

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."

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

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.

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.

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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