 2 INTRODUCED BY Gulmige Weigert Lee Daley
 3 Beck John F. Smith McCullough James O. Stutzman
 4 Ream Whalen Jensen Pack
 5 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE LODGING
 6 FACILITY USE TAX TO 9 PERCENT; ALLOCATING THE ADDITIONAL
 7 REVENUE TO THE STATE GENERAL FUND AND TO LOCAL GOVERNMENTS;
 8 AMENDING SECTIONS 15-65-111 AND 15-65-121, MCA; AND
 9 PROVIDING AN EFFECTIVE DATE."

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

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

12 "15-65-111. Tax rate. (1) There is imposed on the user
13 of a facility a tax at a rate equal to ~~4%~~ 9% of the
14 accommodation charge collected by the facility.

15 (2) Accommodation charges do not include charges for
16 rooms used for purposes other than lodging."

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

18 "15-65-121. Distribution of tax proceeds -- general
19 fund loan authority. (1) The proceeds of the tax imposed by
20 15-65-111 must be deposited in an account in the state
21 special revenue fund to the credit of the department of
22 revenue. The department shall immediately transfer from the
23 state special revenue fund 44% of all proceeds of the tax
24 imposed by 15-65-111 to the state general fund and 11% of
25 all proceeds to the counties according to the number of

1 facilities in each county. The county treasurer shall
2 distribute to the incorporated cities and towns a portion of
3 the proceeds based on the proportion that the number of
4 facilities in each city and town is to the total number of
5 facilities in the county. The county treasurer shall deposit
6 the remaining proceeds in the county general fund. Following
7 transfer of the revenue to the general fund and to the
8 counties, the department may spend from that account in
9 accordance with an expenditure appropriation by the
10 legislature based on an estimate of the costs of collecting
11 and disbursing the proceeds of the tax. Before allocating
12 the balance of the tax proceeds as provided in subsections
13 (1)(a) through (1)(c), the department shall determine the
14 expenditures by state agencies for in-state lodging for each
15 reporting period and deduct ~~4%~~ 9% of that amount from the
16 tax proceeds received each reporting period. The amount
17 deducted must be deposited in the general fund. The balance
18 of the tax proceeds received each reporting period and not
19 deducted pursuant to the expenditure appropriation or
20 deposited in the general fund is statutorily appropriated,
21 as provided in 17-7-502, and must be transferred to an
22 account in the state special revenue fund to the credit of
23 the department of commerce for tourism promotion and
24 promotion of the state as a location for the production of
25 motion pictures and television commercials, to the Montana

1 historical society, and to the university system, as
2 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 NEW SECTION. **Section 3.** Effective date. [This act] is
15 effective August 1, 1992.

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