

HOUSE BILL NO. 162

INTRODUCED BY K. WALSH, C. NEUMANN, J. GILLETTE, L. BREWSTER

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT A RESORT TAX LEVY FOR INFRASTRUCTURE MAY BE USED FOR CERTAIN HOUSING PROJECTS; REVISING THE DEFINITION OF "INFRASTRUCTURE"; AMENDING SECTION 7-6-1501, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 7-6-1501, MCA, is amended to read:

"7-6-1501. Definitions. As used in this part, the following definitions apply:

(1) "Board of directors" means the board of directors of the resort area district.

(2) "Infrastructure" means:

(a) tangible facilities and assets related to water, sewer, wastewater treatment, storm water, and solid waste and utilities systems;

(b) fire protection, ambulance, and law enforcement;

(c) roads, bridges, and other transportation needs; and

(d) workforce and community housing projects.

(3) "Luxuries" means any gift item, luxury item, or other item normally sold to the public or to transient visitors or tourists. The term does not include food purchased unprepared or unserved, medicine, medical supplies and services, appliances, hardware supplies and tools, or any necessities of life.

(4) "Medical supplies" means items that are sold to be used for curative, prosthetic, or medical maintenance purposes, whether or not prescribed by a physician.

(5) "Medicine" means substances sold for curative or remedial properties, including both physician prescribed and over-the-counter medications.

(6) "Qualified elector" means a person who is qualified to vote under 13-1-111 and is a resident of a resort community, resort area, or proposed or established resort area district.

(7) "Resort area" means an area that:

(a) is an unincorporated area and is a defined contiguous geographic area;

(b) has a population of less than 2,500 according to the most recent federal census;

(c) derives more than 50% of its economic well-being from businesses catering to the recreational and personal needs of persons traveling to or through the area for purposes not related to their income production and excluding economic activity from health care, schools, government, and other services that primarily benefit residents; and

(d) has been designated by the department of commerce as a resort area not more than 2 years prior to its establishment by the county commissioners as provided in 7-6-1508.

(8) "Resort area district" means a district created under 7-6-1532 through 7-6-1536, 7-6-1539 through 7-6-1544, 7-6-1546 through 7-6-1548, and 7-6-1550 that has been established as a resort area under 7-6-1508.

(9) "Resort community" means a community that:

(a) is an incorporated municipality;

(b) has a population of less than 5,500 according to the most recent federal census;

(c) derives more than 50% of its economic well-being related to current employment from businesses catering to the recreational and personal needs of persons traveling to or through the municipality for purposes not related to their income production and excluding economic activity from health care, schools, government, and other services that primarily benefit residents; and

(d) has been designated by the department of commerce as a resort community not more than 2 years before the petition of the electors or resolution of the governing body."

COORDINATION SECTION. SECTION 2. COORDINATION INSTRUCTION. IF BOTH SENATE BILL NO. 172 AND [THIS ACT] ARE PASSED AND APPROVED AND SENATE BILL NO. 172 INCLUDES A SECTION THAT AMENDS 7-6-1503, THEN THE SECTION IN SENATE BILL NO. 172 AMENDING 7-6-1503 IS VOID AND 7-6-1503 MUST BE AMENDED AS FOLLOWS:

"7-6-1503. LIMIT ON RESORT TAX RATE -- GOODS AND SERVICES SUBJECT TO TAX. (1) (a) Except as provided in subsection (1)(b), the rate of the resort tax must be established by the election petition or resolution

provided for in 7-6-1504, but the rate may not exceed 3%.

(b) (i) Subject to subsection (1)(b)(ii), an election petition or resolution provided for in 7-6-1504 may provide for an additional resort tax levy at the rate of up to 1%. The revenue from the additional tax must be used to provide funding for infrastructure.

(ii) A resort community with a population that exceeds the population limit for a resort community in 7-6-1501 may not levy the additional resort tax provided for in subsection (1)(b)(i) unless the resort community was established before January 1, 2025.

(2) (a) The resort tax is a tax on the retail value of all goods and services sold, except for goods and services sold for resale, within the resort community or area by the following establishments:

(i) hotels, motels, and other lodging or camping facilities;

(ii) restaurants, fast food stores, and other food service establishments;

(iii) taverns, bars, night clubs, lounges, and other public establishments that serve beer, wine, liquor, or other alcoholic beverages by the drink; and

(iv) destination ski resorts and other destination recreational facilities.

(b) Establishments that sell luxuries shall collect a tax on such luxuries."

COORDINATION SECTION. SECTION 3. COORDINATION INSTRUCTION. IF BOTH SENATE BILL NO. 172 AND [THIS ACT] ARE PASSED AND APPROVED, THEN THE SECTIONS OF SENATE BILL NO. 172 AMENDING 7-6-1504, 7-6-1541, AND 7-6-1542 ARE VOID.

NEW SECTION. Section 4. Effective date. [This act] is effective on passage and approval.

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