

1 HOUSE BILL NO. 848

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5 ZEPHYR

6
7 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FUNDING FOR REGIONAL RAIL AUTHORITIES;
8 PROVIDING THAT A PORTION OF RENTAL CAR SALES AND USE TAX IS DISTRIBUTED TO REGIONAL
9 RAIL AUTHORITIES; PROVIDING PURPOSES FOR WHICH REGIONAL RAIL AUTHORITIES MAY USE THE
10 FUNDING; PROVIDING A STATUTORY APPROPRIATION; AMENDING SECTIONS 15-65-121, 15-68-820,
11 17-7-502, 22-3-1303, 22-3-1304, AND 22-3-1307, MCA; AND PROVIDING AN EFFECTIVE DATE."

12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14
15 NEW SECTION. **Section 1. Big sky rail account.** (1) There is a big sky rail account in the state
16 special revenue fund established in 17-2-102. The account consists of money deposited in the account
17 pursuant to 15-68-820(2)(b).

18 (2) The money in the account is statutorily appropriated, as provided in 17-7-502, to the
19 department of transportation.

20 (3) The department of transportation shall annually distribute by August 1 money in the account to
21 regional rail authorities established pursuant to 7-14-1621 before January 1, 2025. A regional rail authority shall
22 use the money for the following purposes:

- 23 (a) administration of the rail authority;
- 24 (b) matching grants from the federal government;
- 25 (c) development of cooperative relationships with the federal government, other states, Canadian
26 provinces, railroads, and other parties to advance the purposes in subsection (3)(d); and
- 27 (d) to advance plan, design, develop, implement, and operate rail projects and services throughout
28 and connecting beyond the state that:

(i) enhance the safety and performance of passenger and freight rail services and infrastructure, provide coordinated transportation connections among train stations, airports, roads, streets, and highways and transit systems;

(ii) create and improve passenger stations and related facilities, foster compatible development around passenger stations, and increase connecting services from locations with stops on existing or future passenger rail services operating within or through the state;

(iii) plan, develop, or expand transit and rental car facilities and related services at train stations, destinations, and other locations that provide connecting services for rail passengers, such as airports or offsite rental car locations;

(iv) develop energy production and distribution facilities and services for transportation and related purposes; and

(v) explore and develop north-south train service within and beyond the state that connects to the empire builder and big sky north coast corridors.

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

"15-65-121. (Temporary) Distribution of tax proceeds. (1) The proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 17-2-124, be deposited in an account in the state special revenue fund to the credit of the department. 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 in accordance with the provisions of 17-2-124 and as provided in subsections (2)(a) through (2)(j) of this section, 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 department shall distribute the portion of the 4% that was paid with federal funds to the department of administration for return to the federal government and deposit 30% of the amount deducted less the portion paid with federal funds in the state general fund.

(2) The balance of the tax proceeds received each reporting period and not deducted pursuant to the expenditure appropriation, deposited in the state general fund, distributed to agencies that paid the tax with federal funds, or deposited in the heritage preservation and development account must be transferred to an

1 account in the state special revenue fund to the credit of the department of commerce for the purposes
2 designated under 90-1-122, to the emergency lodging for victims of domestic violence or human trafficking
3 account, to the Montana historical interpretation state special revenue account, to the Montana historical
4 society, to the university system, to the state-tribal economic development commission, and to the department
5 of fish, wildlife, and parks, as follows:

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

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

10 (c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks
11 that have both resident and nonresident use;

12 (d) 1.4% to the invasive species state special revenue account established in 80-7-1004;

13 (e) 60.2% to be used directly by the department of commerce as provided in 90-1-122[, and in part
14 to renovate the Miles City train depot];

15 (f) 0.1% to the emergency lodging for victims of domestic violence or human trafficking account
16 established in 44-4-1506;

17 (g) (i) except as provided in subsection (2)(g)(ii), 22.5% to be distributed by the department to
18 regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total
19 proceeds collected statewide; and

20 (ii) if 22.5% of the proceeds collected annually within the limits of a city, consolidated city-county,
21 resort area, or resort area district exceeds \$35,000, 50% of the amount available for distribution to the regional
22 nonprofit tourism corporation in the region where the city, consolidated city-county, resort area, or resort area
23 district is located, to be distributed to the nonprofit convention and visitors bureau in that city, consolidated city-
24 county, resort area, or resort area district;

25 (h) 0.5% to the state special revenue account provided for in 90-1-135 for use by the state-tribal
26 economic development commission established in 90-1-131 for activities in the Indian tourism region;

27 (i) 2.6% to the Montana historical interpretation state special revenue account established in 22-3-
28 115; and

(j) 2.7% or \$1 million, whichever is less, to the Montana heritage preservation and development account provided for in 22-3-1004. The Montana heritage preservation and development commission shall report on the use of funds received pursuant to this subsection (2)(j) to the legislative finance committee on a semiannual basis, in accordance with 5-11-210.

(3) If a city, consolidated city-county, resort area, or resort area district qualifies under ~~15-68-820(5)(b)(iii)~~ 15-68-820(4)(b)(iii) or 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, consolidated city-county, resort area, or resort area district is located.

(4) 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.

(5) The tax proceeds received that are transferred to a state special revenue account pursuant to subsections (2)(a) through (2)(c), (2)(e), and (2)(g) are statutorily appropriated to the entities as provided in 17-7-502. The tax proceeds received that are transferred to the emergency lodging for victims of domestic violence or human trafficking account pursuant to subsection (2)(f) are subject to the appropriation provisions in 44-4-1506.

(6) The tax proceeds received that are transferred to the invasive species state special revenue account pursuant to subsection (2)(d), to the Montana historical interpretation state special revenue account pursuant to subsection (2)(i), and to the Montana heritage preservation and development account pursuant to subsection (2)(j) are subject to appropriation by the legislature. (Terminates June 30, 2027--sec. 12, Ch. 563, L. 2021; sec. 10, Ch. 758, L. 2023; bracketed language in subsection (1)(e) terminates June 30, 2025--sec. 34, Ch. 763, L. 2023.)

15-65-121. (Effective July 1, 2027) Distribution of tax proceeds. (1) The proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 17-2-124, be deposited in an account in the state special revenue fund to the credit of the department. 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

1 and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with
2 the provisions of 17-2-124 and as provided in subsections (2)(a) through (2)(h) of this section, the department
3 shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4%
4 of that amount from the tax proceeds received each reporting period. The department shall distribute the
5 portion of the 4% that was paid with federal funds to the department of administration for return to the federal
6 government and deposit 30% of the amount deducted less the portion paid with federal funds in the state
7 general fund. The amount of \$400,000 each year must be deposited in the Montana heritage preservation and
8 development account provided for in 22-3-1004.

9 (2) The balance of the tax proceeds received each reporting period and not deducted pursuant to
10 the expenditure appropriation, deposited in the state general fund, distributed to agencies that paid the tax with
11 federal funds, or deposited in the heritage preservation and development account must be transferred to an
12 account in the state special revenue fund to the credit of the department of commerce for the purposes
13 designated under 90-1-122, to the Montana historical interpretation state special revenue account, to the
14 Montana historical society, to the university system, to the state-tribal economic development commission, and
15 to the department of fish, wildlife, and parks, as follows:

- 16 (a) 1% to the Montana historical society to be used for the installation or maintenance of roadside
17 historical signs and historic sites;
- 18 (b) 2.5% to the university system for the establishment and maintenance of a Montana travel
19 research program;
- 20 (c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks
21 that have both resident and nonresident use;
- 22 (d) 1.4% to the invasive species state special revenue account established in 80-7-1004;
- 23 (e) 63% to be used directly by the department of commerce as provided in 90-1-122;
- 24 (f) (i) except as provided in subsection (2)(f)(ii), 22.5% to be distributed by the department to
25 regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total
26 proceeds collected statewide; and
- 27 (ii) if 22.5% of the proceeds collected annually within the limits of a city, consolidated city-county,
28 resort area, or resort area district exceeds \$35,000, 50% of the amount available for distribution to the regional

1 nonprofit tourism corporation in the region where the city, consolidated city-county, resort area, or resort area
 2 district is located, to be distributed to the nonprofit convention and visitors bureau in that city, consolidated city-
 3 county, resort area, or resort area district;

4 (g) 0.5% to the state special revenue account provided for in 90-1-135 for use by the state-tribal
 5 economic development commission established in 90-1-131 for activities in the Indian tourism region; and

6 (h) 2.6% to the Montana historical interpretation state special revenue account established in 22-3-
 7 115.

8 (3) If a city, consolidated city-county, resort area, or resort area district qualifies under ~~15-68-~~
 9 ~~820(5)(b)(iii)~~ 15-68-820(4)(b)(iii) or this section for funds but fails to either recognize a nonprofit convention and
 10 visitors bureau or submit and gain approval for an annual marketing plan as required in 15-65-122, then those
 11 funds must be allocated to the regional nonprofit tourism corporation in the region in which the city,
 12 consolidated city-county, resort area, or resort area district is located.

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

17 (5) The tax proceeds received that are transferred to a state special revenue account pursuant to
 18 subsections (2)(a) through (2)(c), (2)(e), and (2)(f) are statutorily appropriated to the entities as provided in 17-
 19 7-502.

20 (6) The tax proceeds received that are transferred to the invasive species state special revenue
 21 account pursuant to subsection (2)(d) and to the Montana historical interpretation state special revenue account
 22 pursuant to subsection (2)(h) are subject to appropriation by the legislature."
 23

24 **Section 3.** Section 15-68-820, MCA, is amended to read:

25 **"15-68-820. Sales tax and use tax proceeds.** (1) ~~Except as provided in subsections (2) through (6),~~
 26 ~~all~~ All money collected under this chapter must, in accordance with the provisions of 17-2-124, be deposited by
 27 the department ~~into the general fund~~ as provided in subsections (2) through (4).

28 (2) ~~Twenty-five percent of the~~ The revenue collected on the base rental charge for rental vehicles

1 under 15-68-102(1)(b) and ~~15-68-102(3)(a)(ii)~~ must be deposited as follows:

2 (a) 50% in the general fund;

3 (b) 25% in the big sky rail account provided for in [section 1]; and

4 (c) 25% in the state special revenue fund to the credit of the senior citizen and persons with
5 disabilities transportation services account provided for in 7-14-112.

6 (3) ~~Until December 31, 2024, a portion of the~~ The revenue collected on the sale or use of
7 accommodations and campgrounds under 15-68-102(1)(a) and (3)(a)(i) must be deposited as follows:

8 (a) ~~20% in the account established in 22-3-1303 for construction of the Montana heritage center;~~
9 and

10 (b) ~~5% in the account established in 22-3-1307 for historic preservation grants.~~

11 (4) ~~Starting January 1, 2025, a portion of the revenue collected on the sale or use of~~
12 ~~accommodations and campgrounds under 15-68-102 (1)(a) and (3)(a)(i) must be deposited or distributed as~~
13 ~~follows:~~

14 (a) 75% in the general fund;

15 (b) 6% in the account established in 22-3-1304 for operation and maintenance of the Montana
16 heritage center;

17 ~~(b)(c)~~ 6% distributed as provided in subsection ~~(5)~~ (4);

18 ~~(c)(d)~~ 6% in the account established in 22-3-1307 for historic preservation grants; and

19 ~~(d)(e)~~ 7% in the account established in 17-7-209.

20 ~~(5)(4)~~ (a) Before allocating the balance of the tax proceeds in accordance with the provisions of 17-2-
21 124 and as provided in subsection ~~(5)(b)~~ (4)(b) of this section, the department shall determine the expenditures
22 by state agencies for in-state lodging for each reporting period and deduct 1% of that amount from the tax
23 proceeds received each reporting period. The department shall distribute the portion of the 1% that was paid
24 with federal funds to the department of administration for return to the federal government and deposit 30% of
25 the amount deducted less the portion paid with federal funds in the state general fund.

26 (b) The balance of the tax proceeds received each reporting period and not distributed to agencies
27 that paid the tax with federal funds must be transferred to an account in the state special revenue fund to the
28 credit of the department of commerce for tourism promotion and promotion of the state as a location for the

1 production of motion pictures and television commercials, to the department of fish, wildlife, and parks, and to
2 the state-tribal economic development commission as follows:

3 (i) 7% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks
4 that have both resident and nonresident use;

5 (ii) 68.5% to be used directly by the department of commerce;

6 (iii) (A) except as provided in subsection ~~(5)(b)(iii)(B)~~ (4)(b)(iii)(B), 24% to be distributed by the
7 department of commerce to regional nonprofit tourism corporations in the ratio of the proceeds collected in
8 each tourism region to the total proceeds collected statewide; and

9 (B) if 24% of the proceeds collected annually within the limits of a city, consolidated city-county,
10 resort area, or resort area district exceeds \$35,000, 50% of the amount available for distribution to the regional
11 nonprofit tourism corporation in the region where the city, consolidated city-county, resort area, or resort area
12 district is located to be distributed to the nonprofit convention and visitors bureau in that city, consolidated city-
13 county, resort area, or resort area district; and

14 (iv) 0.5% to the state special revenue account provided for in 90-1-135 for use by the state-tribal
15 economic development commission established in 90-1-131 for activities in the Indian tourism region.

16 ~~(6)(5)~~ The tax proceeds received that are transferred to a state special revenue account pursuant to
17 subsection ~~(5)(b)~~ (4)(b) are allocated to the entities."
18

19 **Section 4.** Section 17-7-502, MCA, is amended to read:

20 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
21 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without
22 the need for a biennial legislative appropriation or budget amendment.

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

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

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

28 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-

11-407; 5-13-403; 5-13-404; 7-4-2502; 7-4-2924; 7-32-236; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-2-807; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-3-316; 10-3-802; 10-3-1304; 10-4-304; 10-4-310; 15-1-121; 15-1-142; 15-1-143; 15-1-218; 15-1-2302; 15-31-165; 15-31-1004; 15-31-1005; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-128; 15-70-131; 15-70-132; 15-70-433; 16-11-119; 16-11-509; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-6-214; 17-7-133; 17-7-215; 18-11-112; 19-3-319; 19-3-320; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-203; 20-3-369; 20-7-1709; 20-8-107; 20-9-250; 20-9-534; 20-9-622; [20-15-328]; 20-26-617; 20-26-1503; 22-1-327; 22-3-116; 22-3-117; [22-3-1004]; 23-4-105; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 30-10-1004; 37-43-204; 37-50-209; 37-54-113; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-4-1506; 44-12-213; 44-13-102; 50-1-115; 53-1-109; 53-6-148; 53-9-113; 53-24-108; 53-24-206; 60-5-530; 60-11-115; [section 1]; 61-3-321; 61-3-415; 67-1-309; 69-3-870; 69-4-527; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 75-26-308; 76-13-150; 76-13-151; 76-13-417; 76-17-103; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518; 80-11-1006; 81-1-112; 81-1-113; 81-2-203; 81-7-106; 81-7-123; 81-10-103; 82-11-161; 85-20-1504; 85-20-1505; [85-25-102]; 87-1-603; 87-5-909; 90-1-115; 90-1-205; 90-1-504; 90-6-331; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and any costs or fees associated with issuing, paying, securing, redeeming, or defeasing all bonds, notes, or other obligations, as due in the ordinary course or when earlier called for redemption or defeased, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates contingently when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for the supplemental benefit provided by 19-6-709; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on occurrence of contingency; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117 terminates June 30, 2025; pursuant to sec. 4, Ch. 122, L. 2017, the inclusion of 10-3-1304 terminates September 30, 2025; pursuant to sec. 1, Ch. 213, L. 2017, the inclusion of 90-6-331 terminates June 30, 2027;

pursuant to sec. 10, Ch. 374, L. 2017, the inclusion of 76-17-103 terminates June 30, 2027; pursuant to secs. 11, 12, and 14, Ch. 343, L. 2019, the inclusion of 15-35-108 terminates June 30, 2027; pursuant to sec. 1, Ch. 408, L. 2019, the inclusion of 17-7-215 terminates June 30, 2029; pursuant to secs. 1, 2, 3, Ch. 139, L. 2021, the inclusion of 53-9-113 terminates June 30, 2027; pursuant to sec. 8, Ch. 200, L. 2021, the inclusion of 10-4-310 terminates July 1, 2031; pursuant to secs. 3, 4, Ch. 404, L. 2021, the inclusion of 30-10-1004 terminates June 30, 2027; pursuant to sec. 5, Ch. 548, L. 2021, the inclusion of 50-1-115 terminates June 30, 2025; pursuant to secs. 5 and 12, Ch. 563, L. 2021, the inclusion of 22-3-1004 is effective July 1, 2027; pursuant to sec. 1, Ch. 20, L. 2023, sec. 2, Ch. 20, L. 2023, and sec. 3, Ch. 20, L. 2023, the inclusion of 81-1-112, 81-1-113, and 81-7-106 terminates June 30, 2029; pursuant to sec. 9, Ch. 44, L. 2023, the inclusion of 15-1-142 terminates December 31, 2025; pursuant to sec. 10, Ch. 47, L. 2023, the inclusion of 15-1-2302 terminates June 30, 2025; pursuant to sec. 2, Ch. 374, L. 2023, the inclusion of 10-3-802 terminates June 30, 2031; pursuant to sec. 12, Ch. 558, L. 2023, the inclusion of 20-9-250 terminates December 31, 2029; pursuant to sec. 4, Ch. 621, L. 2023, the inclusion of 22-1-327 terminates July 1, 2029; pursuant to sec. 24, Ch. 722, L. 2023, the inclusion of 17-7-133 terminates June 30, 2027; pursuant to sec. 10, Ch. 758, L. 2023, the inclusion of 44-4-1506 terminates June 30, 2027; and pursuant to sec. 10, Ch. 764, L. 2023, the inclusion of 15-1-143 terminates December 31, 2025.)"

Section 5. Section 22-3-1303, MCA, is amended to read:

"22-3-1303. Account -- Montana heritage center construction. There is an account in the capital projects fund established in 17-2-102 known as the Montana heritage center construction account. The tax collections allocated in the former 15-68-820(3)(a) before the amendments of [this act] must be deposited in the account until December 31, 2024. The money in the account is authorized to the department of administration and may be used only for capital construction of the Montana heritage center."

Section 6. Section 22-3-1304, MCA, is amended to read:

"22-3-1304. Account -- Montana heritage center operations. There is an account in the state special revenue fund established in 17-2-102 known as the Montana heritage center operations account. The tax collections allocated in 15-68-820(4)(a) must be deposited in the account. The money in the account may

1 be used only for expenses incurred in the operation and maintenance of the Montana heritage center, which
2 may include the veterans' and pioneer memorial building."

3
4 **Section 7.** Section 22-3-1307, MCA, is amended to read:

5 **"22-3-1307. Historic preservation grant program account.** (1) There is an account in the state
6 special revenue fund established in 17-2-102 known as the historic preservation grant program account. The
7 tax collections allocated in 15-68-820(3)(b) and (4)(c) must be deposited in the account.

8 (2) Money deposited in the account is subject to appropriation by the legislature and may be used
9 only for historic preservation grants to be administered by the department of commerce.

10 (3) The department shall allocate and disburse historic preservation account funds as appropriated
11 by the legislature."

12
13 NEW SECTION. **Section 8. Codification instruction.** [Section 1] is intended to be codified as an
14 integral part of Title 60, chapter 11, part 1, and the provisions of Title 60, chapter 11, part 1, apply to [section 1].

15
16 NEW SECTION. **Section 9. Effective date.** [This act] is effective July 1, 2025.

17 - END -