

1

HOUSE BILL NO. 914

2

INTRODUCED BY S. ROSENZWEIG

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING ALLOCATION AND USES OF LODGING FACILITY
5 USE TAXES; PROVIDING FUNDING FOR COUNTY AND MUNICIPAL ROADS AND INFRASTRUCTURE;
6 PROVIDING A FORMULA FOR THE DISTRIBUTION OF FUNDS TO LOCAL GOVERNMENTS; PROVIDING
7 A STATUTORY APPROPRIATION; AMENDING SECTIONS 15-65-121 AND 17-7-502, MCA; AND
8 PROVIDING AN EFFECTIVE DATE."

9

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

11

12 **NEW SECTION. Section 1. County roads and infrastructure state special revenue account.** (1)

13 There is a county roads and infrastructure account in the state special revenue fund established in 17-2-102. All
14 funds received pursuant to 15-65-121 must be deposited in the account.

15 (2) Money deposited in the account is statutorily appropriated pursuant to 17-7-502 to the
16 department of transportation for annual distribution to counties and consolidated city-county governments in the
17 state for the construction, reconstruction, maintenance, and repair of county roads and other county
18 infrastructure ~~and marketing~~ projects and public safety services.

19 (3) Funds must be distributed to all counties and consolidated city-counties in the state in the ratio
20 that the county or consolidated city-county collected the tax imposed by 15-65-111 in the immediately
21 preceding fiscal year; however, no county or consolidated city-county may receive:

22 (a) no less than 0.5% of the total amount of funds deposited in the account; and
23 (b) no more than 8% of the total amount of funds deposited in the account.

24

25 **NEW SECTION. Section 2. Municipal roads and infrastructure state special revenue account.**

26 (1) There is a municipal roads and infrastructure account in the state special revenue fund established in 17-2-
27 102. All funds received pursuant to 15-65-121 must be deposited in the account.

28 (2) Money deposited in the account is statutorily appropriated pursuant to 17-7-502 to the

1 department of transportation for annual distribution to all cities and towns in the state for the construction,
2 reconstruction, maintenance, and repair of roads and other local infrastructure ~~and marketing~~ projects and
3 public safety services.

4 (3) (a) Funds must be distributed to all cities and towns in the state based on population.
5 (b) For the purposes of calculating the amounts to be distributed to any town with a population of
6 less than 200, a town is considered to have a population of 200.
7 (c) No city or town may receive more than 8% of the total amount of funds deposited in the
8 account.

9

10 **Section 3.** Section 15-65-121, MCA, is amended to read:

11 **"15-65-121. (Temporary) Distribution of tax proceeds.** (1) The proceeds of the tax imposed by 15-
12 65-111 must, in accordance with the provisions of 17-2-124, be deposited in an account in the state special
13 revenue fund to the credit of the department. The department may spend from that account in accordance with
14 an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing
15 the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of
16 17-2-124 and as provided in subsections (2)(a) through (2)(j) (2)(k) of this section, the department shall
17 determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of
18 that amount from the tax proceeds received each reporting period. The department shall distribute the portion
19 of the 4% that was paid with federal funds to the department of administration for return to the federal
20 government and deposit 30% of the amount deducted less the portion paid with federal funds in the state
21 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

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% \$22.4 million~~ to be used directly by the department of commerce as provided in 90-1-
10 122[, and in part 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% \$8.3 million~~ to be distributed by the
14 department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism
15 region to the total 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.;

1 (k) the remainder is to be transferred in equal amounts to:

2 (i) the county roads and infrastructure state special revenue account provided for in [section 1];

3 and

4 (ii) the municipal roads and infrastructure state special revenue account provided for in [section 2];

5 and

6 (l) the amounts in subsections (2)(e) and (2)(g) are increased by one-half of the average rate of
7 inflation for the prior 3 years each biennium.

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

9 820(5)(b)(iii) or this section for funds but fails to either recognize a nonprofit convention and visitors bureau or

10 submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be

11 allocated to the regional nonprofit tourism corporation in the region in which the city, consolidated city-county,

12 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)(g) are statutorily appropriated to the entities as provided in 17-
19 7-502. The tax proceeds received that are transferred to the emergency lodging for victims of domestic violence
20 or human trafficking account pursuant to subsection (2)(f) are subject to the appropriation provisions in 44-4-
21 1506.

22 (6) The tax proceeds received that are transferred to the invasive species state special revenue
23 account pursuant to subsection (2)(d), to the Montana historical interpretation state special revenue account
24 pursuant to subsection (2)(i), and to the Montana heritage preservation and development account pursuant to
25 subsection (2)(j) are subject to appropriation by the legislature. (Terminates June 30, 2027--sec. 12, Ch. 563, L.
26 2021; sec. 10, Ch. 758, L. 2023; bracketed language in subsection (1)(e) terminates June 30, 2025--sec. 34,
27 Ch. 763, L. 2023.)

28 **15-65-121. (Effective July 1, 2027) Distribution of tax proceeds.** (1) The proceeds of the tax

1 imposed by 15-65-111 must, in accordance with the provisions of 17-2-124, be deposited in an account in the
2 state special revenue fund to the credit of the department. The department may spend from that account in
3 accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting
4 and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with
5 the provisions of 17-2-124 and as provided in subsections (2)(a) through (2)(h)-(2)(i) of this section, the
6 department shall determine the expenditures by state agencies for in-state lodging for each reporting period
7 and deduct 4% of that amount from the tax proceeds received each reporting period. The department shall
8 distribute the portion of the 4% that was paid with federal funds to the department of administration for return to
9 the federal government and deposit 30% of the amount deducted less the portion paid with federal funds in the
10 state general fund. The amount of \$400,000 each year must be deposited in the Montana heritage preservation
11 and development account provided for in 22-3-1004.

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

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

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

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

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

26 (e) 63% \$22.4 million to be used directly by the department of commerce as provided in 90-1-122;

27 (f) ~~(i) except as provided in subsection (2)(f)(ii), 22.5% \$8.3 million~~ to be distributed by the
28 department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism

1 region to the total proceeds collected statewide; and

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

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

9 (h) 2.6% to the Montana historical interpretation state special revenue account established in 22-3-
10 115-;

11 (i) the remainder is to be transferred in equal amounts to:

12 (i) the county roads and infrastructure state special revenue account provided for in [section 1];

13 and

14 (ii) the municipal roads and infrastructure state special revenue account provided for in [section 2];

15 and

16 (j) the amounts in subsections (2)(e) and (2)(f) are increased by one-half of the average rate of
17 inflation for the prior 3 years each biennium.

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

19 820(5)(b)(iii) or this section for funds but fails to either recognize a nonprofit convention and visitors bureau or
20 submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be
21 allocated to the regional nonprofit tourism corporation in the region in which the city, consolidated city-county,
22 resort area, or resort area district is located.

23 (4) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual

24 marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism
25 corporation may be used by the department of commerce for tourism promotion and promotion of the state as a
26 location for the production of motion pictures and television commercials.

27 (5) The tax proceeds received that are transferred to a state special revenue account pursuant to

28 subsections (2)(a) through (2)(c), (2)(e), and (2)(f) are statutorily appropriated to the entities as provided in 17-

1 7-502.

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

5

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

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

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

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

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

15 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-
16 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-
17 807; 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;
18 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-
19 117; 15-39-110; 15-65-121; 15-70-128; 15-70-131; 15-70-132; [section 1]; [section 2]; 15-70-433; 16-11-119;
20 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-
21 319; 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-
22 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-
23 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-
24 402; 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;
25 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;
26 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-
27 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;
28 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-

1 102]; 87-1-603; 87-5-909; 90-1-115; 90-1-205; 90-1-504; 90-6-331; and 90-9-306.

2 (4) There is a statutory appropriation to pay the principal, interest, premiums, and any costs or fees
3 associated with issuing, paying, securing, redeeming, or defeasing all bonds, notes, or other obligations, as due
4 in the ordinary course or when earlier called for redemption or defeated, that have been authorized and issued
5 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of
6 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined
7 by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have
8 statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the
9 inclusion of 19-20-604 terminates contingently when the amortization period for the teachers' retirement
10 system's unfunded liability is 10 years or less; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410
11 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for the supplemental
12 benefit provided by 19-6-709; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on
13 occurrence of contingency; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117
14 terminates June 30, 2025; pursuant to sec. 4, Ch. 122, L. 2017, the inclusion of 10-3-1304 terminates
15 September 30, 2025; pursuant to sec. 1, Ch. 213, L. 2017, the inclusion of 90-6-331 terminates June 30, 2027;
16 pursuant to sec. 10, Ch. 374, L. 2017, the inclusion of 76-17-103 terminates June 30, 2027; pursuant to secs.
17 11, 12, and 14, Ch. 343, L. 2019, the inclusion of 15-35-108 terminates June 30, 2027; pursuant to sec. 1, Ch.
18 408, L. 2019, the inclusion of 17-7-215 terminates June 30, 2029; pursuant to secs. 1, 2, 3, Ch. 139, L. 2021,
19 the inclusion of 53-9-113 terminates June 30, 2027; pursuant to sec. 8, Ch. 200, L. 2021, the inclusion of 10-4-
20 310 terminates July 1, 2031; pursuant to secs. 3, 4, Ch. 404, L. 2021, the inclusion of 30-10-1004 terminates
21 June 30, 2027; pursuant to sec. 5, Ch. 548, L. 2021, the inclusion of 50-1-115 terminates June 30, 2025;
22 pursuant to secs. 5 and 12, Ch. 563, L. 2021, the inclusion of 22-3-1004 is effective July 1, 2027; pursuant to
23 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-
24 113, and 81-7-106 terminates June 30, 2029; pursuant to sec. 9, Ch. 44, L. 2023, the inclusion of 15-1-142
25 terminates December 31, 2025; pursuant to sec. 10, Ch. 47, L. 2023, the inclusion of 15-1-2302 terminates
26 June 30, 2025; pursuant to sec. 2, Ch. 374, L. 2023, the inclusion of 10-3-802 terminates June 30, 2031;
27 pursuant to sec. 12, Ch. 558, L. 2023, the inclusion of 20-9-250 terminates December 31, 2029; pursuant to
28 sec. 4, Ch. 621, L. 2023, the inclusion of 22-1-327 terminates July 1, 2029; pursuant to sec. 24, Ch. 722, L.

1 2023, the inclusion of 17-7-133 terminates June 30, 2027; pursuant to sec. 10, Ch. 758, L. 2023, the inclusion
2 of 44-4-1506 terminates June 30, 2027; and pursuant to sec. 10, Ch. 764, L. 2023, the inclusion of 15-1-143
3 terminates December 31, 2025.)"

4

5 **NEW SECTION. Section 5. Codification instruction.** [Sections 1 and 2] are intended to be codified
6 as an integral part of Title 15, chapter 70, part 1, and the provisions of Title 15, chapter 70, part 1, apply to
7 [sections 1 and 2].

8

9 **NEW SECTION. Section 6. Effective date.** [This act] is effective July 1, 2025.

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- END -