

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_  
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING PROPERTY TAX ASSISTANCE FOR PRIMARY  
5 RESIDENCES FUNDED WITH LODGING TAX REVENUE; PROVIDING AN APPROPRIATION; AMENDING  
6 SECTIONS 15-65-121, 15-68-820, 22-3-1303, 22-3-1304, AND 22-3-1307, MCA; AND PROVIDING AN  
7 EFFECTIVE DATE AND AN APPLICABILITY DATE."

8  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10  
11 **Section 1.** Section 15-65-121, MCA, is amended to read:

12 **"15-65-121. (Temporary) Distribution of tax proceeds.** (1) The proceeds of the tax imposed by 15-  
13 65-111 must, in accordance with the provisions of 17-2-124, be deposited in an account in the state special  
14 revenue fund to the credit of the department. The department may spend from that account in accordance with  
15 an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing  
16 the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of  
17 17-2-124 and as provided in subsections (2)(a) through (2)(j) of this section, the department shall determine the  
18 expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of that amount from  
19 the tax proceeds received each reporting period. The department shall distribute the portion of the 4% that was  
20 paid with federal funds to the department of administration for return to the federal government and deposit  
21 30% of the amount deducted less the portion paid with federal funds in the state 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% to be used directly by the department of commerce as provided in 90-1-122[, and in part  
10 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% to be distributed by the department to  
14 regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total  
15 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.

(3) If a city, consolidated city-county, resort area, or resort area district qualifies under ~~15-68-820(5)(b)(iii)~~ 15-68-820(4)(b)(iii) or this section for funds but fails to either recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism corporation in the region in which the city, consolidated city-county, resort area, or resort area district is located.

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

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

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

**15-65-121. (Effective July 1, 2027) 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)(h) 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

1 portion of the 4% that was paid with federal funds to the department of administration for return to the federal  
2 government and deposit 30% of the amount deducted less the portion paid with federal funds in the state  
3 general fund. The amount of \$400,000 each year must be deposited in the Montana heritage preservation and  
4 development account provided for in 22-3-1004.

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

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

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

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

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

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

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

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

28 (g) 0.5% to the state special revenue account provided for in 90-1-135 for use by the state-tribal

1 economic development commission established in 90-1-131 for activities in the Indian tourism region; and

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

4 (3) If a city, consolidated city-county, resort area, or resort area district qualifies under ~~15-68-~~  
5 ~~820(5)(b)(iii)~~ 15-68-820(4)(b)(iii) or this section for funds but fails to either recognize a nonprofit convention and  
6 visitors bureau or submit and gain approval for an annual marketing plan as required in 15-65-122, then those  
7 funds must be allocated to the regional nonprofit tourism corporation in the region in which the city,  
8 consolidated city-county, resort area, or resort area district is located.

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

13 (5) The tax proceeds received that are transferred to a state special revenue account pursuant to  
14 subsections (2)(a) through (2)(c), (2)(e), and (2)(f) are statutorily appropriated to the entities as provided in 17-  
15 7-502.

16 (6) The tax proceeds received that are transferred to the invasive species state special revenue  
17 account pursuant to subsection (2)(d) and to the Montana historical interpretation state special revenue account  
18 pursuant to subsection (2)(h) are subject to appropriation by the legislature."  
19

20 **Section 2.** Section 15-68-820, MCA, is amended to read:

21 **"15-68-820. Sales tax and use tax proceeds.** (1) ~~Except as provided in subsections (2) through (6),~~  
22 ~~all~~ All money collected under this chapter must, in accordance with the provisions of 17-2-124, be deposited by  
23 the department ~~into the general fund as provided in subsections (2) through (4).~~

24 (2) ~~Twenty-five percent of the~~ The revenue collected on the base rental charge for rental vehicles  
25 under 15-68-102(1)(b) and ~~15-68-102(3)(a)(ii)~~ must be deposited as follows:

26 (a) 75% in the general fund; and

27 (b) 25% in the state special revenue fund to the credit of the senior citizen and persons with  
28 disabilities transportation services account provided for in 7-14-112.

(3) Until December 31, 2024, a portion of the ~~The~~ revenue collected on the sale or use of accommodations and campgrounds under 15-68-102(1)(a) and (3)(a)(i) must be deposited as follows:

~~(a) 20% in the account established in 22-3-1303 for construction of the Montana heritage center;~~  
and

~~(b) 5% in the account established in 22-3-1307 for historic preservation grants.~~

~~(4) Starting January 1, 2025, a portion of the revenue collected on the sale or use of accommodations and campgrounds under 15-68-102 (1)(a) and (3)(a)(i) must be deposited or distributed as follows:~~

~~(a) 75% in the general fund;~~

~~(b) 14% in the state property tax assistance account provided for in [section 2 of Senate Bill No. 90];~~

~~(a) (c) 6% in the account established in 22-3-1304 for operation and maintenance of the Montana heritage center; and~~

~~(b) 6% distributed as provided in subsection (5);~~

~~(e) (d) 5% 6% in the account established in 22-3-1307 for historic preservation grants; and~~

~~(d) 7% in the account established in 17-7-209.~~

~~(5) (4) (a) Before allocating the balance of the tax proceeds in accordance with the provisions of 17-2-124 and as provided in subsection (5)(b) (4)(b) of this section, the department shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 1% of that amount from the tax proceeds received each reporting period. The department shall distribute the portion of the 1% 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.~~

~~(b) The balance of the tax proceeds received each reporting period and not distributed to agencies that paid the tax with federal funds must be transferred to an account in the state special revenue fund to the credit of the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials, to the department of fish, wildlife, and parks, and to the state-tribal economic development commission as follows:~~

~~(i) 7% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks~~

1 that have both resident and nonresident use;

2 (ii) 68.5% to be used directly by the department of commerce;

3 (iii) (A) except as provided in subsection ~~(5)(b)(iii)(B)~~ (4)(b)(iii)(B), 24% to be distributed by the  
4 department of commerce to regional nonprofit tourism corporations in the ratio of the proceeds collected in  
5 each tourism region to the total proceeds collected statewide; and

6 (B) if 24% of the proceeds collected annually within the limits of a city, consolidated city-county,  
7 resort area, or resort area district exceeds \$35,000, 50% of the amount available for distribution to the regional  
8 nonprofit tourism corporation in the region where the city, consolidated city-county, resort area, or resort area  
9 district is located to be distributed to the nonprofit convention and visitors bureau in that city, consolidated city-  
10 county, resort area, or resort area district; and

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

13 ~~(6)~~ (5) The tax proceeds received that are transferred to a state special revenue account pursuant to  
14 subsection ~~(5)(b)~~ (4)(b) are allocated to the entities."

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16 **Section 3.** Section 22-3-1303, MCA, is amended to read:

17 **"22-3-1303. Account -- Montana heritage center construction.** There is an account in the capital  
18 projects fund established in 17-2-102 known as the Montana heritage center construction account. The tax  
19 collections allocated in the former 15-68-820(3)(a) before the amendments of [this act] must be deposited in the  
20 account until December 31, 2024. The money in the account is authorized to the department of administration  
21 and may be used only for capital construction of the Montana heritage center."

22  
23 **Section 4.** Section 22-3-1304, MCA, is amended to read:

24 **"22-3-1304. Account -- Montana heritage center operations.** There is an account in the state  
25 special revenue fund established in 17-2-102 known as the Montana heritage center operations account. The  
26 tax collections allocated in 15-68-820(4)(a) must be deposited in the account. The money in the account may  
27 be used only for expenses incurred in the operation and maintenance of the Montana heritage center, which  
28 may include the veterans' and pioneer memorial building."

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2           **Section 5.** Section 22-3-1307, MCA, is amended to read:

3           **"22-3-1307. Historic preservation grant program account.** (1) There is an account in the state  
4 special revenue fund established in 17-2-102 known as the historic preservation grant program account. The  
5 tax collections allocated in 15-68-820(3)(b) and (4)(c) must be deposited in the account.

6           (2) Money deposited in the account is subject to appropriation by the legislature and may be used  
7 only for historic preservation grants to be administered by the department of commerce.

8           (3) The department shall allocate and disburse historic preservation account funds as appropriated  
9 by the legislature."

10

11           NEW SECTION. **Section 6. Appropriation.** There is appropriated to the department of revenue  
12 \$50,000 from the general fund for the biennium beginning July 1, 2025, to implement the provisions of Senate  
13 Bill No. 90.

14

15           COORDINATION SECTION. **Section 7. Coordination instruction.** If Senate Bill No. 90 is not  
16 passed and approved, then [this act] is void.

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18           NEW SECTION. **Section 8. Effective date.** [This act] is effective July 1, 2025.

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20           NEW SECTION. **Section 9. Applicability.** [This act] applies to sales of accommodations or  
21 campgrounds that occur on or after [the effective date of this act].

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- END -