

Funding Sources		
Findings	Options Discussed/Considerations	Statutory Citations
<ul style="list-style-type: none"> • MHC's funding is a combination of statutory sources, earned revenue, donations, and earned interest. • Statutory sources of funding are \$400,000 of the 4% Lodging Facility Use Tax revenue collected annually and 38 cents of each \$6 fee that a light motor vehicle registrant may opt into for parks visitation. • In FY 2013, MHC's revenue from statutory sources equaled \$668,608. • In FY 2013, MHC's total revenue equaled \$1,086,631. • In FY 2013, MHC's total expenditures equaled \$1,098,112. • Long Range Building Program funding for maintenance of MHC-managed properties was requested by the Department of Commerce for the 2013 and 2015 biennia, but was not included in the Governor's submission to the Legislature on either occasion. • Amounts requested through the Long Range Building Program were \$1.3 million for the 2013 biennium and \$3 million for the 2015 biennium. • Sources of funding for the Long-Range Building Program are 12% of the Coal Severance Tax and 2.6% of the Cigarette Tax revenues. • HB 9, the bill establishing priorities for the Cultural and Aesthetic Projects grant awards, appropriated \$758,650 for the biennium ending June 30, 2015. • A portion of the light vehicle registration fees collected as provided in 61-3-321 has been dedicated to operation of state-owned facilities at Virginia City and Nevada City since 2003. A brief history of the fee follows. <ul style="list-style-type: none"> ▶ The 2003 Legislature enacted SB 336, which sought to implement recommendations of the State Parks Futures Committee II, an entity appointed by Governor Martz in 2001 to study the state parks system in light of changes in the number of parks and visitation numbers. SB 336 provided for the imposition of a \$4 fee with each light vehicle registration, 	<ul style="list-style-type: none"> ▶ Change the \$400,000 to a percentage of the total Lodging Facility Use Tax revenue. <ul style="list-style-type: none"> ▶ <i>What percentage is appropriate?</i> ▶ <i>How would this impact other recipients of tax revenue and programs that rely on the revenue?</i> ▶ <i>Should the percentage be somehow tied to visitation numbers?</i> • Provide for a grant program requiring a local match. <ul style="list-style-type: none"> ▶ <i>What would be the source of the funding for the program?</i> ▶ <i>Who would administer the program?</i> ▶ <i>What would be the conditions of the local match?</i> ▶ <i>What would be the criteria for the grant awards? Established in statute or provided for in rule?</i> ▶ <i>Other state-supported grant programs exist that may be used as models.</i> • Encourage participation by MHC and businesses in Cultural and Aesthetic Projects Grant Program. <ul style="list-style-type: none"> ▶ <i>Should the amount provided for the program (.63% allocated to a trust fund from the Coal Severance Tax revenue as provided in 15-35-108) be changed?</i> ▶ <i>Are the grant awards through this program enough for the kind of projects that would make a difference for these properties?</i> ▶ <i>Are the projects that require funding at Virginia City, Nevada City, and Reeder's Alley appropriate for this program?</i> • Authorize Long-Range Building Program funding. <ul style="list-style-type: none"> ▶ <i>Long-Range Building projects are</i> 	<p>15-65-121: Lodging Facility Use Tax</p> <p>61-3-321: Light vehicle registration</p> <p>15-35-108: Coal Severance Tax</p> <p>16-11-119: Cigarette Tax</p> <p>Title 17, chapter 7, part 2: Long-Range Building Program</p> <p>Title 22, chapter 3, part 10: Montana Heritage Preservation and Development Commission</p>

unless the registrant declared that the registrant did not intend to visit state parks or fishing access sites. Of the \$4 collected, \$3.50 was allocated for use by the state parks system, 25 cents for fishing access sites, and 25 cents for operation of state-owned properties at Virginia City and Nevada City. According to the Committee's report, most state parks charged \$4 per vehicle for entrance, providing the rationale for the amount. Dedicating a portion of the \$4 to Virginia City and Nevada City was not specifically contemplated in the Committee report--this occurred during the bill drafting process. However, one of the recommendations was that the state "consolidate the planning and administration of outdoor, culture, and history-related recreation and tourism in one agency. ..."

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recommended to the Legislature by the Governor. Is providing financial support to MHC-managed properties through this program a priority for the Governor?

- ▶ *Does the Legislature wish to support these properties through this funding source?*
- ▶ *Should funding sources or percentages of tax revenue for the Long-Range Building Program be changed? How would that impact other recipients of the tax revenue?*

- **Change amount of light vehicle registration revenue or change revenue allocation.**

- ▶ *How would this affect the other programs that receive revenue from the opt-in light vehicle registration fee?*
- ▶ *Increasing the proportion of the total fee to be allocated to the properties was rejected by the 2011 Legislature.*
- ▶ *Is the number of registrants who opt in increasing or declining?*
- ▶ *Would increasing the total amount result in a significant decline in registrants opting in?*
- ▶ *How is the option to pay the \$6 fee conveyed to registrants at the time of registration?*
- ▶ *Reeder's Alley is not included in the text of this section. Should it be?*

- **Encourage more private donations.**

- ▶ *How might the MHC overcome reluctance among potential private donors to donate to state-operated facilities?*

	<ul style="list-style-type: none"> • Establish a preservation, repairs, and maintenance account from which money may only be used for certain activities. [MHC request] <ul style="list-style-type: none"> ▶ <i>What would be the source of money for the account?</i> ▶ <i>Should it be a trust account?</i> ▶ <i>What restrictions should be placed on use of the funds? Only for emergencies?</i> ▶ <i>How would this affect the other funding sources for MHC operations?</i> • Allow use of General Fund money (see also Governing Statutes section). <ul style="list-style-type: none"> ▶ <i>Does the Legislature wish to fund operation of these properties with General Fund money?</i> ▶ <i>Is the way the prohibition is worded binding on future legislatures?</i> ▶ <i>How would simply removing the prohibition alone result in funding considered to be necessary for the properties? What would removing the prohibition be combined with to provide additional funding for operations?</i> • Allow proceeds from sale of Bovey personal property to be used as determined by the MHC (see also Governing Statutes and Acquisition and Disposal sections). 	
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