

HOUSE BILL NO. 914

INTRODUCED BY S. ROSENZWEIG

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

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

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

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

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

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

(a) no less than 0.5% of the total amount of funds deposited in the account; and

(b) no more than 8% of the total amount of funds deposited in the account.

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

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

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

# Amendment - 1st Reading-white - Requested by: Scott Rosenzweig - (H) Appropriations

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0914.001.002

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

(3) (a) Funds must be distributed to all cities and towns in the state based on population.

(b) For the purposes of calculating the amounts to be distributed to any town with a population of less than 200, a town is considered to have a population of 200.

(c) No city or town may receive more than 8% of the total amount of funds deposited in the account.

**Section 3.** 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