

HOUSE BILL NO. 642

INTRODUCED BY RANEY, FRITZ, BARDANOUVE, GILBERT,
PIPINICH, HARPER, STRIZICH, DRISCOLL, KADAS, WANZENRIED,
DOWELL, MCCULLOCH, SWANSON, KNOX, BROOKE, ZOOK, VOGEL,
REAM, RYE, STOVALL, ECK, HARP, TOOLE, GERVAIS, HARRINGTON,
FORRESTER, GAGE, J. JOHNSON, BECK, SCHYE, NATHE,
COCCHIARELLA, HERRON, MCCARTHY, DOLEZAL, MENAHAN,
BARTLETT, JERGESON, BERGSAGEL, WYATT, WELDON, PECK,
TVEIT, MCCAFFREE, BACHINI, RUSSELL, LARSON, SQUIRES,
GRADY, J. RICE, KLAMPE, ELLIOTT, COBB, QUILICI,
D. BROWN, L. NELSON, HANSEN, DAILY, R. JOHNSON,
ENDY, YELLOWTAIL, EWER, MOLNAR, RYAN, TUNBY,
STANG, SCHWINDEN, TUSS, WHALEN, GALVIN, SPRING,
WEEDING, STANFORD, LYNCH, JACOBSON

IN THE HOUSE

FEBRUARY 17, 1993

INTRODUCED AND REFERRED TO COMMITTEE
ON APPROPRIATIONS.

FIRST READING.

MARCH 16, 1993

COMMITTEE RECOMMEND BILL
DO PASS AS AMENDED. REPORT ADOPTED.

MARCH 17, 1993

PRINTING REPORT.

MARCH 23, 1993

SECOND READING, DO PASS.

ON MOTION, RULES SUSPENDED TO
PLACE BILL ON SECOND READING.

MARCH 25, 1993

SECOND READING, DO PASS AS AMENDED.

ON MOTION, RULES SUSPENDED AND BILL
PLACED SECOND AND THIRD READING.

THIRD READING, PASSED.
AYES, 77; NOES, 23.

MARCH 26, 1993

ENGROSSING REPORT.

TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 26, 1993

INTRODUCED AND REFERRED TO COMMITTEE
ON FINANCE & CLAIMS.

FIRST READING.

APRIL 7, 1993

COMMITTEE RECOMMEND BILL BE
CONCURRED IN AS AMENDED. REPORT
ADOPTED.

APRIL 8, 1993

SECOND READING, CONCURRED IN.

APRIL 12, 1993

THIRD READING, CONCURRED IN.
AYES, 44; NOES, 4.

RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 14, 1993

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 15, 1993

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *House* BILL NO. *642* *Pipinich*
2 INTRODUCED BY *Raney* *McBride* *Swanson*
3 *Orin* *Hodes* *Knox* *Brink* *York* *McBride* *Swanson*
4 A BILL FOR AN ACT ENTITLED: "AN ACT DIVERGING A PORTION OF
5 THE PROCEEDS FROM THE LODGING FACILITY USE TAX TO THE
6 DEPARTMENT OF FISH, WILDLIFE, AND PARKS FOR USE BY THE
7 MONTANA CONSERVATION CORPS FOR PARK MAINTENANCE; AMENDING
8 SECTION 15-65-121, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
9 DATE AND A RETROACTIVE APPLICABILITY DATE."
10 *Carl* *Johnson* *Enay* *Whalen* *Spring*
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
12 **Section 1.** Section 15-65-121, MCA, is amended to read:
13 "15-65-121. Distribution of tax proceeds -- general
14 fund loan authority. (1) The proceeds of the tax imposed by
15 15-65-111 must be deposited in an account in the state
16 special revenue fund to the credit of the department of
17 revenue. The department may spend from that account in
18 accordance with an expenditure appropriation by the
19 legislature based on an estimate of the costs of collecting
20 and disbursing the proceeds of the tax. Before allocating
21 the balance of the tax proceeds as provided in subsections
22 (1)(a) through (1)(c), the department shall determine the
23 expenditures by state agencies for in-state lodging for each
24 reporting period and deduct 4% of that amount from the tax
25 proceeds received each reporting period. The amount deducted

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

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

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

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

18 ~~{1}--75%--to--be--used--directly--by--the--department--of~~
19 ~~commerce;~~

20 ~~{1}{1}(i)~~ except as provided in subsection ~~{1}{1}(c){1}{1}~~
21 (1)(c)(ii), 25% to be distributed by the department to
22 regional nonprofit tourism corporations in the ratio of the
23 proceeds collected in each tourism region to the total
24 proceeds collected statewide;

25 ~~{1}{1}{1}(ii)~~ if 25% of the proceeds collected annually

1 within the limits of a city or consolidated city-county
 2 exceeds \$35,000, 50% of the amount available for
 3 distribution to the regional nonprofit tourism corporation
 4 in the region where the city or consolidated city-county is
 5 located is to be distributed to the nonprofit convention and
 6 visitors bureau in that city or consolidated city-county;

7 (iii) for each year of the biennium, \$500,000 to be
 8 transferred to an account in the state special revenue fund
 9 to the credit of the department of fish, wildlife, and parks
 10 for use by the Montana conservation corps, primarily for the
 11 maintenance of state parks as provided in [section 2]; and

12 (iv) the balance to be used directly by the department
 13 of commerce.

14 (2) If a city or consolidated city-county qualifies
 15 under this section for funds but fails to either recognize a
 16 nonprofit convention and visitors bureau or submit and gain
 17 approval for an annual marketing plan as required in
 18 15-65-122, then those funds must be allocated to the
 19 regional nonprofit tourism corporation in the region in
 20 which the city or consolidated city-county is located.

21 (3) If a regional nonprofit tourism corporation fails
 22 to submit and gain approval for an annual marketing plan as
 23 required in 15-65-122, then those funds otherwise allocated
 24 to the regional nonprofit tourism corporation may be used by
 25 the department of commerce for tourism promotion and

1 promotion of the state as a location for the production of
 2 motion pictures and television commercials.

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

5 NEW SECTION. Section 2. Department to maintain parks
 6 from allocation of lodging facility use tax revenue. The
 7 department shall use the funds provided under
 8 15-65-121(1)(c)(iii) for the maintenance of state parks by
 9 the Montana conservation corps in the administrative regions
 10 within the state. Funds remaining after maintenance projects
 11 have been accomplished in a fiscal year may be used for
 12 state park improvement projects in the administrative
 13 regions within the state.

14 NEW SECTION. Section 3. Distribution of lodging
 15 facility use tax revenue to department of fish, wildlife,
 16 and parks. In each year of the biennium, the amount
 17 specified in 15-65-121(1)(c)(iii) must be transferred to an
 18 account in the state special revenue fund to the credit of
 19 the department of fish, wildlife, and parks in equal
 20 quarterly installments.

21 NEW SECTION. Section 4. Codification instruction.
 22 [Section 2] is intended to be codified as an integral part
 23 of Title 23, chapter 1, part 3, and the provisions of Title
 24 23, chapter 1, part 3, apply to [section 2].

25 NEW SECTION. Section 5. Effective date -- retroactive

LC 1384/01

1 applicability. [This act] is effective on passage and
2 approval and applies retroactively, within the meaning of
3 1-2-109, to taxable transactions on or after April 1, 1993.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0642, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act diverting a portion of the proceeds from the lodging facility use tax to the Department of Fish, Wildlife, and Parks for use by the Montana Conservation Corps for park maintenance; and providing an immediate effective date and a retroactive applicability date.

ASSUMPTIONS:

1. Lodging Facility Use Tax collections are \$7,652,000 in FY94 and \$7,823,000 in FY95 (LFA).
2. Under current law, DOR accommodations tax administrative costs are \$85,000 in FY94 and \$85,000 in FY95 (MDOR).
3. State agency in-state travel expenditures are 1.32% of total collections in both FY94 and FY95 (MDOR).
4. Non-profit regional tourism corporations and local convention centers will receive the entire distribution allocated to them under the both current and proposed law (MDOR).
5. After DOR expenses and the state travel refund, tax receipts are distributed as follows: 1% to the Montana Historical Society; 2.5% to the university system; 75% of the balance to the Department of Commerce and 25% to regional tourism corporations.

FISCAL IMPACT:Lodging Facility Use TaxFund Distribution:

	FY '94			FY '95		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
DOR administrative costs	85,000	85,000	0	85,000	85,000	0
General Fund (state travel)	101,000	101,000	0	103,000	103,000	0
MT Historical Society	75,000	75,000	0	76,000	76,000	0
University system	187,000	187,000	0	191,000	191,000	0
Regional tourism corps	1,801,000	1,801,000	0	1,842,000	1,842,000	0
FWP park maintenance (02)	0	500,000	500,000	0	500,000	500,000
<u>DOC Travel promotion (02)</u>	<u>5,403,000</u>	<u>4,903,000</u>	<u>(500,000)</u>	<u>5,526,000</u>	<u>5,026,000</u>	<u>(500,000)</u>
Total	7,652,000	7,652,000	0	7,823,000	7,823,000	0

TECHNICAL NOTE:

The retroactive applicability date provided for in New Section 5, is not compatible with the language in Section 1 (1)(c)(iii). The language in New Section 5 would appear to require a change in distribution in FY93, under the current accrual accounting process.

David Lewis 2-22-93
 DAVID LEWIS, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

Bob Raney 2/23/93
 BOB RANEY, PRIMARY SPONSOR DATE

Fiscal Note for HB0642, as introduced

HB642

APPROVED BY COMMITTEE
ON APPROPRIATIONS

HOUSE BILL NO. 642

INTRODUCED BY RANEY, FRITZ, BARDANOUVE, GILBERT,

PIPINICH, HARPER, STRIZICH, DRISCOLL, KADAS, WANZENRIED,

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STANG, SCHWINDEN, TUSS, WHALEN, GALVIN, SPRING,

WEEDING, STANFORD, LYNCH, JACOBSON

A BILL FOR AN ACT ENTITLED: "AN ACT DIVERTING A PORTION OF
THE PROCEEDS FROM THE LODGING FACILITY USE TAX TO THE
DEPARTMENT OF FISH, WILDLIFE, AND PARKS ~~FOR--USE--BY--THE~~
~~MONTANA--CONSERVATION--CORPS~~ FOR PARK MAINTENANCE; AMENDING
SECTION 15-65-121, MCA; AND PROVIDING AN ~~IMMEDIATE~~ EFFECTIVE
DATE AND ~~A-RETROACTIVE-APPLICABILITY-DATE.~~"

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

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

"15-65-121. Distribution of tax proceeds -- general

fund loan authority. (1) The proceeds of the tax imposed by
15-65-111 must be deposited in an account in the state
special revenue fund to the credit of the department of
revenue. The department may spend from that account in
accordance with an expenditure appropriation by the
legislature based on an estimate of the costs of collecting
and disbursing the proceeds of the tax. Before allocating
the balance of the tax proceeds as provided in subsections
(1)(a) through ~~(1)(c)~~ (1)(D), the department shall determine
the expenditures by state agencies for in-state lodging for
each reporting period and deduct 4% of that amount from the
tax proceeds received each reporting period. The amount
deducted must be deposited in the general fund. The balance
of the tax proceeds received each reporting period and not
deducted pursuant to the expenditure appropriation or
deposited in the general fund is statutorily appropriated,
as provided in 17-7-502, and must be transferred to an
account in the state special revenue fund to the credit of
the department of commerce for tourism promotion and
promotion of the state as a location for the production of
motion pictures and television commercials, to the Montana
historical society, and to the university system, and to the
department of fish, wildlife, and parks, as follows:

(a) 1% to the Montana historical society to be used for
the installation or maintenance of roadside historical signs

and historic sites;

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

(C) 6.5% TO THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS FOR THE MAINTENANCE OF FACILITIES IN STATE PARKS THAT HAVE BOTH RESIDENT AND NONRESIDENT USE, SUBJECT TO [SECTION 2]; AND

(D) the balance of the proceeds as follows:

75% to be used directly by the department of commerce;

(I) 75% TO BE USED DIRECTLY BY THE DEPARTMENT OF COMMERCE;

(II) except as provided in subsection (C), 25% to be distributed by the department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds collected statewide; AND

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

for each year of the biennium, \$500,000 to be

transferred to an account in the state special revenue fund to the credit of the department of fish, wildlife, and parks for use by the Montana conservation corps, primarily for the maintenance of state parks as provided in section 2; and (iv) the balance to be used directly by the department of commerce.

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

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

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

NEW SECTION. Section 2. Department to maintain parks from allocation of lodging facility use tax revenue. The department shall use the funds provided under

15-65-121(1)(c){iii} for the maintenance of state parks by
 the-Montana-conservation-corps-in-the-administrative-regions
 within-the-state-Funds-remaining-after-maintenance-projects
 have-been-accomplished-in-a-fiscal-year-may-be-used-for
 state-park-improvement-projects-in-the-administrative
 regions-within-the-state THAT HAVE BOTH RESIDENT AND
NONRESIDENT TOURIST USAGE. THE DEPARTMENT SHALL BY JULY 1 OF
EACH YEAR REPORT TO THE TOURISM ADVISORY COUNCIL ON THE
IDENTITY AND STATUS OF ALL CONTRACTS OR ACTIVITIES FUNDED
PURSUANT TO THIS SECTION.

NEW SECTION. Section 3. Distribution of lodging
 facility use tax revenue to department of fish, wildlife,
 and parks. In each year of the biennium, the amount
 specified in 15-65-121(1)(c){iii} must be transferred to an
 account in the state special revenue fund to the credit of
 the department of fish, wildlife, and parks in equal
 quarterly installments.

NEW SECTION. Section 4. Codification instruction.
 [Section 2] is intended to be codified as an integral part
 of Title 23, chapter 1, part 3, and the provisions of Title
 23, chapter 1, part 3, apply to [section 2].

NEW SECTION. Section 5. Effective date--retroactive
 applicability. [This act] is effective on--passage--and
 approval--and--applies--retroactively,--within--the--meaning--of
 1-2-1997--to--taxable--transactions--on--or--after--April--17--1993

1 JULY 1, 1993.

-End-

HOUSE BILL NO. 642

INTRODUCED BY RANEY, FRITZ, BARDANOUVE, GILBERT,
 PIPINICH, HARPER, STRIZICH, DRISCOLL, KADAS, WANZENRIED,
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A BILL FOR AN ACT ENTITLED: "AN ACT DIVERTING A PORTION OF
 THE PROCEEDS FROM THE LODGING FACILITY USE TAX TO THE
 DEPARTMENT OF FISH, WILDLIFE, AND PARKS FOR--USE--BY--THE
 MONTANA--CONSERVATION--CORPS FOR PARK MAINTENANCE; AMENDING
 SECTION 15-65-121, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
 DATE AND A RETROACTIVE-APPLICABILITY-DATE."

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

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

"15-65-121. Distribution of tax proceeds -- general

fund loan authority. (1) The proceeds of the tax imposed by
 15-65-111 must be deposited in an account in the state
 special revenue fund to the credit of the department of
 revenue. The department may spend from that account in
 accordance with an expenditure appropriation by the
 legislature based on an estimate of the costs of collecting
 and disbursing the proceeds of the tax. Before allocating
 the balance of the tax proceeds as provided in subsections
 (1)(a) through (1)(c) ~~(1)(D)~~, the department shall determine
 the expenditures by state agencies for in-state lodging for
 each reporting period and deduct 4% of that amount from the
 tax proceeds received each reporting period. The amount
 deducted must be deposited in the general fund. The balance
 of the tax proceeds received each reporting period and not
 deducted pursuant to the expenditure appropriation or
 deposited in the general fund is statutorily appropriated,
 as provided in 17-7-502, and must be transferred to an
 account in the state special revenue fund to the credit of
 the department of commerce for tourism promotion and
 promotion of the state as a location for the production of
 motion pictures and television commercials, to the Montana
 historical society, and to the university system, and to the
department of fish, wildlife, and parks, as follows:

(a) 1% to the Montana historical society to be used for
 the installation or maintenance of roadside historical signs

1 and historic sites;

2 (b) 2.5% to the university system for the establishment

3 and maintenance of a Montana travel research program; and

4 (C) 6.5% TO THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS

5 FOR THE MAINTENANCE OF FACILITIES IN STATE PARKS THAT HAVE

6 BOTH RESIDENT AND NONRESIDENT USE, SUBJECT TO [SECTION 2];

7 AND

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

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

10 commerce;

11 (I) 75% TO BE USED DIRECTLY BY THE DEPARTMENT OF

12 COMMERCE;

13 (ii)(II) except as provided in subsection (i)(c)(iii)

14 (i)(c)(iii) (1)(C)(III), 25% to be distributed by the

15 department to regional nonprofit tourism corporations in the

16 ratio of the proceeds collected in each tourism region to

17 the total proceeds collected statewide; AND

18 (iii)(III) if 25% of the proceeds collected annually

19 within the limits of a city or consolidated city-county

20 exceeds \$35,000, 50% of the amount available for

21 distribution to the regional nonprofit tourism corporation

22 in the region where the city or consolidated city-county is

23 located is to be distributed to the nonprofit convention and

24 visitors bureau in that city or consolidated city-county.

25 (iii) for each year of the biennium \$500,000 to be

1 transferred to an account in the state special revenue fund

2 to the credit of the department of fish, wildlife and parks

3 for use by the Montana conservation corps, primarily for the

4 maintenance of state parks as provided in {section 2}; and

5 (iv) the balance to be used directly by the department

6 of commerce;

7 (2) If a city or consolidated city-county qualifies

8 under this section for funds but fails to either recognize a

9 nonprofit convention and visitors bureau or submit and gain

10 approval for an annual marketing plan as required in

11 15-65-122, then those funds must be allocated to the

12 regional nonprofit tourism corporation in the region in

13 which the city or consolidated city-county is located.

14 (3) If a regional nonprofit tourism corporation fails

15 to submit and gain approval for an annual marketing plan as

16 required in 15-65-122, then those funds otherwise allocated

17 to the regional nonprofit tourism corporation may be used by

18 the department of commerce for tourism promotion and

19 promotion of the state as a location for the production of

20 motion pictures and television commercials.

21 (4) The department of commerce may use general fund

22 loans for efficient implementation of this section."

23 NEW SECTION. Section 2. Department to maintain parks

24 from allocation of lodging facility use tax revenue. The

25 department shall use the funds provided under

1 15-65-121(1)(c){iii} for the maintenance of state parks by
 2 the-Montana-conservation-corps-in-the-administrative-regions
 3 within-the-state--Funds-remaining-after-maintenance-projects
 4 have--been--accomplished--in--a--fiscal-year-may-be-used-for
 5 state--park--improvement--projects--in--the--administrative
 6 regions--within--the--state THAT HAVE BOTH RESIDENT AND
 7 NONRESIDENT TOURIST USAGE. THE DEPARTMENT SHALL BY JULY 1 OF
 8 EACH YEAR REPORT TO THE TOURISM ADVISORY COUNCIL ON THE
 9 IDENTITY AND STATUS OF ALL CONTRACTS OR ACTIVITIES FUNDED
 10 PURSUANT TO THIS SECTION.

11 NEW SECTION. Section 3. Distribution of lodging
 12 facility use tax revenue to department of fish, wildlife,
 13 and parks. In each year of the biennium, the amount
 14 specified in 15-65-121(1)(c){iii} must be transferred to an
 15 account in the state special revenue fund to the credit of
 16 the department of fish, wildlife, and parks in equal
 17 quarterly installments.

18 NEW SECTION. SECTION 4. COORDINATION INSTRUCTION. IF
 19 [THIS ACT] AND HOUSE BILL NO. 591 ARE BOTH PASSED AND
 20 APPROVED, THEN 15-65-121, READS AS FOLLOWS:

21 "15-65-121. Distribution of tax proceeds -- general
 22 fund loan authority. (1) The proceeds of the tax imposed by
 23 15-65-111 must be deposited in an account in the state
 24 special revenue fund to the credit of the department of
 25 revenue. The department may spend from that account in

1 accordance---with---an---expenditure---appropriation---by---the
 2 legislature-based-on-an-estimate-of-the-costs-of--collecting
 3 and-disbursing-the-proceeds-of-the-tax.

4 (2) Before--allocating--the--balance--of--the The tax
 5 proceeds must be used or distributed by the department as
 6 provided in subsections (1)(a) through (1)(e), follows:

7 (a) The department may spend from the account
 8 established in subsection (1) in accordance with an
 9 expenditure appropriation by the legislature, based on an
 10 estimate of the costs of collecting and disbursing the
 11 proceeds of the tax.

12 (b) the The department shall determine the expenditures
 13 by state agencies for in-state lodging for each reporting
 14 period and deduct 4 5% of that amount from the tax proceeds
 15 received each reporting period. The amount deducted must be
 16 deposited in the general fund.

17 (c) The After subtracting the amounts necessary under
 18 subsections (2)(a) and (2)(b), the balance of the tax
 19 proceeds received each reporting period and--not--deducted
 20 pursuant--to--the--expenditure-appropriation--or--deposited--in
 21 the-general-fund is statutorily appropriated, as provided in
 22 17-7-502, and must be transferred to an account in the state
 23 special revenue fund to the--credit--of--the--department--of
 24 commerce-for-tourism-promotion-and-promotion-of-the-state-as
 25 a--location--for--the--production--of--motion--pictures--and

~~television--commercials--to-the-Montana-historical-society,~~
~~and-to--the--university--system,~~ for distribution by the
~~department~~ as follows:

~~(a)(i)~~ 1% 0.8% to the Montana historical society to be
 used for the installation or maintenance of roadside
 historical signs and historic sites;

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

~~(c)--the-balance-of-the-proceeds-as-follows:~~

~~(i)(iii)~~ 75% 64% to the credit of the department of
 commerce for distribution as follows:

~~(A)~~ 68.5% to be used directly by the department of
 commerce for tourism promotion and promotion of the state as
a location for the production of motion pictures and
television commercials;

~~(i)(iv)-(A)(B)~~ except as provided in subsection
~~(i)(e)(iii)~~ (2)(c)(iii)(C), 25% to be distributed by the
 department to regional nonprofit tourism corporations in the
 ratio of the proceeds collected in each tourism region to
 the total proceeds collected statewide;

~~(i)(B)(C)~~ if 25% of the proceeds collected annually
 within the limits of a city or consolidated city-county
 exceeds \$35,000, 50% of the amount available for
 distribution to the regional nonprofit tourism corporation

in the region where the city or consolidated city-county is
 located is to be distributed to the nonprofit convention and
 visitors bureau in that city or consolidated city-county;
 and

~~(D)~~ 6.5% to the department of fish, wildlife, and parks
for the maintenance of facilities in state parks that have
both resident and nonresident use, subject to [section 2 of
House Bill No. 642]; and

~~(v)(iv)~~ 42.8% 12.7% to the general fund of counties and
 incorporated cities and towns for-distribution-as-follows:

~~(A)--\$6.75--per--capita--to-counties,cities,and-towns,~~
~~not-to-exceed-\$5,000--based-upon-the-latest-U.S.--bureau--of~~
~~the--census-data-or-estimates-available-to-the-department-at~~
~~the-time-of-distribution--For-the-distribution--of--the--per~~
~~capita--amount--the-population-of-a-county-does-not-include~~
~~people-living-within-the-boundaries-of-an-incorporated--city~~
~~or-town;~~

~~(B)--after--the--per--capita-distribution-has-been-made,~~
~~the-balance-based-upon-the-origin-of-the-tax--revenue. Each~~
~~county, city, and town must receive a distribution based~~
~~upon the ratio of proceeds collected within the jurisdiction~~
~~to total statewide collections. For the purposes of the~~
~~origin distribution, collections originating within a county~~
~~are considered to be only those collections from facilities~~
~~outside the corporate limits of the cities and towns in the~~

1 county.

2 (v) 20.5% to the state general fund.

3 (2)(3) If a city or consolidated city-county qualifies
4 under this section subsection (2)(c)(iii)(C) for
5 funds but fails to either recognize a nonprofit convention
6 and visitors bureau or submit and gain approval for an
7 annual marketing plan as required in 15-65-122, then those
8 funds must be allocated to the regional nonprofit tourism
9 corporation in the region in which the city or consolidated
10 city-county is located.

11 (3)(4) If a regional nonprofit tourism corporation
12 fails to submit and gain approval for an annual marketing
13 plan as required in 15-65-122, then those funds otherwise
14 allocated to the regional nonprofit tourism corporation may
15 be used by the department of commerce for tourism promotion
16 and promotion of the state as a location for the production
17 of motion pictures and television commercials.

18 (4)(5) The department of commerce may use general fund
19 loans for efficient implementation of this section."

20 NEW SECTION. Section 5. Codification instruction.
21 [Section 2] is intended to be codified as an integral part
22 of Title 23, chapter 1, part 3, and the provisions of Title
23 23, chapter 1, part 3, apply to [section 2].

24 NEW SECTION. Section 6. Effective date-----retroactive
25 applicability. [This act] is effective on--passage--and

1 approval--and--applies--retroactively--within--the--meaning--of
2 1-2-1997--to--taxable--transactions--on--or--after--April--17--1993
3 JULY 1, 1993.

-End-

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 6, 1993

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 642 (third reading copy -- blue), respectfully report that House Bill No. 642 be amended as follows and as so amended be concurred in.

Signed: Judy H. Jacobson
Senator Judy H. Jacobson, Chair

That such amendments read:

1. Page 7, line 13.
Strike: "68.5"
Insert: "66.65"

2. Page 8, line 5.
Strike: "6.5"
Insert: "8.35"

-END-

HB 642

SENATE

ADD Amd. Coord.

Jacobson

HOUSE BILL NO. 642

INTRODUCED BY RANEY, FRITZ, BARDANOUVE, GILBERT,
 PIPINICH, HARPER, STRIZICH, DRISCOLL, KADAS, WANZENRIED,
 DOWELL, MCCULLOCH, SWANSON, KNOX, BROOKE, ZOOK, VOGEL,
 REAM, RYE, STOVALL, ECK, HARP, TOOLE, GERVAIS, HARRINGTON,
 FORRESTER, GAGE, J. JOHNSON, BECK, SCHYE, NATHE,
 COCCHIARELLA, HERRON, MCCARTHY, DOLEZAL, MENAHAN,
 BARTLETT, JERGESON, BERGSAGEL, WYATT, WELDON, PECK,
 TVEIT, MCCAFFREE, BACHINI, RUSSELL, LARSON, SQUIRES,
 GRADY, J. RICE, KLAMPE, ELLIOTT, COBB, QUILICI,
 D. BROWN, L. NELSON, HANSEN, DAILY, R. JOHNSON,
 ENDY, YELLOWTAIL, EWER, MOLNAR, RYAN, TUNBY,
 STANG, SCHWINDEN, TUSS, WHALEN, GALVIN, SPRING,
 WEEDING, STANFORD, LYNCH, JACOBSON

A BILL FOR AN ACT ENTITLED: "AN ACT DIVERTING A PORTION OF
 THE PROCEEDS FROM THE LODGING FACILITY USE TAX TO THE
 DEPARTMENT OF FISH, WILDLIFE, AND PARKS ~~FOR--USE--BY--THE~~
~~MONTANA--CONSERVATION--CORPS~~ FOR PARK MAINTENANCE; AMENDING
 SECTION 15-65-121, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
 DATE ~~AND-A-RETROACTIVE-APPLICABILITY-DATE.~~"

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

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

"15-65-121. Distribution of tax proceeds -- general

fund loan authority. (1) The proceeds of the tax imposed by
 15-65-111 must be deposited in an account in the state
 special revenue fund to the credit of the department of
 revenue. The department may spend from that account in
 accordance with an expenditure appropriation by the
 legislature based on an estimate of the costs of collecting
 and disbursing the proceeds of the tax. Before allocating
 the balance of the tax proceeds as provided in subsections
 (1)(a) through ~~(1)(c)~~ (1)(D), the department shall determine
 the expenditures by state agencies for in-state lodging for
 each reporting period and deduct 4% of that amount from the
 tax proceeds received each reporting period. The amount
 deducted must be deposited in the general fund. The balance
 of the tax proceeds received each reporting period and not
 deducted pursuant to the expenditure appropriation or
 deposited in the general fund is statutorily appropriated,
 as provided in 17-7-502, and must be transferred to an
 account in the state special revenue fund to the credit of
 the department of commerce for tourism promotion and
 promotion of the state as a location for the production of
 motion pictures and television commercials, to the Montana
 historical society, ~~and to the university system, and to the~~
department of fish, wildlife, and parks, as follows:

(a) 1% to the Montana historical society to be used for
 the installation or maintenance of roadside historical signs

1 and historic sites;

2 (b) 2.5% to the university system for the establishment

3 and maintenance of a Montana travel research program; and

4 (C) 6.5% TO THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS

5 FOR THE MAINTENANCE OF FACILITIES IN STATE PARKS THAT HAVE

6 BOTH RESIDENT AND NONRESIDENT USE, SUBJECT TO [SECTION 2];

7 AND

8 ~~(e)(D)~~ the balance of the proceeds as follows:

9 ~~(i)--75%--to--be--used--directly--by--the--department--of~~

10 ~~commerce;~~

11 (I) 75% TO BE USED DIRECTLY BY THE DEPARTMENT OF

12 COMMERCE;

13 ~~(ii)(II)~~ except as provided in subsection ~~(i)(e)(iii)~~

14 ~~(i)(e)(iii)~~ (1)(D)(III), 25% to be distributed by the

15 department to regional nonprofit tourism corporations in the

16 ratio of the proceeds collected in each tourism region to

17 the total proceeds collected statewide; AND

18 ~~(iii)(III)~~ if 25% of the proceeds collected annually

19 within the limits of a city or consolidated city-county

20 exceeds \$35,000, 50% of the amount available for

21 distribution to the regional nonprofit tourism corporation

22 in the region where the city or consolidated city-county is

23 located is to be distributed to the nonprofit convention and

24 visitors bureau in that city or consolidated city-county.

25 ~~(iii)--for--each--year--of--the--biennium--\$500,000--to--be~~

1 ~~transferred-to-an-account-in-the-state-special-revenue--fund~~

2 ~~to-the-credit-of-the-department-of-fish,wildlife,and-parks~~

3 ~~for-use-by-the-Montana-conservation-corps,primarily-for-the~~

4 ~~maintenance-of-state-parks-as-provided-in-[section-2];and~~

5 ~~(iv)--the--balance--to-be-used-directly-by-the-department~~

6 ~~of-commerce;~~

7 (2) If a city or consolidated city-county qualifies

8 under this section for funds but fails to either recognize a

9 nonprofit convention and visitors bureau or submit and gain

10 approval for an annual marketing plan as required in

11 15-65-122, then those funds must be allocated to the

12 regional nonprofit tourism corporation in the region in

13 which the city or consolidated city-county is located.

14 (3) If a regional nonprofit tourism corporation fails

15 to submit and gain approval for an annual marketing plan as

16 required in 15-65-122, then those funds otherwise allocated

17 to the regional nonprofit tourism corporation may be used by

18 the department of commerce for tourism promotion and

19 promotion of the state as a location for the production of

20 motion pictures and television commercials.

21 (4) The department of commerce may use general fund

22 loans for efficient implementation of this section."

23 NEW SECTION. Section 2. Department to maintain parks

24 from allocation of lodging facility use tax revenue. The

25 department shall use the funds provided under

15-65-121(1)(c){iii} for the maintenance of state parks by the Montana conservation corps in the administrative regions within the state. Funds remaining after maintenance projects have been accomplished in a fiscal year may be used for state park improvement projects in the administrative regions within the state THAT HAVE BOTH RESIDENT AND NONRESIDENT TOURIST USAGE. THE DEPARTMENT SHALL BY JULY 1 OF EACH YEAR REPORT TO THE TOURISM ADVISORY COUNCIL ON THE IDENTITY AND STATUS OF ALL CONTRACTS OR ACTIVITIES FUNDED PURSUANT TO THIS SECTION.

NEW SECTION. Section 3. Distribution of lodging facility use tax revenue to department of fish, wildlife, and parks. In each year of the biennium, the amount specified in 15-65-121(1)(c){iii} must be transferred to an account in the state special revenue fund to the credit of the department of fish, wildlife, and parks in equal quarterly installments.

NEW SECTION. SECTION 4. COORDINATION INSTRUCTION. IF [THIS ACT] AND HOUSE BILL NO. 591 ARE BOTH PASSED AND APPROVED, THEN 15-65-121, READS AS FOLLOWS:

"15-65-121. Distribution of tax proceeds -- general fund loan authority. (1) The proceeds of the tax imposed by 15-65-111 must be deposited in an account in the state special revenue fund to the credit of the department of revenue. The department may spend from that account in

accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of the tax.

(2) Before allocating the balance of the The tax proceeds must be used or distributed by the department as provided in subsections (1)(a) through (1)(c), follows:

(a) The department may spend from the account established in subsection (1) in accordance with an expenditure appropriation by the legislature, based on an estimate of the costs of collecting and disbursing the proceeds of the tax.

(b) the The department shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4% 5% of that amount from the tax proceeds received each reporting period. The amount deducted must be deposited in the general fund.

(c) The After subtracting the amounts necessary under subsections (2)(a) and (2)(b), the balance of the tax proceeds received each reporting period and not deducted pursuant to the expenditure appropriation or deposited in the general fund is statutorily appropriated, as provided in 17-7-502, and must be transferred to an account in the state special revenue fund to the credit of the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and

1 ~~television--commercials,--to-the-Montana-historical-society,~~
 2 ~~and-to--the--university--system~~ for distribution by the
 3 department as follows:

4 ~~(a)(i)~~ 1% 0.8% to the Montana historical society to be
 5 used for the installation or maintenance of roadside
 6 historical signs and historic sites;

7 ~~(b)(ii)~~ 2-5% 2% to the university system for the
 8 establishment and maintenance of a Montana travel research
 9 program; and

10 ~~(c)--the-balance-of-the-proceeds-as-follows:~~

11 ~~(i)(iii)~~ 75% 64% to the credit of the department of
 12 commerce for distribution as follows:

13 (A) 68-5% 66.65% to be used directly by the department
 14 of commerce for tourism promotion and promotion of the state
 15 as a location for the production of motion pictures and
 16 television commercials;

17 ~~(i)(iv)-(A)(B)~~ except as provided in subsection
 18 ~~(i)(c)(iii)~~ (2)(c)(iii)(C), 25% to be distributed by the
 19 department to regional nonprofit tourism corporations in the
 20 ratio of the proceeds collected in each tourism region to
 21 the total proceeds collected statewide;

22 ~~(iii)(B)(C)~~ if 25% of the proceeds collected annually
 23 within the limits of a city or consolidated city-county
 24 exceeds \$35,000, 50% of the amount available for
 25 distribution to the regional nonprofit tourism corporation

1 in the region where the city or consolidated city-county is
 2 located is to be distributed to the nonprofit convention and
 3 visitors bureau in that city or consolidated city-county;
 4 and

5 (D) 6-5% 8.35% to the department of fish, wildlife, and
 6 parks for the maintenance of facilities in state parks that
 7 have both resident and nonresident use, subject to [section
 8 2 of House Bill No. 642]; and

9 ~~(v)(iv)~~ 42-8% 12.7% to the general fund of counties and
 10 incorporated cities and towns for-distribution-as-follows:

11 (A)--\$6-75-per-capita-to-counties,--cities,--and--towns,
 12 not--to--exceed-\$57000,--based-upon-the-latest-U.S.-bureau-of
 13 the-census-data-or-estimates-available-to-the-department--at
 14 the--time--of--distribution,--For-the-distribution-of-the-per
 15 capita-amount,--the-population-of-a-county-does--not--include
 16 people--living-within-the-boundaries-of-an-incorporated-city
 17 or-town;

18 (B)--after-the-per-capita-distribution--has--been--made,
 19 the--balance--based-upon-the-origin-of-the-tax-revenue. Each
 20 county, city, and town must receive a distribution based
 21 upon the ratio of proceeds collected within the jurisdiction
 22 to total statewide collections. For the purposes of the
 23 origin distribution, collections originating within a county
 24 are considered to be only those collections from facilities
 25 outside the corporate limits of the cities and towns in the

1 county.

2 (v) 20.5% to the state general fund.

3 ~~{2}{3}~~ If a city or consolidated city-county qualifies
4 under ~~this-section subsection {2}{c}{iv}~~ (2)(c)(iii)(C) for
5 funds but fails to either recognize a nonprofit convention
6 and visitors bureau or submit and gain approval for an
7 annual marketing plan as required in 15-65-122, then those
8 funds must be allocated to the regional nonprofit tourism
9 corporation in the region in which the city or consolidated
10 city-county is located.

11 ~~{3}{4}~~ If a regional nonprofit tourism corporation
12 fails to submit and gain approval for an annual marketing
13 plan as required in 15-65-122, then those funds otherwise
14 allocated to the regional nonprofit tourism corporation may
15 be used by the department of commerce for tourism promotion
16 and promotion of the state as a location for the production
17 of motion pictures and television commercials.

18 ~~{4}{5}~~ The department of commerce may use general fund
19 loans for efficient implementation of this section."

20 NEW SECTION. Section 5. Codification instruction.
21 [Section 2] is intended to be codified as an integral part
22 of Title 23, chapter 1, part 3, and the provisions of Title
23 23, chapter 1, part 3, apply to [section 2].

24 NEW SECTION. Section 6. Effective date ~~retroactive~~
25 ~~applicability.~~ [This act] is effective ~~on--passage--and~~

1 ~~approval-and-applies-retroactively, within--the--meaning--of~~

2 ~~1-2-1997--to--taxable-transactions-on-or-after-April-17-1993~~

3 JULY 1, 1993.

-End-