

1 SENATE BILL NO. 540

2 INTRODUCED BY D. ZOLNIKOV

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATED TO STATE-FUNDED TOURISM
5 PROMOTION THROUGH THE DEPARTMENT OF COMMERCE; REQUIRING THE DEPARTMENT OF
6 COMMERCE TO USE THE LODGING FACILITY USE TAX REVENUE FOR SPECIFIC PURPOSES;
7 TRANSFERRING FUNDS FROM THE DEPARTMENT OF COMMERCE LODGING FACILITY USE TAX
8 ALLOCATION TO FUND THE REVOLVING LOAN PROGRAM ACCOUNT; PROVIDING FOR A FEE;
9 PROVIDING RULEMAKING AUTHORITY; ~~PROVIDING DEFINITIONS; AND~~ AMENDING SECTION 15-65-
10 121, MCA; ~~AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."~~

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

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14 NEW SECTION. Section 1. Lodging facility use tax allocation -- allowable uses -- unspent fund
15 redistribution -- rulemaking -- fees. (1) On an annual basis, the tax proceeds that are transferred to the

16 department's state special revenue account pursuant to 15-65-121 must be used as follows:

17 (a) ~~38%-43%~~ for tourism media, and advertising and film programs, MADE-IN-MONTANA PROMOTIONS
18 AND MAIN STREET PROGRAMS, WAYFINDING AND SIGNAGE, AND SUPPORT TO TRADE OFFICES;

19 (b) ~~25%-22.5%~~ for rural tourism, and under-visited area attraction projects, AND TRIBAL TOURISM,
20 including infrastructure, tourism-related emergency services, marketing, and promotional activities;

21 (c) ~~20%-23%~~ for tourism grants, including agritourism grants AND MONTANA-BASED FILM GRANTS;

22 (d) ~~6%-~~ SUBJECT TO SUBSECTION (5), 6.5% for revolving loan programs, resort areas and resort
23 communities, AND REGIONAL TOURISM ASSISTANCE; AND

24 (e) ~~7%-5%~~ to use in collaboration with the office of economic development established in 2-15-218
25 for new tourism attractions, other state business development programs, and support for the activities in
26 subsections (1)(a) through (1)(d) and ~~(1)(f) through (1)(h)~~ of this section;

27 (f) ~~2%~~ for ~~made-in-Montana promotions and main street programs;~~

Amendment - 2nd Reading/2nd House-tan - Requested by: Jane Gillette - (H) Committee of the Whole

- 2023

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Drafter: Megan Moore, 406-444-4496

SB0540.003.001

1 ~~(g) — 1% for wayfinding and signage; and~~

2 ~~(h) — 1% to support trade offices.~~

3 (2) The department shall pay PERSONAL COSTS, OPERATING COSTS, AND any costs associated with a
4 program or project ~~within the associated budget parameters in subsection (1)~~ PROVIDED FOR IN SUBSECTIONS
5 (1)(A) THROUGH (1)(E) AT ITS DISCRETION.

6 (3) ~~(a) By June 30 of each year, any unspent funds in subsections (1)(a), (1)(e), (1)(f), or (1)(h)~~
7 ~~may be redistributed for advertising, promotional activities, or tourism grants under subsections (1)(a), (1)(b),~~
8 ~~or (1)(c).~~

9 ~~(b) —~~ The department may redistribute the ~~unspent~~ UNENCUMBERED funds in subsection ~~(3)(a)~~ (1)(A)
10 to each applicable program at its discretion BY DECEMBER 31 OF EACH YEAR.

11 (4) The department may adopt rules to:

12 (a) determine criteria for A RURAL AREA, an under-visited area, and qualifications for funds for
13 attraction projects under subsection (1)(b); and

14 (b) implement the tourism grant PROGRAM, THE REGIONAL TOURISM ASSISTANCE PROGRAM, and THE
15 revolving loan program under subsections (1)(c) and (1)(d) and charge a fee commensurate with the cost of the
16 program.

17 ~~(5) — For the purposes of this section, the following definitions apply:~~

18 ~~(a) — "Rural tourism" means a type of tourism activity in which the visitor's experience takes place in~~
19 ~~nonurban areas with low population density and landscape and land use dominated by agriculture and forestry.~~

20 ~~(b) — "Under-visited area" means an area that attains below-average hotel occupancy relative to the~~
21 ~~state for a period determined by rule.~~

22 ~~(5) —~~ IF THE TAX PROCEEDS DESIGNATED FOR REVOLVING LOAN PROGRAMS AND REGIONAL TOURISM
23 ASSISTANCE PURSUANT TO SUBSECTION (1)(D) EXCEED \$35 MILLION, THE TAX PROCEEDS THAT EXCEED \$35 MILLION
24 MUST BE REDISTRIBUTED FOR THE PURPOSES AND IN THE PROPORTIONS PROVIDED FOR IN SUBSECTIONS (1)(A)
25 THROUGH (1)(E).

26

27 **Section 2.** Section 15-65-121, MCA, is amended to read: