

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING PROPERTY TAX ASSISTANCE FOR PRIMARY
5 RESIDENCES FUNDED WITH LODGING TAX REVENUE; PROVIDING AN APPROPRIATION; AMENDING
6 SECTIONS 15-65-121, 15-68-820, 22-3-1303, 22-3-1304, AND 22-3-1307, MCA; AND PROVIDING AN
7 EFFECTIVE DATE AND AN APPLICABILITY DATE."

9 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. (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.

22 (2) The balance of the tax proceeds received each reporting period and not deducted pursuant to
23 the expenditure appropriation, deposited in the state general fund, distributed to agencies that paid the tax with
24 federal funds, or deposited in the heritage preservation and development account must be transferred to an
25 account in the state special revenue fund to the credit of the department of commerce for the purposes
26 designated under 90-1-122, to the emergency lodging for victims of domestic violence or human trafficking
27 account, to the Montana historical interpretation state special revenue account, to the Montana historical
28 society, to the university system, to the state-tribal economic development commission, and to the department

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1 of fish, wildlife, and parks, as follows:

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

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

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

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

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

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

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

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

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

23 (i) 2.6% to the Montana historical interpretation state special revenue account established in 22-3-
24 115; and

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

10 (5) The tax proceeds received that are transferred to a state special revenue account pursuant to
11 subsections (2)(a) through (2)(c), (2)(e), and (2)(g) are statutorily appropriated to the entities as provided in 17-
12 7-502. The tax proceeds received that are transferred to the emergency lodging for victims of domestic violence
13 or human trafficking account pursuant to subsection (2)(f) are subject to the appropriation provisions in 44-4-
14 1506.

15 (6) The tax proceeds received that are transferred to the invasive species state special revenue
16 account pursuant to subsection (2)(d), to the Montana historical interpretation state special revenue account
17 pursuant to subsection (2)(i), and to the Montana heritage preservation and development account pursuant to
18 subsection (2)(j) are subject to appropriation by the legislature. (Terminates June 30, 2027--sec. 12, Ch. 563, L.
19 2021; sec. 10, Ch. 758, L. 2023; bracketed language in subsection (1)(e) terminates June 30, 2025--sec. 34,
20 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 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)(h) 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

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1 portion of the 4% that was paid with federal funds to the department of administration for return to the federal
2 government and deposit 30% of the amount deducted less the portion paid with federal funds in the state
3 general fund. The amount of \$400,000 each year must be deposited in the Montana heritage preservation and
4 development account provided for in 22-3-1004.

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

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

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

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

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

19 (e) 63% to be used directly by the department of commerce as provided in 90-1-122;

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

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

28 (g) 0.5% to the state special revenue account provided for in 90-1-135 for use by the state-tribal

1 economic development commission established in 90-1-131 for activities in the Indian tourism region; and

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

4 (3) If a city, consolidated city-county, resort area, or resort area district qualifies under 15-68-

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

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

13 (5) The tax proceeds received that are transferred to a state special revenue account pursuant to
14 subsections (2)(a) through (2)(c), (2)(e), and (2)(f) are statutorily appropriated to the entities as provided in 17-
15 7-502.

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

19

20 **Section 2.** Section 15-68-820, MCA, is amended to read:

21 **"15-68-820. Sales tax and use tax proceeds.** (1) Except as provided in subsections (2) through (6),
22 ~~all~~All money collected under this chapter must, in accordance with the provisions of 17-2-124, be deposited by
23 the department into the general fund ~~as provided in subsections (2) through~~(4)(3).

24 (2) ~~Twenty-five percent of the~~The revenue collected on the base rental charge for rental vehicles
25 under 15-68-102(1)(b) and 15-68-102(3)(a)(ii) must be deposited as follows:

26 (a) 75% in the general fund; and

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

1 (3) Until December 31, 2024, a portion of the The revenue collected on the sale or use of
2 accommodations and campgrounds under 15-68-102(1)(a) and (3)(a)(i) must be deposited as follows:
3 (a) 20% in the account established in 22-3-1303 for construction of the Montana heritage center;
4 and
5 (b) 5% in the account established in 22-3-1307 for historic preservation grants.
6 (4) Starting January 1, 2025, a portion of 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 or distributed as
8 follows:
9 (a) 75% in the general fund;
10 (b) 14% in the state property tax assistance account provided for in [section 2 of Senate Bill No.
11 90];
12 (a)(c) 6% in the account established in 22-3-1304 for operation and maintenance of the Montana
13 heritage center; and
14 (b) 6% distributed as provided in subsection (5);
15 (c)(d) 5% 6% in the account established in 22-3-1307 for historic preservation grants; and
16 (d) 7% in the account established in 17-7-209.

17 (5)(4) (a) Before allocating the balance of the tax proceeds in accordance with the provisions of 17-2-

18 124 and as provided in subsection (5)(b) (4)(b) of this section, the department shall determine the expenditures

19 by state agencies for in-state lodging for each reporting period and deduct 1% of that amount from the tax

20 proceeds received each reporting period. The department shall distribute the portion of the 1% that was paid

21 with federal funds to the department of administration for return to the federal government and deposit 30% of

22 the amount deducted less the portion paid with federal funds in the state general fund.

23 (b) The balance of the tax proceeds received each reporting period and not distributed to agencies
24 that paid the tax with federal funds must be transferred to an account in the state special revenue fund to the
25 credit of the department of commerce for tourism promotion and promotion of the state as a location for the
26 production of motion pictures and television commercials, to the department of fish, wildlife, and parks, and to
27 the state-tribal economic development commission as follows:

(i) 7% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks

1 ~~that have both resident and nonresident use;~~

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

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

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

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

13 ~~(6)(5) The tax proceeds received that are transferred to a state special revenue account pursuant to~~
14 ~~subsection (5)(b) (4)(b) are allocated to the entities."~~

15

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

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

22

23 **Section 4.** Section 22-3-1304, MCA, is amended to read:

24 **"22-3-1304. Account -- Montana heritage center operations.** There is an account in the state
25 special revenue fund established in 17-2-102 known as the Montana heritage center operations account. The
26 tax collections allocated in 15-68-820(4)(a) must be deposited in the account. The money in the account may
27 be used only for expenses incurred in the operation and maintenance of the Montana heritage center, which
28 may include the veterans' and pioneer memorial building."

1

2 **Section 5.** Section 22-3-1307, MCA, is amended to read:

3 **"22-3-1307. Historic preservation grant program account.** (1) There is an account in the state

4 special revenue fund established in 17-2-102 known as the historic preservation grant program account. The

5 tax collections allocated in 15-68-820(3)(b) and (4)(c) must be deposited in the account.

6 (2) Money deposited in the account is subject to appropriation by the legislature and may be used

7 only for historic preservation grants to be administered by the department of commerce.

8 (3) The department shall allocate and disburse historic preservation account funds as appropriated

9 by the legislature."

10

11 **NEW SECTION. Section 6. Appropriation.** There is appropriated to the department of revenue

12 \$50,000 from the general fund for the biennium beginning July 1, 2025, to implement the provisions of Senate

13 Bill No. 90.

14

15 **COORDINATION SECTION. Section 7. Coordination instruction.** If Senate Bill No. 90 is not

16 passed and approved, then [this act] is void.

17

18 **NEW SECTION. Section 8. Effective date.** [This act] is effective July 1, 2025.

19

20 **NEW SECTION. Section 9. Applicability.** [This act] applies to sales of accommodations or

21 campgrounds that occur on or after [the effective date of this act].

22

- END -