

MONTANA'S TOURISM FUNDING

In 1987, Montana's legislature recognized the vast importance of tourism to Montana's future economy. During that session, the legislature created a 4% Lodging Facility Use Tax, commonly referred to today as the "bed tax." Lodging facilities (such as hotels, motels, bed & breakfast inns, guest ranches, resorts and campgrounds) collect this tax from guests. In turn, these funds are directed to the various entities shown below. Importantly, no additional money for tourism funding comes from Montana's general fund. In 2003, an additional 3% Lodging Facilities Sales Tax was added to the existing 4% and is deposited directly into the state general fund. In FY10, the general fund received \$12,330,846 through this additional 3% sales tax.

Total Projected 7% Lodging Tax Revenue FY11 **\$30,738,000***

Disbursements of Revenue

3% Lodging Facility Sales Tax Revenue* (100% TO GENERAL FUND)	\$12,852,000
4% Lodging Facilities Use Tax Revenue	\$17,886,000
Montana Heritage Commission <i>(Virginia City/Nevada City)</i>	(\$400,000)
Department of Revenue <i>(Collection costs & reimbursement to general fund of tax paid by state employees)</i>	(\$132,416)
Available for Distribution <i>(According to percentages established in statute)</i>	\$17,353,584

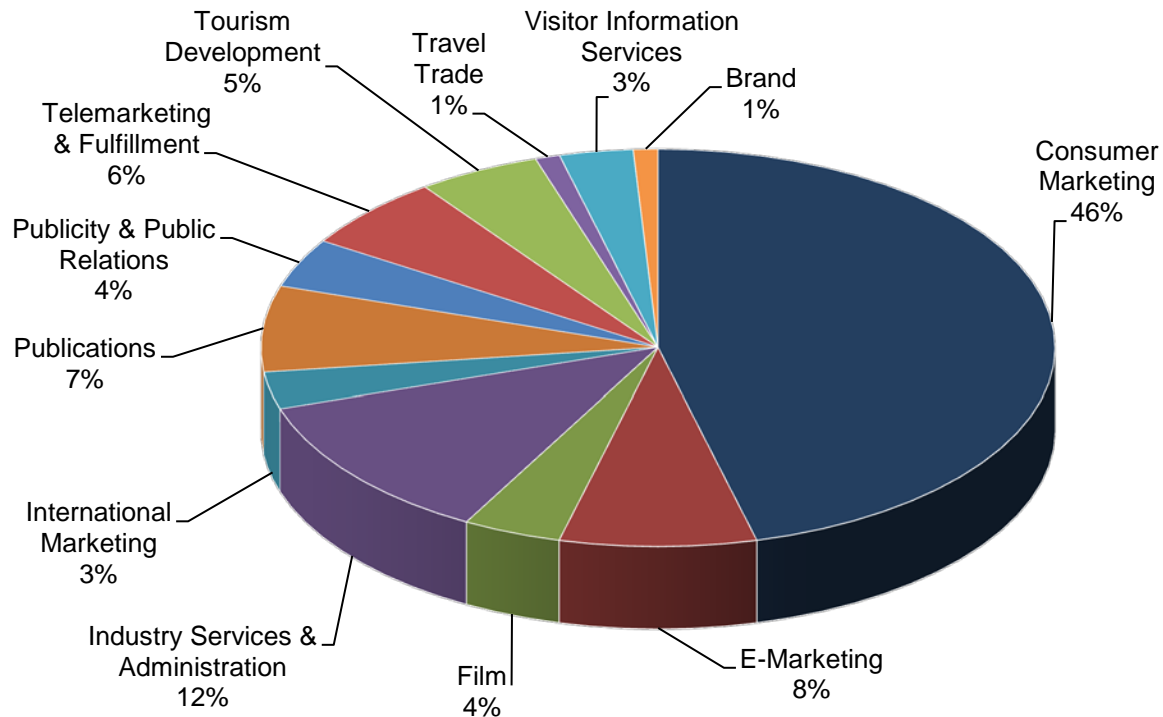
State Parks - 6.5% <i>(Operations & Maintenance)</i>	\$1,128,000
University System - 2.5% <i>(Tourism & Recreation Research)</i>	\$434,000
Historical Society - 1% <i>(Historical Sites & Signage)</i>	\$174,000
Regions/CVBs Marketing – 22.5%	\$3,905,000
Department of Commerce Programs – 67.5% <i>Montana Promotion Division (Montana Office of Tourism/Film Office)</i>	\$11,714,000*

Department of Commerce—Montana Promotion Division FY11

Funds from Accommodations Tax	\$11,714,000
Income from Ad Sales, Co-ops, etc. & HB2	\$750,000
Montana Historical Society <i>(Administrative Appropriation)</i>	(\$482,669)
Projected Total Funds Available	\$11,981,331

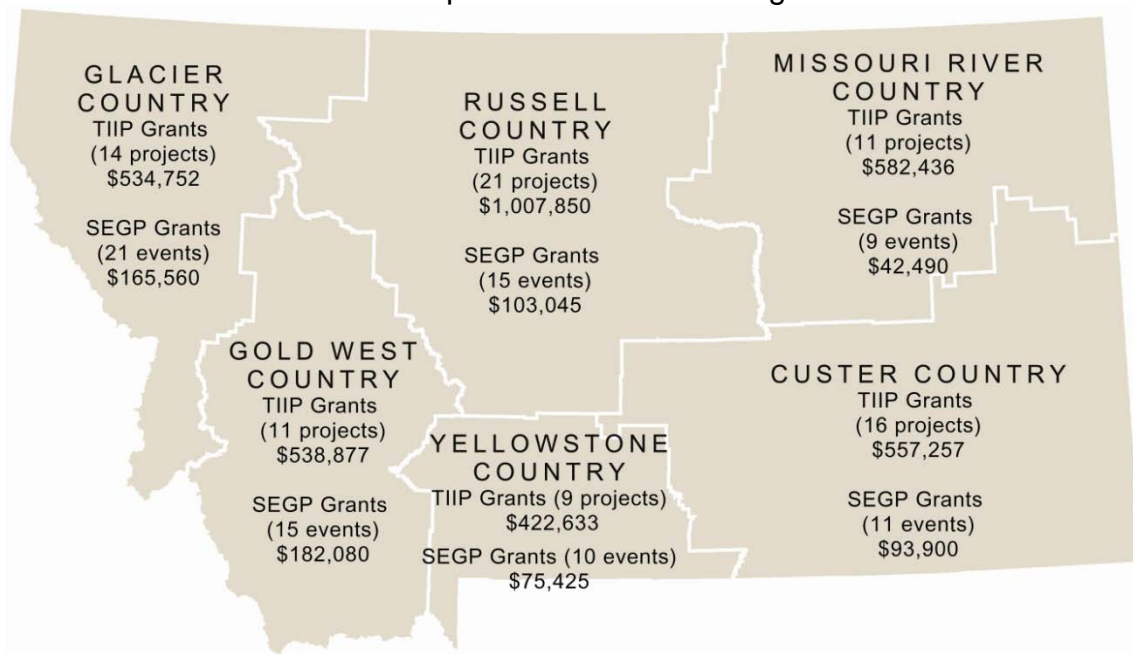
*Based on LFD Revenue Estimates as of 11/19/10

Distribution of Montana Promotion Division Funds FY11



Montana Promotion Division—Tourism Development Grant Awards

TIIP: Tourism Infrastructure Improvement Program
 SEGP: Special Event Grant Program



Statewide Tourism "Bed Tax" Grants
 TIIP (1995-2010)—\$3.64 million
 SEGP (2003-2011)—\$622,500

The \$3.64 million in TIIP funds (1995-2010) helped create \$42.88 million in tourism facility improvements, an 11 to 1 match.

(Updated January 2011)