

HOUSE BILL NO. 944

INTRODUCED BY T. FALK

A BILL FOR AN ACT ENTITLED: "AN ACT IMPLEMENTING THE PROVISIONS OF HOUSE BILL NO. 2;
PROVIDING REPORTING REQUIREMENTS; REMOVING CARRYFORWARD AUTHORITY FOR THE
DEPARTMENT OF MILITARY AFFAIRS FOR THE BIENNIUM; TEMPORARILY ALLOWING USE OF THE
ACCOMMODATIONS TAX FOR HISTORICAL SITES AT REEDER'S ALLEY AND VIRGINIA CITY;
AMENDING SECTION SECTIONS 15-65-121 AND 17-7-304, MCA; AND PROVIDING AN EFFECTIVE DATE
AND A TERMINATION DATE."

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

NEW SECTION. **Section 1. Reporting.** At each meeting of the general government budget
committee provided for in 5-12-501 following the completion of the 69th legislative session, the following
agencies shall provide a written report to the committee on the following subjects with the most recent
information from the previous 3 months prior to the reporting date to be received by the committee no later than
30 days before each meeting of the committee:

- (1) the department of revenue on:
 - (a) the implementation of House Bill No. 56 if it is passed and approved;
 - (b) the status of a cannabis moratorium and the request for a position budgeted;
 - (c) the status of hiring, including the status of new offices hiring in new, smaller community offices;
- and
- (d) the status of unreported but taxable properties, including but not limited to new construction;
- (2) the consumer counsel on the status of its caseload contingency fund;
- (3) the office of the commissioner on political practices on the status of new positions budgeted for
lobby reporting;
- (4) the department of labor and industry on:
 - (a) the implementation of House Bill No. 718 on educating incarcerated individuals if House Bill

vacancy reports, attrition activity, and vacancy rates.

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)~~ (2)(k) 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 account in the state special revenue fund to the credit of the department of commerce for the purposes designated under 90-1-122, to the emergency lodging for victims of domestic violence or human trafficking account, to the Montana historical interpretation state special revenue account, to the Montana historical society, to the university system, to the state-tribal economic development commission, 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;

(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;

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

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

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

(g) (i) except as provided in subsection (2)(g)(ii), 22.5% 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

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

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

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

(k) \$250,000 in each year of the biennium beginning July 1, 2025, to the Montana heritage commission for projects at Reeder's Alley in Helena and Grace Methodist Church in Virginia City.

(3) If a city, consolidated city-county, resort area, or resort area district qualifies under 15-68-820(5)(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.

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(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 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 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. The amount of \$400,000 each year must be deposited in the Montana heritage preservation and development account provided for in 22-3-1004.

(2) The balance of the tax proceeds received each reporting period and not deducted pursuant to

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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 account in the state special revenue fund to the credit of the department of commerce for the purposes designated under 90-1-122, to the Montana historical interpretation state special revenue account, to the Montana historical society, to the university system, to the state-tribal economic development commission, 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;

(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;

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

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

(f) (i) except as provided in subsection (2)(f)(ii), 22.5% 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

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

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

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

(3) If a city, consolidated city-county, resort area, or resort area district qualifies under 15-68-820(5)(b)(iii) or this section for funds but fails to either recognize a nonprofit convention and visitors bureau or

1 submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be
2 allocated to the regional nonprofit tourism corporation in the region in which the city, consolidated city-county,
3 resort area, or resort area district is located.

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

8 (5) The tax proceeds received that are transferred to a state special revenue account pursuant to
9 subsections (2)(a) through (2)(c), (2)(e), and (2)(f) are statutorily appropriated to the entities as provided in 17-
10 7-502.

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

14
15 **Section 3.** Section 17-7-304, MCA, is amended to read:

16 **"17-7-304. Disposal of unexpended appropriations.** (1) All money appropriated for any specific
17 purpose except that appropriated for the university system units listed in subsection (2) and except as provided
18 in subsection (4) must, after the expiration of the time for which appropriated, revert to the several funds and
19 accounts from which originally appropriated. However, any unexpended balance in any specific appropriation
20 may be used for the years for which the appropriation was made or may be used to fund the provisions of 2-18-
21 1203 through 2-18-1205 and 19-2-706 in the succeeding year.

22 (2) Except as provided in 17-2-108 and subsection (3) of this section, all money appropriated for
23 the university of Montana campuses at Missoula, Butte, Dillon, and Helena and the Montana state university
24 campuses at Bozeman, Billings, Havre, and Great Falls, the agricultural experiment station with central offices
25 at Bozeman, the forest and conservation experiment station with central offices at Missoula, the cooperative
26 extension service with central offices at Bozeman, and the bureau of mines and geology with central offices in
27 Butte must, after the expiration of the time for which appropriated, revert to an account held by the board of
28 regents. The board of regents is authorized to maintain a fund balance and to use the funds held in this account