

Resolution No. 2010-012

**A RESOLUTION REFERRING TO THE ELECTORATE THE QUESTION OF WHETHER THE DISTRICT'S RESORT TAX SHOULD BE INCREASED BY 1% TO A TOTAL OF 4% AND DEDICATING THE NEW 1% TAX TO SPECIFIED INFRASTRUCTURE PROJECTS.**

WHEREAS, the electorate of the Big Sky Resort Tax Area District in each Gallatin County, Montana and Madison County, Montana, originally approved a resort tax of three percent (3%) in April, 1992 for a period of twenty years, and extended the resort tax for another twenty years on November 2, 2006; and

WHEREAS, the existing 3% resort tax is currently set to expire on June 1, 2032; and

WHEREAS the Montana Legislature passed Senate Bill 241 during the 2019 Legislative Session (effective May 2, 2019) which allows for the electorate to approve an additional 1% to the resort tax to be used for selected infrastructure projects as specifically identified by the District and approved by the electorate; and

WHEREAS, the District relies on revenue from the resort tax to meet the needs of District residents as well as the increased demands of tourists on the District's services and infrastructure; and

WHEREAS, the District has identified specific additional infrastructure projects which are not reasonably covered by revenue from the existing 3% resort tax and which require additional revenue to meet these infrastructure needs and allow the District to continue to thrive with its tourism-based economy.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BIG SKY RESORT TAX AREA DISTRICT AS FOLLOWS:

1. In accordance with Section 7-6-1504, MCA, the Gallatin County election administrator shall place on the ballot at the next election to be held in Big Sky, Montana on May 5, 2020, a ballot issue whereby the electors of the Big Sky Resort Tax Area District shall vote FOR or AGAINST the question of whether the District's resort tax should be increased by one percent (1%) for infrastructure in accordance with this Resolution.
2. The total rate of the resort tax for infrastructure referred to the electorate shall be one percent (1%).
3. If the additional one percent (1%) infrastructure tax rate is approved by the electorate, this rate shall be in addition to the current resort tax rate of three percent (3%).
4. The duration of the additional one percent (1%) infrastructure tax referred to the electorate shall be for the period of time it takes for the specified approved infrastructure debts and project costs to be paid. As soon as such debts and project costs are paid in full, the additional one percent (1%) infrastructure tax levy shall terminate. Section 7-6-1504(4)(d), MCA. Under no circumstances shall the additional one percent (1%) infrastructure tax continue beyond the current expiration of the District on June 1, 2032, unless the term of the District is extended by the electorate and the infrastructure projects previously approved by the voters have not yet been paid in full.

5. The effective date for the additional one percent (1%) infrastructure tax referred to the electorate, if passed, shall be July 1, 2020.
6. In accordance with Section 7-6-1501(2), MCA, if approved by the electorate, the additional one percent (1%) infrastructure tax revenue shall be pledged for the following infrastructure projects in the District:
  - a. Funding approximately 60% (but not to exceed \$27,000,000) of the total project costs for the Big Sky County Water & Sewer District No. 363's Water Resource Recovery Facility Expansion and Upgrade project, as described in the attached Application.
  - b. Funding in an amount not to exceed \$12,000,000 for the Big Sky County Water & Sewer District No. 363's Canyon Area Lift Station and Force Main and Reuse Pipeline project, as described in the attached application.
7. In accordance with Section 7-6-1504(6), MCA the District has established a list of goods and services that will be subject to the additional one percent (1%) infrastructure tax, which list is found in District Ordinance No. 98-01.
8. In accordance with Section 13-1-108 and 7-6-1504(7), MCA the District Administrator is directed to publish notice of the election including information related to the rate of the resort tax, the duration of the resort tax, the effective date of the resort tax, and the specified infrastructure projects which may be funded by the additional resort tax.
9. It is the intention of the Board of Directors of the District to continue administration of the resort tax, and the additional one percent (1%) infrastructure tax if approved by the electorate, in accordance with applicable Montana law, as well as with the District's existing rules, ordinances, and procedures including without limitation with District Ordinance No. 98-01.

PASSED BY THE BOARD OF DIRECTORS OF THE DISTRICT ON THIS 14<sup>th</sup> DAY OF JANUARY, 2020,  
 BY A VOTE OF 5 IN FAVOR and 0 OPPOSED.









