

SENATE BILL NO. 6

INTRODUCED BY D. BARRETT

BY REQUEST OF THE GOVERNOR

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A BILL FOR AN ACT ENTITLED: "AN ACT TEMPORARILY REVISING THE TAX RATE ON ACCOMMODATIONS AND RENTAL VEHICLES; AMENDING SECTIONS 7-14-112, 15-68-102, AND 15-68-820, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."

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

Section 1. Section 7-14-112, MCA, is amended to read:

"7-14-112. Senior citizen and persons with disabilities transportation services account -- use. (1)

There is a senior citizen and persons with disabilities transportation services account in the state special revenue fund. Money must be deposited in the account pursuant to 15-68-820(2) and (3).

(2) The account must be used to provide operating funds or matching funds for operating grants pursuant to 49 U.S.C. 5311 to counties, incorporated cities and towns, tribal governments, urban transportation districts, or nonprofit organizations for transportation services for persons 60 years of age or older and for persons with disabilities.

(3) (a) Subject to the conditions of subsection (3)(b), the department of transportation is authorized to award grants to counties, incorporated cities and towns, tribal governments, urban transportation districts, and nonprofit organizations for transportation services using guidelines established in the state management plan for the purposes described in 49 U.S.C. 5310 and 5311.

(b) Priority for awarding grants must be determined according to the following factors:

(i) the most recent census or federal estimate of persons 60 years of age or older and persons with disabilities in the area served by a county, incorporated city or town, tribal government, urban transportation district, or nonprofit organization;

(ii) the annual number of trips provided by the transportation provider to persons 60 years of age or older and to persons with disabilities in the transportation service area; and

(iii) the coordination of services as required in subsection (4).

(4) In awarding grants, the department of transportation shall give preference to proposals that:



- 1 (a) include participation in a local transportation advisory committee;
- 2 (b) address and document the transportation needs within the community, county, and service area or
3 region;
- 4 (c) identify all other transportation providers in the community, county, and service area or region;
- 5 (d) explain how services are going to be coordinated with the other transportation providers in the service
6 area or region by creating a locally developed transportation coordination plan;
- 7 (e) indicate how services are going to be expanded to meet the unmet needs of senior citizens and
8 disabled persons within the community, county, and service area or region who are dependent upon public transit;
- 9 (f) include documentation of coordination with other local transportation programs within the community,
10 county, and service area or region, including:
- 11 (i) utilization of existing resources and equipment to maximize the delivery of service; and
- 12 (ii) the projected increase in ridership and expansion of service;
- 13 (g) invite school districts to participate or be included in the transportation coordination efforts within the
14 community, county, and service area or region; and
- 15 (h) at a minimum, comply with the provisions in subsections (4)(b) through (4)(f)."
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17 **Section 2.** Section 15-68-102, MCA, is amended to read:

18 **"15-68-102. Imposition and rate of sales tax and use tax -- exceptions.** (1) A sales tax of the
19 following percentages is imposed on sales of the following property or services:

20 (a) ~~3%~~ 6% on accommodations and campgrounds for tax years beginning on or after January 1, 2018,
21 and ending December 31, 2019, and 3% for tax years beginning on or after January 1, 2020;

22 (b) ~~4%~~ 10% on the base rental charge for rental vehicles for tax years beginning on or after January 1,
23 2018, and ending December 31, 2019, and 4% for tax years beginning on or after January 1, 2020.

24 (2) The sales tax is imposed on the purchaser and must be collected by the seller and paid to the
25 department by the seller. The seller holds all sales taxes collected in trust for the state. The sales tax must be
26 applied to the sales price.

27 (3) (a) For the privilege of using property or services within this state, there is imposed on the person
28 using the following property or services a use tax equal to the following percentages of the value of the property
29 or services:

30 (i) ~~3%~~ 6% on accommodations and campgrounds for tax years beginning on or after January 1, 2018,

1 and ending December 31, 2019, and 3% for tax years beginning on or after January 1, 2020;

2 (ii) ~~4%~~ 10% on the base rental charge for rental vehicles for tax years beginning on or after January 1,
3 2018, and ending December 31, 2019, and 4% for tax years beginning on or after January 1, 2020.

4 (b) The use tax is imposed on property or services that were:

5 (i) acquired outside this state as the result of a transaction that would have been subject to the sales tax
6 had it occurred within this state;

7 (ii) acquired within the exterior boundaries of an Indian reservation within this state as a result of a
8 transaction that would have been subject to the sales tax had it occurred outside the exterior boundaries of an
9 Indian reservation within this state;

10 (iii) acquired as the result of a transaction that was not initially subject to the sales tax imposed by
11 subsection (1) or the use tax imposed by subsection (3)(a) but which transaction, because of the buyer's
12 subsequent use of the property, is subject to the sales tax or use tax; or

13 (iv) rendered as the result of a transaction that was not initially subject to the sales tax or use tax but that
14 because of the buyer's subsequent use of the services is subject to the sales tax or use tax.

15 (4) For purposes of this section, the value of property must be determined as of the time of acquisition,
16 introduction into this state, or conversion to use, whichever is latest.

17 (5) The sale of property or services exempt or nontaxable under this chapter is exempt from the tax
18 imposed in subsections (1) and (3).

19 (6) Lodging facilities and campgrounds are exempt from the tax imposed in subsections (1)(a) and
20 (3)(a)(i) until October 1, 2003, for contracts entered into prior to April 30, 2003, that provide for a guaranteed
21 charge for accommodations or campgrounds."

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23 **Section 3.** Section 15-68-820, MCA, is amended to read:

24 "**15-68-820. Sales tax and use tax proceeds.** (1) Except as provided in ~~subsection~~ subsections (2) and
25 (3), all money collected under this chapter must, in accordance with the provisions of 17-2-124, be deposited by
26 the department into the general fund.

27 (2) For tax years beginning on or after January 1, 2018, and ending December 31, 2019, 25% or \$1.1
28 million, whichever is less, of the revenue collected on the base rental charge for rental vehicles under
29 15-68-102(1)(b) and 15-68-102(3)(a)(ii) must be deposited in the state special revenue fund to the credit of the
30 senior citizen and persons with disabilities transportation services account provided for in 7-14-112.

1 ~~(2)(3) Twenty-five percent~~ For tax years beginning on or after January 1, 2020, 25% of the revenue
2 collected on the base rental charge for rental vehicles under 15-68-102(1)(b) and 15-68-102(3)(a)(ii) must be
3 deposited in the state special revenue fund to the credit of the senior citizen and persons with disabilities
4 transportation services account provided for in 7-14-112."

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

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8 NEW SECTION. **Section 5. Termination.** [This act] terminates December 31, 2019.

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