



# Legislative Background Brief

for the  
Economic Affairs Interim Committee

October 2011

## Tourism Advisory Council

*Prepared by Pat Murdo, Legislative Research Analyst*

**Administrative Appointments:** By Governor. Governor also sets tourism regions by executive order but these regions may be modified by the Tourism Advisory Council.

**Statutorily Established** - 2-15-1816, MCA

**Purposes:**

- Oversee distribution of funds to: 1) regional nonprofit tourism corporations for tourism promotion and 2) nonprofit convention and visitors bureaus;
- Advise the Department of Commerce regarding tourism promotion;
- Advise the Governor on significant matters related to Montana's travel industry;
- Determine what administrative expenses are allowable for accommodation tax proceeds used by regional nonprofit tourism corporations and nonprofit convention and visitors bureaus;
- Direct the university system regarding Montana travel research;
- Approve all travel research programs before they are undertaken; and
- Encourage regional nonprofit tourism corporations to promote tourist activities on Indian reservations in their regions.
- Review and approve annual marketing plans of regional nonprofit tourism corporations or nonprofit convention and visitors bureaus. (15-65-122, MCA)

**Funds available for distribution by Tourism Advisory Council, by Fiscal Year:**

\$4.4 million a year, distributed to regional nonprofit tourism corporations and visitors bureaus (which amounts to 22.5% of the amount remaining from the lodging facility tax after statutorily required distributions are made under 15-65-121, MCA. The 22.5% is distributed in proportion to the proceeds collected within a region, with certain provisions if the 22.5% distribution exceeds \$35,000.)

**Budget, FY 2012-FY2013**

	FY 2013 FTE	General Fund	State Other	Total All
Tourism Advisory Council				

Source: Legislative Fiscal Division

**Board: No fewer than 12 members.** Members must be appointed from Montana's private-sector travel industry. One member must be from an Indian tribal government, and each tourism region must be represented. Terns are staggered,

Members/Address	Business Affiliation	Term Expires
Ed DesRosier, East Glacier (chair)	Sun Tours	7/1/2014
Bill McGladdery, Butte	Town Pump	7/1/2013

Michelle Robinson, Billings	Writer's Block	7/1/2013
Rhonda Fitzgerald, Whitefish (vice chair)	Garden Wall Inn	7/1/2013
Meg O'Leary, Big Sky	Big Sky Resort	7/1/2014
Paul Tuss, Havre	Bear Paw Development Corporation	7/1/2014
Cyndy Andrus, Bozeman	not listed	7/1/2012
Stan Ozark, Glasgow	Glasgow Area Chamber of Commerce & Agriculture	7/1/2013
Amber Wood-Jensen, Butte	Management Consultants, Inc.	7/1/2014
Beverly Harbaugh, Jordan	San Creek Clydesdales Ranch Vacations	7/1/2012
Gail Richardson, Bozeman	not listed	7/1/2012
Jackie Yellowtail, Garryowen	Apsaalooke Nation Tourism	7/1/2012
Kim Holzer, Stanford	not listed	7/1/2012

### Topics of Interest

- Distinct from Department of Commerce Office of Tourism.
- Is the Tourism Advisory Council necessary and could the Department of Commerce handle its duties more efficiently?
- Did the problems that developed with one of the regional nonprofit tourism organizations prior to the previous legislative session get resolved efficiently and adequately without litigation or damage to the state process of distributing tourism funds?
- Is there adequate oversight by the legislature of provisions in 15-65-121(3) and (4), MCA, that allow the Tourism Advisory Council to determine that a marketing plan is inadequate, which means that the money that otherwise would be distributed can be spent instead 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? Do these provisions allow operations to continue through the Department of Commerce in cases where problems may arise with a nonprofit regional tourism promotion organization?

### 2011 Legislation Enacted Regarding Tourism Advisory Council

- HB 111, by Rep. Wayne Stahl at the request of the Department of Revenue, which revised the amount that the Department of Commerce distributes back to state agencies in the portion of the lodging facility use tax paid for state employee lodging then reimbursed.
- HB 477, by Rep. Roy Hollandsworth, that revises the amount distributed to the Department of Commerce (to 64.9% from 67.5%) for tourism promotion and the promotion of motion picture or television commercial production in Montana.

### Audits

None specific to the Tourism Advisory Council