

**CITY OF POLSON  
RESOLUTION 2020-019**

**PRESENTING THE QUESTION OF A RESORT TAX TO THE  
ELECTORS OF THE CITY OF POLSON**

**WHEREAS**, Section 7-6-1501(8), MCA, defines a resort community as an incorporated municipality with a population of less than 5,500 according to the most recent federal census, that derives the primary portion of its economic well-being related to current employment from business catering to the recreational and personal needs of persons traveling to or through the municipality for purposes not related to their income production and which has been designated by the Department of Commerce as a resort community;

**WHEREAS**, the Montana Department of Commerce has designated the City of Polson as a resort community;

**WHEREAS**, Section 7-6-1502, MCA, authorizes a resort community to present the resort tax question to the electors of a resort community by resolution; and

**WHEREAS**, Section 7-6-1504(1), MCA, authorizes the governing body to call a special election on the resort tax question or to have the resort tax placed on the ballot at a specially scheduled election;

**WHEREAS**, it appears in the best interests of the citizens and taxpayers of the City of Polson that relief from the burden of fixing and maintaining the streets of Polson fall proportionately upon the tourist users.

**NOW THEREFORE BE IT RESOLVED AS FOLLOWS:**

1. Pursuant to section 7-6-1504 (1) and (2) MCA, the Polson City Commission presents to the electors residing in the City of Polson the question of the adoption of a resort tax for the City of Polson in accordance with this resolution.

2. The resort tax presented to the electors shall be structured as follows:

(a) The rate of the resort tax shall be three percent (3%) of the retail value of all goods and services as defined herein sold, except for goods and services sold for resale, by the following establishments:

- (i) hotels, motels, and other lodging or camping facilities;
- (ii) restaurants, fast food stores, and other food services establishments;
- (iii) taverns, bars, night clubs, lounges, and other public establishments that serve beer, wine, liquor, or other alcoholic beverages by the drink; and
- (iv) destination recreational facilities.

(b) The rate of the resort tax for any gift item, luxury item, or other item normally sold to the public or to transient visitors or tourists shall be three percent (3%).

3. If approved by the electors, the resort tax shall become effective on July 1, 2021, effective 12 months a year, and the duration of the resort tax shall be for twenty (20) years.

4. The purposes to be funded by the resort tax include:

(a) 3% for vendor administrative costs, and the remainder 97% as follows –

(b) Property tax reduction for taxpayers residing in the City of Polson in an amount equal to seventeen percent (17%) of the resort tax revenues derived during the preceding fiscal year;

(c) Provision for the repair and improvement of existing streets, storm sewers, sidewalks, curbs and gutters, in an amount equal to eighty percent (80%) of resort tax revenues derived during the preceding fiscal year;

(c) Cost of administering the resort tax in an amount equal to three percent (3%) per year.

6. The election shall be held on February 2, 2021, the date of a special election, to be

conducted by mail, and to be conducted as authorized by Section 7-6-1504(5), MCA.

7. The question to be presented to the electors and the ballot issue shall be in substantially the same form as Exhibit "A" attached to this resolution; provided, however, that the City Attorney may further redraft Exhibit "A." to conform to state law, if necessary.

**BE IT FURTHER RESOLVED**, that the City Clerk is hereby instructed to file this Resolution in the City's Book of Resolutions.

7 ayes \_\_\_\_\_ nays \_\_\_\_\_ abstentions

Date of Passage: Monday, November 2, 2020

Effective Date: Immediately

\_\_\_\_\_  
Paul Briney, Mayor

Attest:

\_\_\_\_\_  
Cora E. Pritt, Clerk

EXHIBIT "A"

**THIS BALLOT SHALL BE MARKED WITH AN "X" IN  
THE SQUARE BEFORE THE QUESTION  
SUBMITTED TO A VOTE OF THE PEOPLE**

**CITY OF POLSON RESORT TAX INITIATIVE**

To reduce municipal property taxes; and to impose a resort tax in the city of Polson of 3% on: the retail value of all goods and services sold by lodging or camping facilities; restaurants, fast food stores, and other food service establishments; all public establishments serving alcoholic beverages by the drink; destination recreational facilities; and luxuries sold by other establishments. The tax will take effect July 1, 2021, effective 12 months a year, for 20 years, and must be used as follows: 3% for vendor administrative costs, and the remainder 97% as follows - 17% property tax relief; 80% existing streets, storm sewers, sidewalks, curbs, and gutters; and 3% administrative costs.

\_\_\_\_\_ FOR the resort tax

\_\_\_\_\_ AGAINST the resort tax