

1 professional staff serve at the pleasure of the board. The executive director serves at the pleasure of the
2 governor.

3 (3) The board is composed of nine members appointed by the governor, as prescribed in 2-15-
4 124, and two ex officio, nonvoting members. The members are:

5 (a) one member from the public employees' retirement board, provided for in 2-15-1009, and one
6 member from the teachers' retirement board provided for in 2-15-1010. If either member of the respective
7 retirement boards ceases to be a member of the retirement board, the position of that member on the board of
8 investments is vacant, and the governor shall fill the vacancy in accordance with 2-15-124.

9 (b) seven members who will provide a balance of professional expertise and public interest and
10 accountability, who are informed and experienced in the subject of investments, and who are representatives
11 of:

12 (i) the financial community;
13 (ii) small business;
14 (iii) agriculture; and
15 (iv) labor; and

16 (c) two ex officio, nonvoting legislative liaisons to the board, of which one must be a senator
17 appointed by the president of the senate and one must be a representative appointed by the speaker of the
18 house. The liaisons may not be from the same political party. Preference in appointments is to be given to
19 legislators who have a background in investments or finance. The legislative liaisons shall serve from
20 appointment through each even-numbered calendar year and may attend all board meetings. Legislative
21 liaisons appointed pursuant to this subsection (3)(c) are entitled to compensation and expenses, as provided in
22 5-2-302, to be paid by the legislative council.

23 (4) The board is designated as a quasi-judicial board for the purposes of 2-15-124.

24 (5) The board shall perform all duties outlined in 2-15-121 subject only to the restrictions of Title
25 17, chapters 5 and 6, in a restricted fiduciary fund type pursuant to 17-2-102(3)."

26

27 **SECTION 2. SECTION 15-65-121, MCA, IS AMENDED TO READ:**

1 **"15-65-121. (Temporary) Distribution of tax proceeds.** (1) The proceeds of the tax imposed by 15-

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

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 emergency lodging for victims of domestic violence or human trafficking
17 account, to the Montana historical interpretation state special revenue account, to the Montana historical
18 society, to the university system, to the state-tribal economic development commission, and to the department
19 of fish, wildlife, and parks, as follows:

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

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

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

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

27 (e) 60.2% to be used directly by the department of commerce as provided in 90-1-122[, and in part

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1 to renovate the Miles City train depot];

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

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

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

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

14 (i) 2.6% to the Montana historical interpretation state special revenue account established in 22-3-
15 115; and

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

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

22 (3) If a city, consolidated city-county, resort area, or resort area district qualifies under 15-68-
23 820(5)(b)(iii) or this section for funds but fails to either recognize a nonprofit convention and visitors bureau or
24 submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be
25 allocated to the regional nonprofit tourism corporation in the region in which the city, consolidated city-county,
26 resort area, or resort area district is located.

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

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

4 (5) The tax proceeds received that are transferred to a state special revenue account pursuant to
5 subsections (2)(a) through (2)(c), (2)(e), and (2)(g) are statutorily appropriated to the entities as provided in 17-
6 7-502. The tax proceeds received that are transferred to the emergency lodging for victims of domestic violence
7 or human trafficking account pursuant to subsection (2)(f) are subject to the appropriation provisions in 44-4-
8 1506.

9 (6) The tax proceeds received that are transferred to the invasive species state special revenue
10 account pursuant to subsection (2)(d), to the Montana historical interpretation state special revenue account
11 pursuant to subsection (2)(i), and to the Montana heritage preservation and development account pursuant to
12 subsection (2)(j) are subject to appropriation by the legislature. (Terminates June 30, 2027--sec. 12, Ch. 563, L.
13 2021; sec. 10, Ch. 758, L. 2023; bracketed language in subsection (1)(e) terminates June 30, 2025--sec. 34,
14 Ch. 763, L. 2023.)

15 **15-65-121. (Effective July 1, 2027) Distribution of tax proceeds.** (1) The proceeds of the tax
16 imposed by 15-65-111 must, in accordance with the provisions of 17-2-124, be deposited in an account in the
17 state special revenue fund to the credit of the department. The department may spend from that account in
18 accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting
19 and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with
20 the provisions of 17-2-124 and as provided in subsections (2)(a) through (2)(h) of this section, the department
21 shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4%
22 of that amount from the tax proceeds received each reporting period. The department shall distribute the
23 portion of the 4% that was paid with federal funds to the department of administration for return to the federal
24 government and deposit 30% of the amount deducted less the portion paid with federal funds in the state
25 general fund. The amount of \$400,000 each year must be deposited in the Montana heritage preservation and
26 development account provided for in 22-3-1004.

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

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1 the expenditure appropriation, deposited in the state general fund, distributed to agencies that paid the tax with
2 federal funds, or deposited in the heritage preservation and development account must be transferred to an
3 account in the state special revenue fund to the credit of the department of commerce for the purposes
4 designated under 90-1-122, to the Montana historical interpretation state special revenue account, to the
5 Montana historical society, to the university system, to the state-tribal economic development commission, and
6 to the department of fish, wildlife, and parks, as follows:

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

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

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

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

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

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

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

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

25 (h) 2.6% to the Montana historical interpretation state special revenue account established in 22-3-
26 115.

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

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1 820(5)(b)(iii) or this section for funds but fails to either recognize a nonprofit convention and visitors bureau or
2 submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be
3 allocated to the regional nonprofit tourism corporation in the region in which the city, consolidated city-county,
4 resort area, or resort area district is located.

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

9 (5) The tax proceeds received that are transferred to a state special revenue account pursuant to
10 subsections (2)(a) through (2)(c), (2)(e), and (2)(f) are statutorily appropriated to the entities as provided in 17-
11 7-502.

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

15
16 NEW SECTION. SECTION 3. STUDY -- COST-OF-LIVING ADJUSTMENTS. DURING THE INTERIM FOLLOWING
17 THE 69TH LEGISLATIVE SESSION, THE LEGISLATIVE FINANCE COMMITTEE MAY:

18 (1) ASSIGN TO THE MODERNIZATION AND RISK ANALYSIS COMMITTEE ESTABLISHED IN 5-12-601 A STUDY
19 OF WHAT COST-OF-LIVING ADJUSTMENTS MAY BE APPROPRIATE BASED ON A STATE EMPLOYEE'S WORK LOCATION,
20 WAGES, HOUSING COSTS IN THE AREA, AND RELATED GEOGRAPHIC EXPENSES; OR

21 (2) CONDUCT THE STUDY DESCRIBED IN SUBSECTION (1).

22

23 NEW SECTION. Section 4. Effective date. [This act] is effective July 1, 2025.

24

- END -