



Board Meeting Agenda

September 14th, 2023 | 9:00am

Big Sky Resort Area District

11 Lone Peak Drive #204

PO Box 160661

Big Sky, MT 59716

www.Resorttax.org

info@resorttax.org

406.995.3234

September's Board meeting will be held on Wednesday, September 14th at 9:00 am at the Resort Tax office (11 Lone Peak Drive, Suite #204) and through Zoom.

Join this meeting here: <https://us02web.zoom.us/j/81436334346>

I. Open Meeting

- | | | |
|---|---|------|
| A. Roll Call | — | 9:00 |
| B. Public Comment | | |
| C. <u>Consent Agenda: Action</u> | — | 9:05 |
| a. <u>Approval of Minutes: August 10th, 2022</u> | | |
| b. <u>Finance Report: June 2022</u> | | |
| D. Regular Agenda | | |
| 1. Old Business | | |
| a. <u>Executive Report: Discussion</u> | — | 9:10 |
| b. <u>Community Week Update: Discussion</u> | — | 9:15 |
| c. <u>Big Sky Relief Funds: Action</u> | — | 9:20 |
| d. <u>Gallatin Canyon Water & Sewer District Interlocal: Action</u> | — | 9:25 |
| e. <u>Committee Reports: Discussion</u> | — | 9:30 |
| ◆ 3% Renewal | | |
| ◆ Elevate Big Sky | | |
| ◆ Joint County | | |
| ◆ Application Review | | |
| 2. New Business | | |
| a. <u>Ordinance 98-01 First Reading: Action`</u> | — | 9:45 |
| E. Public Comment | | |

BSRAD BOARD & STAFF: Sarah Blechta, Chair | Ciara Wolfe, Vice Chair | Steve Johnson, Secretary & Treasurer | Kevin Germain, Director | Grace Young, Director | Daniel Bierschwale, Executive Director | Kristin Drain, Finance & Compliance Manager | Jenny Muscat, Deputy Director | Sara Huger, Office Manager

** All Board Meetings are recorded and live streamed. Please visit ResortTax.org for more information.*



Board Meeting Minutes

August 10th, 2022 | 9:00am

Big Sky Resort Area District
11 Lone Peak Drive #204
PO Box 160661
Big Sky, MT 59716
www.Resorttax.org
info@resorttax.org
406.995.3234

August's Board meeting was held on Wednesday, August 10th at 9:00 am at the Resort Tax office (11 Lone Peak Drive, Suite #204) and through Zoom.

I. Open Meeting

A. Roll Call

[00:03:20](#) All board members present.

B. Public Comment: *NONE*

C. Consent Agenda: *Action*

- a. Approval of Minutes: July 13th, 2022
- b. Finance Report: May 2022

[00:03:53](#) **Motion**: to approve the Consent Agenda: Kevin Germain

Second: Steve Johnson

[00:04:06](#) Board members discussed financials, collections, and strategic investments.

[00:09:10](#) **Vote: Motion Passed**

D. Regular Agenda

1. Old Business

- a. Executive Report: *Discussion*

[00:09:35](#) Daniel Bierschwale gave updates on Navigate Big Sky, Community Week, and census data.

[00:13:12](#) Board members discussed redistricting opportunities in Madison County.

- b. Resolution 2022-02R: *Action*

[00:16:47](#) **Motion**: to approve Resolution 2022-02R: Kevin Germain

Second: Steve Johnson

[00:17:01](#) **Vote: Motion Passed Unanimously**

- c. Committee Reports: *Discussion*

- ◆ 3% Renewal

[00:17:26](#) A committee was formed to discuss 3% renewal.

- ◆ Elevate Big Sky

[00:17:39](#) There will be an Elevate Big Sky committee meeting on the August 16th.

◆ Joint County

[00:18:24](#) Kevin Germain gave an update on emergency services and evacuation plans with the counties.

◆ Application Review

[00:27:33](#) Subcommittee members met to review survey results from the FY23 application process.

◆ Big Sky Relief

[00:28:23](#) Board members discussed the Big Sky Relief fund and emergency fund and agreed to move Big Sky Relief funds to the emergency fund. Free COVID tests are still available.

2. New Business

a. FY23 Community & Applicant Survey Results: Discussion

[00:30:46](#) Daniel Bierschwale gave an overview of the surveys. Only 4 of 22 applicants completed the survey but community response was better. Board members discussed results and how to improve the application process.

[00:36:38](#) Daniel Bierschwale discussed positive feedback from community and the budget tool. Daniel explained opportunities for community engagement and involvement with applicants and their projects.

[00:38:29](#) Sarah Blechta discussed feedback related to community council and how to ensure community involvement and education. Sarah discussed specific survey responses.

[00:43:54](#) Kevin Germain made suggestions for application questions and directions. Board members discussed concerns and possible improvements.

[00:46:53](#) Board members discussed elections, lack of candidates running, and engagement opportunities.

[00:50:11](#) *Ciara Wolfe left the meeting.*

b. Our Big Sky Housing Strategy: Discussion

[00:51:14](#) David O'Connor, executive director of the Big Sky Community Housing Trust updated the board and public on their current and future projects.

[00:56:08](#) Kevin Germain discussed how employer housing creates challenges for employees and an inability for them to switch jobs and advance their careers when their home is tied to their jobs. David O'Connor discussed employer housing challenges and possible solutions.

[01:03:50](#) David O'Connor gave an update on MeadowView and their first resale worked well.

[01:04:33](#) David O'Connor reviewed current rental housing in progress.

[01:09:44](#) David O'Connor gave updates on the Rent Local and Good Deeds programs.

E. Public Comment: *NONE*

[01:25:25](#) Motion to Adjourn.

BSRAD BOARD & STAFF: Sarah Blechta, Chair | Ciara Wolfe, Vice Chair | Steve Johnson, Secretary & Treasurer | Kevin Germain, Director | Grace Young, Director | Daniel Bierschwale, Executive Director | Kristin Drain, Finance & Compliance Manager | Jenny Muscat, Deputy Director | Sara Huger, Office Manager

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BIG SKY RESORT AREA DISTRICT

Budget vs. Actuals: YTD

July 2021 - June 2022

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
40010 Interest Earned	22,224.01	2,500.00	19,724.01	888.96 %
40020 Interest from Tax Collections	5,784.97	5,791.84	-6.87	99.88 %
40030 Late Fees from Tax Collections	16,545.41	33,296.44	-16,751.03	49.69 %
40040 Miscellaneous Income	23,999.98		23,999.98	
40100 Reimbursement from County	110,524.25		110,524.25	
41000 Tax Collections	17,190,643.78	12,866,310.05	4,324,333.73	133.61 %
Total Income	\$17,369,722.40	\$12,907,898.33	\$4,461,824.07	134.57 %
GROSS PROFIT	\$17,369,722.40	\$12,907,898.33	\$4,461,824.07	134.57 %
Expenses				
60000 Bad Debt		500.04	-500.04	
60010 Bank Charges	17.00		17.00	
60020 Current Appropriations	7,059,856.00		7,059,856.00	
60060 Equipment		1,500.00	-1,500.00	
60070 Gifts		500.00	-500.00	
60080 Dues & Meeting Expenses	16,123.61	29,500.44	-13,376.83	54.66 %
60090 Public Information & Engagement	127,790.91	90,000.00	37,790.91	141.99 %
61000 Facilities	15,720.16	29,049.60	-13,329.44	54.11 %
62000 Insurance	5,814.63	7,064.40	-1,249.77	82.31 %
63000 Office Expenses	72,751.86	66,847.12	5,904.74	108.83 %
64000 Professional Fees	198,981.08	228,104.00	-29,122.92	87.23 %
65000 Travel	37.45	5,000.00	-4,962.55	0.75 %
66000 Utilities	7,003.47	6,995.00	8.47	100.12 %
67000 Personnel Expenses	442,829.84	457,893.30	-15,063.46	96.71 %
68000 Debt service	28,296.70		28,296.70	
69000 Capital Expenditures	43,709.34	17,000.00	26,709.34	257.11 %
80000 Big Sky Relief	411,176.58		411,176.58	
Total Expenses	\$8,430,108.63	\$939,953.90	\$7,490,154.73	896.86 %
NET OPERATING INCOME	\$8,939,613.77	\$11,967,944.43	\$ -3,028,330.66	74.70 %
Other Expenses				
79000 Other expenses	2,788,045.10		2,788,045.10	
Total Other Expenses	\$2,788,045.10	\$0.00	\$2,788,045.10	0.00%
NET OTHER INCOME	\$ -2,788,045.10	\$0.00	\$ -2,788,045.10	0.00%
NET INCOME	\$6,151,568.67	\$11,967,944.43	\$ -5,816,375.76	51.40 %

Top 20 Collectors for the Month

Overall change compared to same month last fiscal year	7%
Overall change fiscal year to date vs. last FYTD	7%
Additional Notes:	

Delinquent Collectors

0-30 days past due	31
31-60 days past due	0
61-90 days past due	3
90+ days past due	9
Accounts with lawsuits in progress	5

Accounts Receivable & Payment Plans

Total balance owed (of those with sales reported/legal fees)	4,705
Number of active installment plans	0
Plans paid off this month & balance paid	20,768

Registered & Tax Collecting Businesses

Number of Registered Businesses (2022)	1060
Number of Tax Collecting Registered Businesses	468
Number of New Accounts created (by or on behalf of a new business/short term rental)	39
Number of Closed Accounts	3



EXECUTIVE REPORT 9/14/22

The following is a brief summary of items of interest NOT on the agenda.

General Updates

- Tammy Estensen will be joining the BSRAD team starting in late September – we are thrilled to have her join the team. It was a very impressive group of candidates.
- Navigate Big Sky Post Launch Update: Traffic to the site and on the site is very consistent, and as is user time spent on the site. The average engagement time per active user in the month of August is 1 minutes 57 seconds, which is relatively average for a website of this nature. The most visited pages are the Homepage, the Calendar page and the Submit an Event page, in that order. This is expected user behavior. Based on the week, the subsequent highest visited pages change based on which events are popular in the week. Numbers are relatively consistent, as we'll always expect to see the numbers fluctuate but as long as they move together there is no cause for alarm.
- Kristin and I have been working towards getting the business registration set for 2023. We engaged the Chamber, BSCHT, and CHAP to learn what questions may provide valuable data for housing decisions. We are working with Kim to validate we can legally ask these questions but Planning for community week is underway and thin the end we should have the most comprehensive data set to support the housing crisis.
- Steve and I have been working closely with the BSCHT and CHAP to support the closing of Riverview. The group has been working through an easement issue that we hope will not jeopardize the LIHTC funding.
- Payment requests are being to come through for FY23 projects. We are looking closely to ensure that all contract contingencies are being adhered to. As a result, some of the requests are being denied until the contingencies are met.
- We scheduled the BSRAD holiday party as the Yurt dinner on the mountain – it should be a fun time.



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PO Box 160100
Big Sky, MT 59716
BigSkyChamber.com



Big Sky Resort Area District
(406) 995-3234
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FOR IMMEDIATE RELEASE

CONTACT:

Caitlin Quisenberry, Big Sky Chamber of Commerce, Caitlin@BigSkyChamber.com
Jenny Muscat, Big Sky Resort Area District, Jenny@ResortTax.org

Choose your Own Adventure at Community Week 2022
October 3rd – 7th, 2022
Big Sky, MT

Big Sky, Montana, August 31st, 2022 – The Big Sky Chamber of Commerce and Big Sky Resort Area District have partnered to align a menu of events aimed at increasing civic engagement this fall. Both organizations have traditionally offered independent events working to increase Big Sky’s collective knowledge. In response to community feedback, they have collaborated to bring more flexibility to participate and take that understanding to the next level. “Community week gives the citizens of Big Sky an ‘A La Carte’ approach for participation. This robust week of programming offers a mix of formal, informal, virtual, and in-person choices. The goal is to give citizens the tools they need to be informed and engaged,” said Katie Grice, Board Chair of the Big Sky Chamber of Commerce.

Community Week allows citizens to:



Choose the “Government” track to gain a deeper understanding of how elected officials in our region use the tools at their disposal to build a thoughtful community.



Choose the “Boots on the Ground” track to learn how to plug in and help the people and organizations that make Big Sky the community we love.



Choose the “Big Ideas” track to engage with public and private partners as they tackle some of Big Sky’s current challenges and opportunities.

These community focused activities will take place at a variety of locations and times, offering options for all. Opportunities for Q&A will be available at the Lunch and Learn, Vote Big Sky, County Commission/BSRAD Meeting, Community Expo, Coffee with Community Leaders, and Builders Forum. “The richness of our community comes from our connectedness, and this is your chance to actively participate where you want. We have a talented group of organizations and leaders who are truly making Big Sky BETTER TOGETHER and we invite you to join in the conversation,” said Sarah Blechta, Board Chair of the Big Sky Resort Area District.

Learn more about specific programming at community week by visiting BigSkyCommunityWeek.com.

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Most are familiar with the old saying “the world is run by those who show up” but where do you show up? This year the Big Sky Chamber of Commerce and Big Sky Resort Area District are teaming up to bring you Community Week 2022, a choose your own community engagement adventure.

Join the conversations that matter most to YOU!

COMMUNITY WEEK 2022

Big Sky, Montana
October 3rd - 7th



GOVERNMENT

Gain a deeper understanding of how elected officials in our region use the tools at their disposal to build a thoughtful community.



BOOTS ON THE GROUND

Learn how to plug in and help the people & organizations that make Big Sky the community we love.



BIG IDEAS

Engage with public & private partners as they tackle some of Big Sky’s current challenges & opportunities.

MONDAY, OCT. 3

LUNCH & LEARN: OUR BIG SKY IMPLEMENTATION

12:00 PM | The Wilson Hotel

Learn about the implementation of the “Our Big Sky Community Vision & Strategy” by joining community leaders serving in coordination of plan strategies, initiatives, & projects.



VOTER EDUCATION

5:00 PM | Bucks T-4 Lodge

One of the most valuable ways to engage in your community is by electing officials who align with your vision for your region. Inform your upcoming vote by learning about the issues on the ballot & meet the candidates for the November elections.



TUESDAY, OCT. 4

COFFEE with COMMUNITY LEADERS

8:00 AM | Big Sky Visitor Center

Join the discussion with this casual opportunity to network & engage with the leaders of the community organizations working to make Big Sky Better Together.



PANEL DISCUSSION: WATER SUPPLY

12:00 PM | Zoom

The water we drink is a necessity of life & helps nourish our spectacular natural landscape. Learn more about the data being used to conserve & plan around this critical resource in this virtual discussion.



PANEL DISCUSSION: EMERGENCY MANAGEMENT

2:00 PM | Zoom

2022 faced Montanans with unique & unprecedented natural disasters, ranging from floods to fires. Hear from the team that works day in & day out to keep Big Sky safe & well prepared for emergencies in this virtual discussion.



GIVE BACK BIG SKY

5:00 PM | Location TBD

Big Sky is deeply rooted in a culture of giving & generosity. Join local foundations & philanthropic arms of local nonprofits. Learn more about their efforts & find out how to give back to your cause.



WEDNESDAY, OCT. 5

LOCAL GOVERNMENT AT WORK: FALL COMMISSION/BSRAD MEETING

9:00 AM | The Wilson Hotel

Big Sky’s locally elected officials (Big Sky Resort Area District, Gallatin County Commissioners, & Madison County Commissioners) meet bi-annually to act & focus on the most important topic – YOUR community.



2ND ANNUAL COMMUNITY EXPO

3:00 PM | The Wilson Hotel

This showcase of community-driven organizations helps those wondering – how does Big Sky work? Stop at booths & learn a little or take deep dive with representatives from community organizations in a walkable expo format.



THURSDAY, OCT. 6

COFFEE with COMMUNITY LEADERS

8:00 AM | Big Sky Visitor Center

Join the discussion with this casual opportunity to network & engage with the leaders of the community organizations working to make Big Sky Better Together.



PANEL DISCUSSION: TRANSPORTATION

12:00 PM | Zoom

Learn more from transportation experts & how they are working to improve the operation of the Big Sky transportation system in this virtual discussion.



PANEL DISCUSSION: HOUSING

2:00 PM | Zoom

The housing initiatives your community leaders are embarking upon are becoming models of public & private partnerships. Join experts to peel back the layers of this complex issue in this virtual discussion.



5TH ANNUAL BUILDERS FORUM & ECONOMIC OUTLOOK

5:30 PM | Warren Miller Performing Arts Center

Engage in thoughtful dialogue with key private & public organizations charting the future of development in Big Sky with presentations from Lone Mountain Land Company, Big Sky Resort, & others, as well as, a deep dive into the story our economics in Big Sky tells, with a report from the Northern Rocky Mountain Economic Development District.



FRIDAY, OCT. 7

VOLUNTEER BIG SKY

All Day | Community-Wide

The community of Big Sky certainly has some of the most committed & generous citizens with big hearts for important volunteer projects. Get your hands dirty while supporting your community.



more info @ BigSkyCommunityWeek.com

09.14.2022 BSRAD Meeting Packet

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September 9, 2022

Big Sky Resort Area District

11 Lone Peak Dr #204

Big Sky, MT 59716

Re: 3-Year Inter-Local Agreement, Budget Increase Request

Dear Board Members:

The Gallatin Canyon County Water and Sewer District (District) made significant progress in FY22. The good news, **the District is firmly established and has secured nearly \$3 million in grant funding.** The bad news, the 'pace of progress' has exceeded original expectations and our \$74,000 annual operating budget is now a limiting factor as the District seeks to maintain momentum. Without a budget increase, Big Sky risks losing secured funds and delaying critical community infrastructure. Once operational, the District anticipates being substantially self sufficient through collecting of monthly user rates and connection fees.

Working collaboratively with the Gallatin River Task Force, Big Sky County Water and Sewer District (BSCWSD), Big Sky Housing Trust and other local stakeholders, the Canyon District seeks to address fundamental community needs and environmental sustainability goals including:

1. Retiring septic systems that present notable human health risks and detrimental nutrient loading to the Gallatin River;
2. Address current disposal limitations and operational risks associated with lack of disposal redundancy;
3. Infrastructure to support workforce housing that is currently extremely lacking;
4. Improve long-term sustainability by promoting water conservation through treated effluent reuse, groundwater recharge and mitigating resource intensive development sprawl; and
5. New for FY23, provide reliable and safe public drinking water for Canyon area residents, schools and businesses.

To help accomplish these goals, the Canyon District is requesting an increase in annual operating budget to \$200,000 for FY23 and \$300,000 in FY24. Enclosed is a summary of FY22 Canyon related expenditures totaling approximately \$220,000 as general basis for this request. Canyon Sewer Project expenditures include support efforts by the Task Force (Collection Prioritization Study) and the BSCWSD (Preliminary Engineering Report). These funds were effectively leveraged to establish the District and secure nearly \$3 Million in public funding for the project to date, with another \$1 Million worth of public funding applications currently in review.

Looking forward, the District is targeting a Fall 2024 construction start to ensure that all awarded funds are utilized prior to ARPA expiration dates. The attached schedule and 2-year budget table are intended to help visualize the nature of planned expenditures and general project design and permitting sequence. To cover the remainder of necessary funds and provide adequate "matching funds" for secured grants, the Canyon District will be actively coordinating with the BSCWSD to utilize a portion

of the \$12 Million project allocation, along with commencing cost-share discussions with respect to treatment and disposal value provided by each district.

The capital to complete the Canyon Sewer Project is substantial, but the pieces are in place to mesh private and public sector funds to successfully progress through construction and ultimately service our community. The Canyon District and the momentum to build critical community infrastructure would not exist without the support of the Big Sky Resort Area District. Your financial support and project advocacy is greatly appreciated. Please help us make the most of this support and maintain momentum. The sooner this project is completed, the sooner the project goals and benefits will be realized.

Sincerely,



Scott Altman
Gallatin Canyon County Water & Sewer District, President

TABLE 1 – FISCAL YEAR 2022 EXPENDITURE SUMMARY

TASK/SCOPE	DESCRIPTION	BUDGET
Preliminary Engineering Report (PER)	BSCWSD Contracted Effort to support Competitive ARPA Application	\$40,000
Infrastructure Inventory & Phasing Plan	Task Force allocation to support collection prioritization to achieve “net-nutrient reduction”	\$60,000
District Administration	District set-up and filings (by-laws, insurance, bank accounts, County papers, etc.), Board meetings, funding coordination and applications, supporting engineering/accounting/legal counsel.	\$20,000
Public Outreach	Website development, project overview illustrations, press-release flyer, outreach event attendance and presentation, outreach committee meetings and/or events	\$20,000
Canyon District Engineering	Grant Administration, Expanded Groundwater Discharge Feasibility Study,	\$20,000
Funding - \$2,975,300 Awarded - \$1,000,000 in review	\$2M DNRC competitive ARPA Grant, \$750,000 County Minimum Allocation Grant, \$3000 CTAP Planning Grant, \$25,000 County Planning Grant, \$200,000 County Minimum Allocation Grant, \$750,000 MCEP Grant, \$250,000 RRGL Grant	\$20,000
WGM Promo	Presentations, human health risk assessment, stakeholder coordination, project advocacy	\$20,000

Total = \$220,000

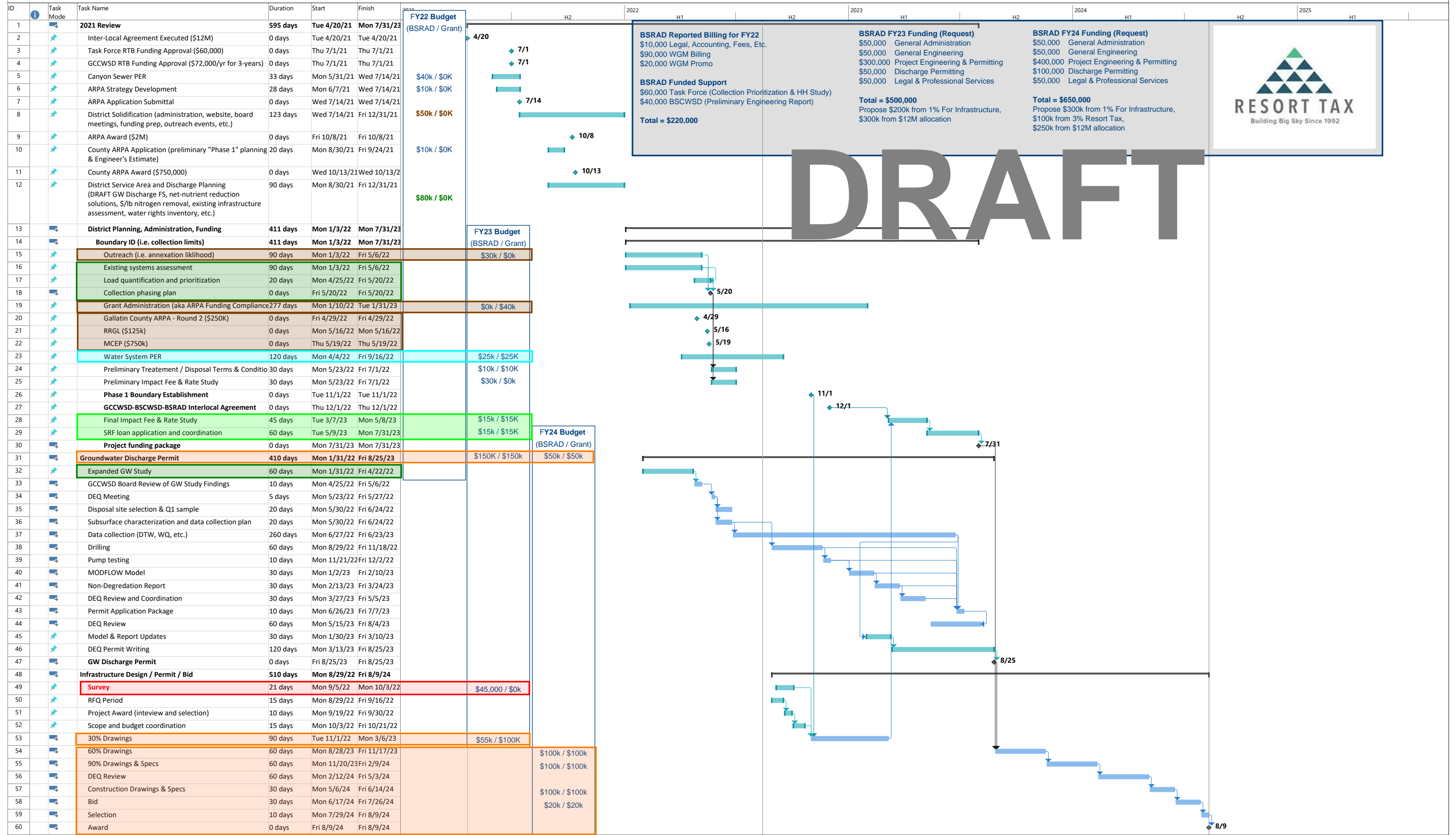
TABLE 2 – FY23 & FY24 OPERATING AND PROJECT IMPLEMENTATION BUDGET

TASK/SCOPE	DESCRIPTION	BUDGET
District Administration	Board meetings, funding coordination and applications, supporting engineering/accounting/legal counsel.	\$80,000
Public Outreach	Website development, project overview illustrations, press-release flyer, outreach event attendance and presentation, outreach committee meetings and/or events	\$60,000
Funding	DEQ 319 Non-Point Source Funds, residual ARPA funds, and other programs (TBD)	\$30,000
Public Outreach	Website development, project overview illustrations, press-release flyer, outreach event attendance and presentation, outreach committee meetings and/or events	\$20,000
General Engineering	Water System PER, Preliminary Impact Fee & Rate Study, Miscellaneous studies.	\$100,000
Canyon Sewer Project Implementation		
Legal & Professional Services	Legal, Accounting, Funding package development, Grant Administration and Audit Fees	\$150,000
Discharge Permitting	Field data collection (well drilling, pump tests, test pitting), MODFLOW modeling, fate and transport study, non-degradation analyses, human health risk analyses, etc.	\$350,000
Final Engineering	Sewer collection main, laterals, lift stations, stream crossings, septic abandonment, disposal infrastructure (shallow injection wells, recharge galleries, treatment wetlands, etc.)	\$1,300,000
Treatment Capacity	Secure treatment capacity from BSCWSD	\$1,400,000
Contingency		\$400,000

Sub-Total = \$3,890,000

ARPA Funds = (\$1,900,000)

TOTAL = \$1,990,000



DRAFT



FY22 Budget (BSRAD / Grant)	BSRAD FY23 Funding (Request)	BSRAD FY24 Funding (Request)
\$10,000 Legal, Accounting, Fees, Etc. \$90,000 WGM Billing \$20,000 WGM Promo Total = \$220,000	\$50,000 General Administration \$50,000 General Engineering \$300,000 Project Engineering & Permitting \$50,000 Discharge Permitting \$50,000 Legal & Professional Services Total = \$500,000 Propose \$200k from 1% For Infrastructure, \$300k from \$12M allocation	\$50,000 General Administration \$50,000 General Engineering \$400,000 Project Engineering & Permitting \$100,000 Discharge Permitting \$50,000 Legal & Professional Services Total = \$650,000 Propose \$300k from 1% For Infrastructure, \$100k from 3% Resort Tax, \$250k from \$12M allocation

Project: Canyon_Preliminary Ov Date: Sun 8/14/22

Task Split

Milestone Summary

Project Summary Inactive Task

Inactive Milestone Inactive Summary

Manual Task Duration-only

Manual Summary Rollup Manual Summary

Start-only Finish-only

External Tasks External Milestone

Deadline Progress

Manual Progress

**INTERLOCAL AGREEMENT
FOR
THE ALLOCATION AND USE OF RESORT TAX REVENUE
Fiscal Years 2022, 2023, 2024**

This Interlocal Agreement (“Agreement”) is made and entered into by and between the Big Sky Resort Area District (“District”), and the Gallatin Canyon Water and Sewer District (“Contractor”). The District and Contractor enter into this Interlocal Agreement under the authority vested in them by law and, more specifically, pursuant to §§ 7-6-1509(1)(b), and 7-11-104, MCA, respectively.

RECITALS

1. The District is a resort tax area created effective April 7th, 1998 pursuant to Mont. Code Ann. §§ 7-6-1531 through 1550 and the current members of the Board of Directors (“Board”) have been duly elected to serve on behalf of the District.

2. Contractor is a water and sewer district, validly organized pursuant to Title 7, Chapter 13, Parts 22 and 23, which has been duly incorporated and in existence since December 28, 2020. Contractor is located within the boundaries of the District.

3. Contractor is authorized, among other things, to construct, operate and maintain sanitary sewer works for the residents and owners of real property within Contractor’s service area, which in turn falls within the District.

4. Pursuant to Section 19 of District Ordinance 98-01, as amended, (“Ordinance”), the District is required to award the revenue derived from the imposition of the resort tax in the District for “infrastructure facilities (as that term is commonly defined) in the District; public services, including but not limited to the establishment and maintenance of an adequately-sized post office; ambulance and other emergency medical services; public transportation systems; snow plowing; tourism development for the District; and other services that provide for the public health, safety, and welfare within the District; and reimbursement or payment to the resort area district of the costs associated with the collection, administration, and litigation of the resort tax.”

5. Contractor submitted an application for receipt of resort tax funds in each of the next three fiscal years (July 1, 2021 through June 30, 2022 (“FY22”), July 1, 2022 – June 30, 2023 (“FY23”), and July 1, 2023 – June 30, 2024 (“FY24”)) (“Application”) to the District requesting funds for it’s FY22-24 Operations project, described as the Gallatin Canyon Water and Sewer district is requesting funding to organize and set up the operations of the new district and create systems that will allow the district to expand in an organized manner. in the amount of \$74,000 for FY22, \$74,000 for FY23, and \$74,000 for FY24 (collectively, the “Services”).

6. The Contractor also submitted additional information related to the Services in response to Q & A from the District (“Supplemental Information”).

7. The District conducted a public hearing, on June 7th and June 10th, 2021 on all applications for receipt of resort tax revenue for the District’s FY22 funding cycle, and on the Contractor’s request for resort tax revenue in each of the next three fiscal years.

8. Following discussion at the duly noticed and held public meeting on June 7th and June 10th, 2021, the District determined that Contractor’s Application to provide the Services as described in its Application, the Supplemental Information, and in this Agreement meets the requirements of Section 19 of Ordinance #98-01 as amended, and Title 7, Chapter 6, Part 15, MCA and approved funding in each of the next three fiscal years as follows: FY22 in the amount of \$74,000; FY23 in the amount of \$74,000; and FY24 in the amount of \$74,000 (the “Award”) for the Contractor’s Services pursuant to the terms and conditions set forth in this Agreement.

9. Those portions of the Application and the Supplemental Information which relate to the Services constituting the Award are incorporated hereby by this reference as if fully set forth in this Agreement as an integral part of the description of the Services.

In consideration of the foregoing and the promises contained in this Agreement, and pursuant to the statutory authority granted to the parties to enter into Interlocal Agreements, the parties agree as follows:

AGREEMENT

1. **RECITALS.** The Recitals to this Agreement are incorporated herein by this reference as if fully set forth in this Agreement.

2. **TERM.** The Term of this agreement shall be for FY22, FY23, and FY24, commencing on, July 1st, 2021 and shall terminating on July 15th, 2024. The terms and conditions of this agreement and the award allocation shall be reviewed by the Board in each the spring during the District’s normal appropriation cycles. This Award is not a guarantee that the District will grant an Award to Contractor for future Services after the Term expires.

3. **SCOPE OF SERVICES.** Contractor shall fully perform all Services in each fiscal year of the Term, and take all actions in each fiscal year of the Term as described in the Application and in the Supplemental Information, which are each incorporated into this Agreement by this reference and which are each on file at the District office. In addition, Contractor shall fully comply with the terms and conditions set forth in this Agreement.

4. **CONTRACTOR EXPENDITURE REQUIREMENTS; AMENDMENTS.** Contractor shall expend the Award for each fiscal year of the Term solely for the Services to be provided in each fiscal year of the Term as specifically described in its Application and Supplemental Information, and as approved and/or limited by the District in this Agreement. Should Contractor desire an amendment to this Agreement, or to change the Services or the use of the Award, such amendment must first be approved by the District in writing.

5. **SUBMISSION OF PAYMENT REQUESTS BY CONTRACTOR.**

A. *Execution of Agreement as Condition Precedent to Payment.* This Agreement must be fully executed and returned to the District before Contractor may submit any payment request for the Award and no payment request may be submitted to the District prior to July 15th, 2021.

B. *Award Orientation.* An Award Orientation must be completed by the Contractor before Contractor may submit payment request for the Award.

C. *Contractor's Designated Representative.* All payment requests must be signed and submitted by Contractor's Designated Representative identified as Scott Altman.

D. *Documentation to Support Payment Requests.* Payment of the Award shall be made to Contractor only upon receipt of documentation deemed appropriate by the District in its sole discretion. All payment requests and follow up forms shall be submitted using the online portal established by the District, using forms provided by the District. Contractor shall attach to the payment request proper documentation showing the Services have been performed and/or the materials have been received, including without limitation all invoices for Services received, payroll records for all payroll costs, documentation of compliance with applicable federal, state and county laws, regulations, and ordinances, and any other documentation related to the Services or projects as requested by the District. If the payment request is for Services which have not yet been performed or materials which have not yet been received, the District reserves the right, in its sole discretion, to delay payment until performance or receipt, or to permit payment but to require Contractor to submit proof of performance or receipt within five (5) days following actual performance or receipt; should Contractor fail to timely provide such proof of performance or receipt, Contractor shall be in default of this Agreement. Documentation submitted by Contractor must clearly show the dollar amounts, and all documentation must be submitted in the order in which the expense appears on the itemized expense list form required by the District. No payment requests for alcohol or tobacco shall be considered to fall within the Scope of Services described in Section 3 of this Agreement. The District, in its sole discretion, may determine whether or not the payment request submitted is for items or services within the scope of Services described by Section 3 of this Agreement. Payment requests for items or services not within the scope of Services described in Section 3 of this Agreement, as determined by the District, will not be paid or reimbursed.

E. *Timing of Award Payments.* All payment requests must be timely submitted to the District not later than sixty (60) days following the date on which the Services were performed by Contractor, the materials were received by the Contractor, or the Contractor was itself invoiced for services or materials for the project. Payments shall be made only for services actually rendered and/or materials actually supplied during the payment period; no payments shall be made for services to be rendered in future time periods within the Term. The District shall process payment requests on the 1st and 15th day of each month (each a "Processing Date"). Should contractor's payment request not be received by the Processing Date, the District shall hold the payment request until the next Processing Date. The District shall not be obligated to fund any payment request that is not timely submitted by the Contractor.

F. *Retainage Amounts.* The District reserves the right, in its sole discretion, to retain up to 15% of each approved Award payment to assure Contractor's continued provision

of the balance of the Services and compliance with this Agreement. Payment of any retained amounts will be made when the District, in its sole discretion, has determined the Services have been completed in their entirety.

G. *Schedule of Payment Requests; Changes to Schedule.* All payment requests are to be submitted on the schedule established by the District during the award orientation. Contractor shall notify the District of any changes of \$50,000.00 or more to a scheduled payment request as soon as possible following Contractor's determination that a change in schedule is desired or required. All requested changes to the payment scheduled must be agreed to in writing by the District a minimum of 10 days prior to the date of the desired change in schedule. Requested changes to the payment schedule not timely received by the District shall not be approved.

H. *Final Payment Requests.* All final requests for payment at the end of the Term must be submitted to the District no later July 15th, 2024, for Services received on or before June 30th, 2024, for processing on the next Processing Date. The District shall not be obligated to fund any final payment request that is not timely submitted by the Contractor or for any Services incurred after June 30, 2024.

I. *Form of Payment.* The District prefers to make all payments of the award to Contractor through an ACH payment system. Should Contractor instead desire payment from the District by check, Contractor authorizes the District to issue checks payable to Contractor's Designated Representative at Contractor's address listed in this Agreement. Should Contractor's address change during the term of this Agreement, it shall be Contractor's sole responsibility to promptly notify the District of such change in writing.

6. **NONCOMPLIANCE.** If resort tax funds are paid to Contractor under this Agreement and Contractor is unable to provide the Services as specified in Section 3, Contractor shall notify the District immediately. If Contractor is unable to provide the Services specified in Section 3, Contractor shall immediately return any and all portions of the Award previously paid to the Contractor, unless good cause is shown by the Contractor and the District expressly agrees in writing to waive the return of such previously paid Award amounts.

7. **RETURN OF FUNDS-UNSPENT FUNDS.** If for any reason, resort tax funds awarded to Contractor have not been spent by Contractor prior to the date specified in Section 5(H) of this Agreement, the unspent Award shall not be disbursed to Contractor, but shall be retained by the District and reallocated for other purposes in the sole discretion of the District. The District shall not be obligated to re-award unspent funds from the prior year.

8. **RECORDS.** Contractor shall maintain accounts, records and other evidence pertaining to the funds expended under this Agreement during the term of this Agreement and for a period of five (5) years following the expiration of this Agreement. The system of accounting employed by the Contractor shall be in accordance with generally accepted accounting principles or other comprehensive basis of accounting and will be applied in a consistent manner so that the expenditures under this Agreement can be clearly identified from all other expenditures. Upon reasonable notice, Contractor agrees to provide the District or its designated agent with access to the accounts and records relating to the services provided and payments made under this Agreement and to subject its use of the Award for the Services to audit by the District's auditors upon the District's written request.

9. **LIABILITY.** Contractor shall hold the District, Board and all its agents and employees harmless and indemnify for any acts, errors, or omissions arising from the services provided or project performed by the Contractor which could result in any claims by the Contractor, its employees or by a third party. The Contractor shall assure the provision of the comprehensive general liability insurance that includes coverage of bodily injury, property damage, and attorney's fees incurred at all trial and appellate levels, and automobile liability, with a limit of not less than \$1,000,000.00 per occurrence. Contractor must provide proof of insurance for itself and its subcontractors to the District prior to any payments being made to Contractor under this Agreement.

10. **STATUTORY PROVISIONS.** Contractor shall comply with all applicable state, federal and local laws, and regulations.

11. **DEFAULT AND TERMINATION.**

A. In the event Contractor fails to comply with any provision of this Agreement, the Contractor shall have the right to cure such a breach within ten (10) days from receipt of written notice of the default or breach provided by the District to the Contractor.

B. In the event the Contractor fails to timely cure any breach of this Agreement as set forth in paragraph A of this Section, the District may terminate the Agreement immediately without any further opportunity of the Contractor to cure or remedy the breach.

C. Upon termination of the Agreement by the District for failure of the Contractor to perform provisions of the Agreement as described in paragraphs A and B of this Section, the District may require that all resort tax funds plus 6% annual interest from the date of receipt of the funds shall be immediately returned to the District.

D. Either party may terminate this Agreement without cause, upon thirty (30) days' written notice to the other party, provided that, if the Contractor is seeking to terminate the Agreement, Contractor must return to the District all resort tax funds previously paid under this Agreement, unless the District expressly agrees in writing that return of the funds is waived for good cause shown.

12. **ASSIGNMENT.** Contractor may not assign or subcontract any portion of this Agreement without the prior written approval of the District.

13. **INDEPENDENT CONTRACTOR STATUS.** Contractor is an independent provider or contractor. Neither the Contractor nor any of its employees are employees of the District under this Agreement nor will they be considered employees of the District under any subsequent amendment to this Agreement, unless otherwise expressed. The District is not responsible for the withholding of any state or federal taxes, or social security or other benefit contributions, nor will the District extend to the Contractor any of the benefits that it extends to employees of the District. Contractor is responsible for maintaining necessary workers' compensation coverage for its employees.

14. **OWNERSHIP OF PROPERTY.** Unless otherwise specified in this Agreement, any property purchased by the Contractor with resort tax funds in order to provide the Services under this Agreement is owned by the Contractor.

15. **INTERPRETATION.**

A. This Agreement shall be governed and interpreted according to the laws of the State of Montana.

B. The provisions of this Agreement are independent and severable, and the invalidity, partial invalidity, or unenforceability of any one provision or portion shall not affect the validity or enforceability of any other portion.

16. **ENTIRE AGREEMENT.** This Agreement, and all documents incorporated herein by reference including without limitation the Application and the Supplemental Information, constitutes the entire agreement between the parties. No alterations, modifications, or additions to this Agreement shall be binding upon the parties unless reduced to writing and signed by the parties.

17. **NOTICES.** Any notices, demands, or other communication required by this Agreement to be in writing shall be delivered (i) in person, against receipt, (ii) by certified mail, postage prepaid, return receipt requested, (iii) by U.S. Express Mail or a commercial overnight courier that guarantees delivery within the next two business days, or (iv) by email if the original notice is also served by one of the processes described in (i), (ii) or (ii) above. Such notices shall be addressed as follows:

To the District: Daniel Bierschwale
Executive Director
Big Sky Resort Area District
11 Lone Peak Drive, Suite 204
P.O. Box 160661
Big Sky, MT 59716

To the Contractor: Scott Altman
Manager
Gallatin Canyon Water and Sewer District
PO Box 161242
Big Sky, MT 59716

All notices complying with this Section shall be effective only upon delivery.

18. **AVAILABILITY OF FUNDS.** The District and Contractor agree that if, for any reason, revenues received from the collection of the resort tax are insufficient to pay the Award, the District may unilaterally adjust the Award based on actual availability of cash and revenue and without liability or remedy to Contractor.

19. **PUBLIC ACKNOWLEDGEMENT OF RECEIPT OF DISTRICT**

FUNDING. Contractor shall provide prominent public acknowledgement that the District has funded the Services and/or project(s) described in Contractor's Application. Each project is uniquely different and may require direct coordination with the District to ensure compliance. Acknowledgement applies to, but is not limited to, printed materials, online materials, press, billboards, plaques, online ads, website recognition, and public events. Contractor should receive approval from the District prior to public acknowledgement. Contractor further agrees to provide photos or printouts of Contractor's Services or projects for use by the District in promotional or other materials. During Award Orientation, Contractor will work with the District to form a recognition plan.

20 **PROJECT IMPACT REPORTS AND MEETINGS.** Contractor shall submit a minimum of one project impact report and attend one annual project meeting with the District detailing the progress it has achieved in providing the Services funded by the District. Dates of the Impact Meeting will be determined by the District.

BIG SKY RESORT AREA DISTRICT:

CONTRACTOR:


Daniel Bierschwale (Jul 8, 2021 09:27 MDT)


Scott Altman (Jul 8, 2021 11:10 MDT)

Name: Daniel Bierschwale

Name: Scott Altman

Title: Executive Director

Title: Manager

Date: 7/8/21

Date: 7/8/22

LOCAL GOVERNMENT AT WORK:
FALL COMMISSION/BSRAD MEETING

October 5th, 2022 | 9:00am

This meeting will be conducted in person at the Wilson Hotel
(145 Town Center Ave, Big Sky, MT 59716) and virtually using ZOOM.

To join through Zoom visit: <https://us02web.zoom.us/j/86756788010>

I. Open Meeting

- | | | |
|--|---|------|
| A. Roll Call | — | 9:00 |
| B. Public Comment | | |
| C. <u>Consent Agenda: Action</u> | — | 9:05 |
| a. <u>Approval of Minutes: September 14th, 2022</u> | | |
| b. <u>Finance Report: July 2022</u> | | |
| D. Regular Agenda | | |
| 1. Old Business | | |
| a. <u>Ordinance 98-01 Second Reading: Action</u> | — | 9:10 |
| b. <u>MT 64 TIGER Grant Update - Sanderson Stewart: Discussion</u> | — | 9:15 |
| c. <u>Big Sky Post Office - Al Malinowski: Discussion</u> | — | 9:20 |
| d. <u>Madison County Polling Station - John Heckler: Discussion</u> | — | 9:25 |
| e. <u>Jack Creek Road - Madison County: Discussion</u> | — | 9:30 |
| 2. New Business | | |
| a. <u>Big Sky Evacuation Plan - Sheriff Dan Springer: Discussion</u> | — | 9:35 |
| b. <u>Big Sky Emergency Planning - Patrick Lonnergon & Joe Brummel: Discussion</u> | — | 9:40 |
| c. <u>Big Sky Economic Impact Report -</u> | | |
| <u>Northern Rocky Mountain Development District: Discussion</u> | — | 9:45 |
| d. <u>Big Sky Water Supply - Bureau of Mines: Discussion</u> | — | 9:50 |
| E. Public Comment | | |

BIG SKY RESORT AREA DISTRICT

ORDINANCE No. 98-01-ORD, as amended

Adopted on: October _____, 2022

(Effective on: November _____, 2022)

AN ORDINANCE PROVIDING FOR THE ADMINISTRATION OF THE RESORT TAX WITHIN THE BIG SKY RESORT AREA DISTRICT

PURSUANT TO THE AUTHORITY VESTED IN THE BIG SKY RESORT AREA DISTRICT BOARD OF DIRECTORS UNDER § 7-6-1505, §7-6-1542 and §7-6-1547, MCA, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE BIG SKY RESORT AREA DISTRICT TO AMEND ORDINANCE NO. 98-01-ORD AS FOLLOWS:

Section 1. Purposes:

- (1) The purpose of the District is to provide for the local collection, appropriation, and expenditure of resort taxes.
- (2) The purpose of the resort tax is to tax (a) Goods and Services sold to tourists and transient visitors, but which locals and other members of the general public also may purchase, and (b) Luxuries. Necessities of Life are not intended to be taxed.
- (3) Resort taxes are to be collected on all Goods and Services sold by Enumerated Establishments.
- (4) Resort taxes are to be collected on all Luxuries wherever they are sold within the District.
- (5) If first approved by a majority of the qualified electors voting on the question, the District may impose an additional tax of up to one percent (1%) on Goods and Services and on Luxuries to fund specific infrastructure projects consistent with Title 7, Chapter 6, Part 15, MCA.
- (6) Resort taxes collected will be used to fund infrastructure facilities or projects, public transportation, tourism development, and other public services and facilities within the District as well as all costs associated with the collection, administration, appropriation, expenditure, litigation of resort taxes; consistent with Ordinance No. 99-01-Ord.

Section 2. Effective Date of the Resort Tax and of the Big Sky Resort Area District: Pursuant to the election held on April 13, 1992 in Gallatin County, and the election held on April 21, 1992 in Madison County, a majority of the qualified electors authorized a resort tax within the District, the resort tax became effective on June 1, 1992. The District became effective on April 7, 1998.

Section 3. Duration of the Resort Tax: The original duration of the resort tax was for twenty (20) years commencing on June 1, 1992 and terminating on June 1, 2012. On November 7, 2006, by a majority vote of the qualified electors, the District was extended twenty (20) years and shall terminate on June 1, 2032 unless further extended.

Section 4. Definitions: For purposes of this Ordinance, the following definitions apply:

- (1) “Administrative Officer” means the person hired by the District Board to lead the administration of the resort tax and the District’s business and who serves at the pleasure of the District Board.
- (2) “Audit” means the examination of the books, records, accounting, sales, and financial data of a business pursuant to agreed-upon procedures by the District’s auditor.
- (3) “District” or “Big Sky Resort Area District” means the district created under sections 7-6-1531 through 1550, MCA, that has been established as a resort area under section 7-6-1508.
- (4) “District Board” means the board of directors of the Big Sky Resort Area District elected pursuant to Title 7, Chapter 6, Part 15, MCA.
- (5) “Enumerated Establishments” means each of the following businesses:
 - a. hotels, motels, and other lodging or camping facilities;
 - b. restaurants, fast food stores, or other food service establishments;
 - c. taverns, bars, night clubs, lounges, and other public establishments that serve beer, wine, liquor, or other alcoholic beverages by the drink; and
 - d. destination ski resorts and other destination recreational facilities.

If any establishment operates one or more of the above enumerated businesses, and simultaneously operates other lines of business that do not reasonably fall within the above definition, then the establishment must collect taxes on that portion of its business that falls within one of the above enumerated businesses. Each situation will be evaluated at the time of business registration and a determination will be made.

- (6) “Goods and Services” means any tangible consumable item, any item of merchandise, any beverage or food, and any service offered for compensation, which are sold at any Enumerated Establishment. The term does not include items sold at wholesale; or items sold by individuals for resale (such as garage sales or ski/gear swaps).
- (7) “Luxuries” means goods, services, products, or items sold at retail that are not considered Necessities of Life, including but not limited to each of the following:
 - a. any item of clothing;
 - b. any purchase or rental of sporting goods, or recreational equipment;
 - c. all recreational activities, lessons, or guided tour services provided on land, water, or air which charge compensation in the form of daily fees, season passes, limited use passes, punch-cards, or other fees or dues to participate;
 - d. all souvenirs, curios, antiques, jewelry, books, games, and home accessories; gift, art, and photographic items; food gift items prepared and sold as a package or unit, flowers not used in landscaping; and sales of fireworks;
 - e. all prepared, or served food; and all food, food truck, catering, and/or private chef services;
 - f. all tobacco, nicotine, nicotine delivery devices, and other tobacco related products;
 - g. all alcohol, excluding any sold at wholesale;

- h. all recreational marijuana, recreational marijuana delivery services, and other recreational marijuana related products;
- i. all entertainment, including but not limited to, tickets or other admission fees, dues or payments for concerts; theaters; movies; shows; plays; sporting events; firework displays; rental movies, rental video games, and all related rental equipment; haunted houses and escape rooms;
- j. massages, facials, manicures, pedicures, and all other day spa services, unless prescribed by a physician;
- k. all event and entertaining services of any kind for events such as parties, weddings, meeting groups, and reunions, including, but not limited to space and facility rental, equipment rental, photography, florist, catering, and event planning/management;
- l. all unrelated business taxable income of any tax-exempt, non-profit, or educational organization; and/or
- m. all rental agreements for all lodging facilities, including without limitation all charges and fees a renter must pay to facilitate the rental of the facility, any management fees or other service fees arising from or related to the rental of the facility, and any fees for a service, commission, or other charge by any online hosting platform, except rental agreements for rental of a facility or unit to the same user for thirty (30) consecutive days or more and employee housing regardless of duration or location within the District.

(8) “Medical Supplies and Services” means items or services that are sold to be used for health care, curative, prosthetic, or medical maintenance purposes, whether or not prescribed by a physician.

(9) “Medicine” means substances sold for curative or remedial properties, including both; physician prescribed and over-the-counter medications.

(10) “Necessities of Life” means each of the following wherever sold within the District:

- a. all food purchased and unprepared or unserved including without limitation to all food or beverage items qualifying for purchase under the Supplemental Nutrition Assistance Program (“SNAP”) whether or not the purchaser of the item actually qualifies to participate in the program administered by the USDA Food and Nutrition Service and regardless of the origin of the item;
- b. all forms or methods of transportation;
- c. all utility services;
- d. all gasoline, diesel, ethanol, and other motor fuel;
- e. all landscaping, snow removal services, and other similar property management, and maintenance services;
- f. all propane and home heating fuel;
- g. all personal hygiene products of any kind;
- h. all Medicine;
- i. all Medical Supplies and Services;
- j. all business equipment;
- k. all appliances;
- l. all hardware supplies and tools;
- m. all Goods and Services, Luxuries, or programs offered or provided by tax-exempt, non-profit, or educational organizations other than such organization’s unrelated business taxable income.

Section 5. Rates of Resort Taxes: The rate of the resort tax is three percent (3%) of the retail value of all Good and Services sold at Enumerated Establishments, and three percent (3%) of the retail value of Luxuries sold anywhere within the District (“Resort Tax”). The District shall also be permitted to provide for an additional tax of up to one percent (1%) on the retail value of Goods and Services and of Luxuries to specifically support infrastructure projects as authorized by MCA §7-6-1503(1)(b), if such additional infrastructure tax is first approved by a majority of the qualified electors voting on the question(“Infrastructure Resort Tax”). The imposition and collection of any Infrastructure Resort Tax must also comply with all other applicable sections of Title 7, Chapter 6, Part 15, MCA.

Section 6. Taxation of Goods and Services: All Goods and Services sold at Enumerated Establishments within the District are subject to resort taxes.

Section 7. Taxation of Luxuries: All Luxuries wherever sold within the District are subject to resort taxes.

Section 8. Exemptions from Resort Taxes: All Necessities of Life, sold within the District, other than those sold at establishments enumerated in section 4, are exempt from all resort taxes.

Section 9. Business Registration: All establishments, businesses, and vendors operating within the District, whether providing Good and Services, Luxuries, or Necessities of Life, must register with the District per established procedures. All event organizers operating within the District must require all vendors operating at any of its events within the District to register with the District per established procedures. Failure to timely register with the District, and failure of an event organizer to require each vendor operating at any of its events within the District to timely register with the District is deemed a violation of the Ordinance and such establishment, business, vendor, and/or event organizer will be subject to fines and penalties set forth in Section 17 below.

Section 10. Time of Remittance of Resort Taxes:

- (1) For establishments that remit resort taxes on a monthly basis, the resort taxes collected must be received by the District on or before the last day of each month for the prior month.
- (2) For establishments that remit resort taxes on a quarterly basis, the resort taxes collected must be received by the District on or before the last day of April, July, October, and January for the prior quarter.
- (3) Resort taxes collected must be paid to the District pursuant to the policies and procedures of the District which are available for viewing on the District’s website or upon request. Any delinquent payments will be subject to the penalties, interest and late fees described in Section 17.
- (4) Establishments that collect less than \$5,000 of resort taxes in the prior year, extending from January through December, may remit the resort taxes collected on a quarterly basis as set forth in (2) above.
- (5) Establishments that operate seasonally within the District have the option to remit resort taxes seasonally per the District’s established policies and procedures.

Section 11. Administration Withholding Permitted by Establishment: Pursuant to section 7-6-1505, MCA, each establishment collecting resort taxes is entitled to withhold the authorized maximum of five percent (5%) of the resort taxes collected to defray the establishment's costs for the administration of the tax collection. The administration fee may be withheld by the establishment at time of remitting the resort taxes to the District.

Section 12. Reporting Forms for Resort Tax - Confidentiality:

- (1) The District Board shall provide each establishment within the District responsible for collecting the resort taxes with the proper forms for reporting and accounting for the resort taxes collected.
- (2) The records and forms submitted to the District Board by the establishments shall be confidential and not open to public inspection unless so ordered by the District Board pursuant to Article II, Sections 9 and 10, of the Constitution of the State of Montana, a court of competent jurisdiction, or upon the filing of an action in District Court.

Section 13. Maintenance of Records by Establishments: Each establishment required to collect and remit resort taxes shall keep, maintain, and preserve for a period of not less than five (5) years all records necessary to determine the accuracy of the taxes collected and remitted and shall make the same available for Audit or inspection on its business premises by the District at all reasonable times. It is the obligation of each business that is required to collect and remit resort taxes to substantiate its compliance with this Ordinance through accurate and proper record keeping which may include disclosure on customer receipts or other forms of notifications to customers as defined by the District's established policies and procedures.

Section 14. Audits: Periodic random Audits shall be conducted under the direction of the District and all establishments shall cooperate in all respects in the conduct of the Audits. Any Audit shall be for the previous calendar year and shall be conducted in Big Sky on the premises of the establishment collecting the resort tax or at such other location as the District may determine. If the Audit determines a deficiency, the District shall have the discretion but not the obligation to Audit the previous three (3) years and may further require a follow-up Audit on the next reporting year. Payments and/or arrangements for payment of the amount determined as outstanding resort taxes owed must be paid or payment arrangements made within thirty (30) days of the date of the notification of the Audit results. Failure to cooperate in any Audit, including the failure to comply with agreed upon procedures, to provide information, or to make the appropriate records available in Big Sky within fourteen (14) calendar days of the auditor's scheduled Audit, shall constitute a violation of the provisions of this Ordinance and may result in the imposition of penalties set forth in Section 17.

Section 15. Enforcement of Collection of Resort Tax: The District Board shall enforce the collection of resort taxes and oversee the methods and procedures to be used in the enforcement as described in Ordinance No. 2008-1-Ord.

Section 16. Administrative Determinations and Appeals:

- (1) The Administrative Officer and his/her agents, employees, or designees shall be responsible for answering questions regarding those Enumerated Establishments, those Goods and Services, and those Luxuries that are subject to resort taxes, and for interpreting any other term, condition or obligation set forth in this Ordinance. All questions related to the imposition or collection of resort taxes shall be submitted to the Administrative Officer in writing and shall be answered in thirty (30) working days or less. The Administrative Officer shall maintain a written file of all questions and interpretations rendered. The Administrative Officer, in his/her discretion, may seek advice and/or guidance from the Board and its attorneys.
- (2) Any determination rendered by the Administrative Officer pursuant to Section 16 (1) may be appealed to the Board; provided, that notice of appeal shall be in writing and shall be filed with the Board within thirty (30) days of the issuance of the Administrative Officer's determination or interpretation. After receipt of an appeal, the Board shall, at the next open board meeting, fix the time and place for hearing the appeal, and the Board shall cause notice in writing to be personally served upon the appellant. The findings and decision of the Board shall be final and conclusive and shall be served upon the appellant in the manner prescribed for service of notice of hearing or by certified mail directed to the appellant's last known address.

Section 17. Penalties, Interest, Late Fees and Liens:

- (1) The following penalties, referrals, or liens may be imposed as authorized by section 7-6-1505, MCA, for failure to report resort taxes due, failure to remit resort taxes due, and violations of this Ordinance:
 - a. a criminal penalty, not to exceed a fine of \$1,000 or six-months imprisonment, or both;
 - b. a civil penalty if the District prevails in a suit for the collection of resort taxes, not to exceed fifty percent (50%) of the resort taxes found due, plus the costs and attorney fees incurred by the District in the enforcement action;
 - c. upon referral to the County Commissioners of Gallatin or Madison Counties, revocation of the county license held by the offender, if applicable;
 - d. upon proper legal procedure secure and file a lien against the property of the establishment failing to report, collect or remit resort taxes.
- (2) The Administrative Officer is authorized to report any establishment which is delinquent in its collection or remittance of resort taxes to any county, state or federal licensing authorities administering any licenses held by such establishment and request that such licensing authority take action to suspend or revoke such license until the required resort taxes are paid in full. Nothing in this Ordinance shall be presumed to require any licensing authority to take any specific action.
- (3) Delinquent taxes shall bear interest at the rate of one percent (1%) per calendar month, for the delinquent month (12% per annum). The assessed interest of one percent (1%) per month, shall apply after the last day of the month in which the payment is due, and to each subsequent month, regardless of when the payment is made; and
- (4) A late fee shall be assessed for each reporting month that is delinquent.

Section 18. Appropriation and Expenditure of Resort Tax:

- (1) All revenues derived from the imposition of the Resort Tax or from the Board Meeting Packet

Infrastructure Resort Tax will be appropriated by the District Board in compliance with Title 7, Chapter 6, Part 15, MCA and with District Ordinance No. 99-01-Ord.

- (2) The Board may issue bonds and pledge the proceeds to implement the appropriation, expenditure and purpose of resort taxes as authorized in section 7-6-1542, MCA, and consistent with District Ordinance No. 2014-02-Ord.

Section 19. Authority to Hire Administrative and Other Employees: The District Board may hire an Administrative Officer and other employees to assist in the administration, collection, and oversight of the resort taxes and who shall serve at the pleasure of the District Board.

Section 20. Ratification: The District Board hereby ratifies all prior appropriations and obligations of resort tax funds made by the Madison and Gallatin County Commissions which preceded the creation of the District.

Section 21. Severance Clause : If any section, subsection, subdivision, paragraph, sentence, or phrase of this Ordinance or any part thereof is for any reason held to be unconstitutional or in violation of any law, such decision shall not affect the validity of the remaining portions of this Ordinance or any part thereof.

Section 22. Amendment of Ordinance: This Administrative Ordinance may be amended at any time thereafter as may be necessary to effectively administer the resort tax and must include the requirements of section 7-6-150 5, MCA, but may not be amended to alter the specifications contained in the original ballot approved by the electors creating the resort area and imposing the resort tax.

Section 23. Map of Big Sky Resort Area District: A map of the District as approved by the electors on April 7, 1998, is attached to this Ordinance for reference.

Passed by the District Board of the Big Sky Resort Area District on the following dates:

1st Reading | Date: September 14, 2022 Vote: _____ in Favor with _____ Opposed

2nd Reading | Date: October _____, 2022 Vote: _____ in Favor with _____ Opposed

By:

Chair, Sarah Blechta

Vice Chair, Ciara Wolfe

Secretary & Treasurer, Steve Johnson

Director, Kevin Germain

Director, Grace Young