

Distribution of Montana Office of Tourism Funds FY10

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 FY09, the general fund received \$12,477,461 through this additional 3% sales tax.

Total Projected 7% Lodging Tax Revenue FY10	\$29,088,717
--	---------------------

Disbursements of Revenue

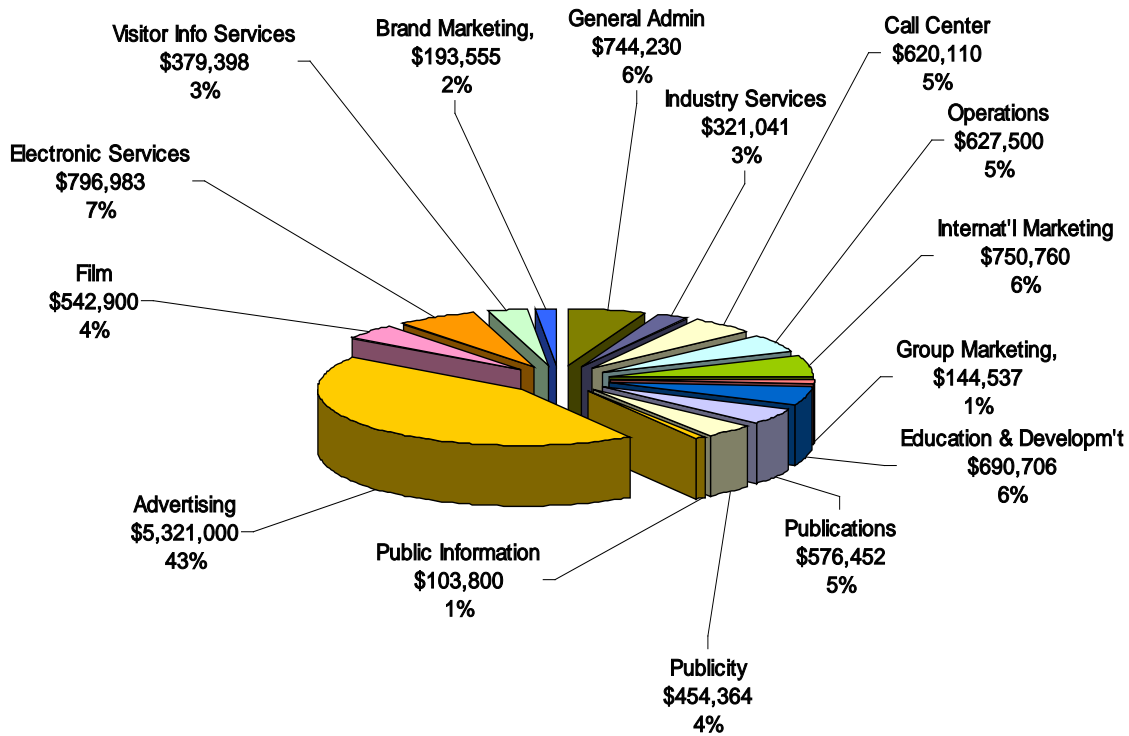
3% Lodging Facility Sales Tax Revenue* (100% TO GENERAL FUND)	\$12,466,593
4% Lodging Facilities Use Tax Revenue	\$16,622,124
Montana Heritage Commission <i>(Virginia City/Nevada City)</i>	(\$400,000)
Department of Revenue** <i>(Collection costs & reimbursement to general fund of tax paid by state employees)</i>	(\$382,309)
Available for Distribution <i>(According to percentages established in statute)</i>	\$15,839,815

State Parks - 6.5% <i>(Operations & Maintenance)</i>	\$1,029,588
University System - 2.5% <i>(Tourism & Recreation Research)</i>	\$395,995
Historical Society - 1% <i>(Historical Sites & Signage)</i>	\$158,398
Regions/CVBs Marketing – 22.5%	\$3,563,958
Department of Commerce Programs – 67.5% <i>Montana Office of Tourism (Travel Montana/Film Office)</i>	\$10,691,876

Department of Commerce Montana Office of Tourism FY10

Funds from Accommodations Tax	\$10,691,876
Income from Ad Sales, Co-ops, etc. & HB2	\$449,013
Montana Historical Society <i>(Administrative Appropriation)</i>	(\$468,611)
Projected Total Funds Available	\$10,672,278

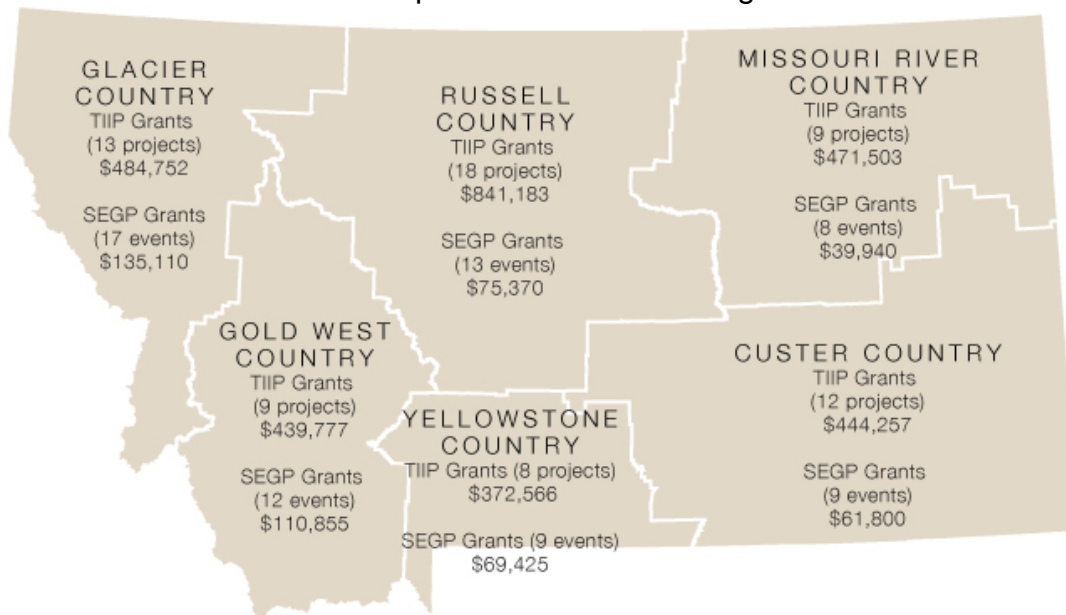
* Based on budget projections presented at the June Tourism Advisory Council Meeting
 **Volume 2 Governor's Budget Revenue estimates. Sales Taxes, pg. 8-7



Montana Office of Tourism Development Grant Awards

TIIP: Tourism Infrastructure Improvement Program

SEGP: Special Event Grant Program



Statewide Tourism "Bed Tax" Grants
 TIIP Grants (1995-2008)—\$3.05 million
 SEGP (2003-2009)—\$492,500

The \$3 million in TIIP funds (1995-2008) have leveraged \$36 million in other private and public funds for a 12/1 match.