



MISSOURI RIVER COUNTRY



Regional Assistance Program Guidelines

Commerce Destination MT Division

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I. Introduction

In 2025, Montana Senate Bill 409, codified at MCA 15-65-121, revised the laws related to the Montana Department of Commerce and the lodging facility use tax, commonly known as the bed tax. The bill updates Senate Bill 540 from the 2023 legislation, restructuring the allocation of bed tax revenue by specifying how Commerce can use these funds for purposes such as tourism promotion and grants. One of the programs the Montana Department of Commerce established in 2023 in furtherance of the legislative directive is the Regional Assistance Program (RAP or Program). The Program assists Regional Nonprofit Tourism Corporations (“Regions”) and Convention and Visitor Bureaus (“CVBs”) to:

- (i) build additional capacity;
- (ii) coordinate with the Department’s Destination MT Division (“Division”) on tourism strategies;
- (iii) collectively develop and enhance Rural and Under-visited tourism opportunities, including asset development and collaborative promotion, to increase visitor commerce; and
- (iv) generate community revenue for the benefit of local economies.

The RAP application, funding guidelines, and other relevant information and resources are available on the Department’s Destination MT website at: commerce.mt.gov/Business/Programs-and-Services/Tourism-Marketing/Tourism-Grant-Program/Regional-Assistance-Program. Interested entities can also e-mail Division staff at tourismgrants@mt.gov or call staff at (406) 841-2870 regarding any questions they may have about RAP.

The first application cycle ran in March of 2024, with the primary application cycle running every two years following the first cycle. Each year in between the primary cycle, an application cycle will also be available for any newly designated Convention and Visitor Bureau to apply if it is eligible, resulting in an interim cycle.

- Contracts within a primary grant cycle will consist of two-year terms
- Contracts within an interim grant cycle will consist of one-year terms so they can align with future cycles

II. Definitions

Convention and Visitor Bureaus or CVBs: A nonprofit corporation organized under Montana law and recognized by a majority of the governing body in the city, consolidated city-county, resort area, or resort area district in which the bureau is located. See § 15-65-101(4), MCA.

Key Performance Indicator or KPI: A quantifiable measure used to evaluate an organization, team, or an individual's success in achieving specific, critical business objectives or goals over time. Grantee's KPI within their RAP application will show the success of their work throughout the grant lifecycle shown within quarterly reports.

Regional Nonprofit Tourism Corporation or Region: Montana law defines this term to mean "a nonprofit corporation organized under Montana law and recognized by [TAC] as the entity for promoting tourism within one of several regions established by executive order of the governor." See § 15-65-101(7), MCA.

Rural: For purposes of the RAP grant, a Rural area is defined as any area that is not "Urban," as defined below.

Tourism Advisory Council or TAC: Created by § 2-15-1816, MCA, TAC's statutory duty is overseeing distribution of funds to Regional Nonprofit Tourism Corporations for tourism promotion, nonprofit Convention and Visitors Bureaus, and the state-tribal economic development commission established in § 90-1-131, MCA, on behalf of an Indian tourism region in accordance with Montana law.

Tourism Asset: Any feature of a destination that either attracts leisure visitation or supports a leisure visitor's ability to travel, to stay at, or engage with a travel behavior at the destination.

Under-visited: The 4% Lodging Facility Use Tax dataset determines if a place is over or Under-visited, based on a 3-year average of a CVB's bed tax collection. If a CVB's bed tax collection is below the simple average of all CVBs' bed tax collections, then it is Under-visited. This designation is analyzed every year and can be viewed at arcgis.com.

Urban: Urban places are: 1) a census urban area with a population at or exceeding 30,000 people according to the most recent United States census; or 2) an incorporated city/town within 10 miles of one of those large urban areas. Areas in Montana that meet this definition currently include Belgrade, Billings, Bozeman, Butte, Columbia Falls, East Helena, Great Falls, Helena, Kalispell, Laurel, Missoula, Walkerville, and Whitefish.

III. Eligible Applicants

Applicants for RAP include:

- TAC-recognized CVBs with an annual budget below \$75,000, as assessed by the most recent TAC-approved marketing plan budget at the time the application cycle opens.
- Regional Nonprofit Tourism Corporations with an annual budget below \$500,000, as assessed by the most recent TAC-approved marketing plan budget at the time the application cycle opens.

Additional Eligibility Requirements for all Applicants:

- **Collaborative Applications** - An eligible CVB and an eligible Region can apply separately for the same project within the same funding cycle if the applications identify their mutual intention to coordinate.

- **Active Contract Limitations** – Only one RAP contract can be actively worked on at once. However, eligible CVBs and Regions can apply for the next cycle and begin contracting so that as one contract is closed out, they can seamlessly roll into the next cycle of funding. If a RAP grantee is behind on their active contract and requires extension, they will not be eligible to contract for the next cycle and will have to wait until the future primary cycle to apply again.
- **Contract and Reporting Requirements** – Applicants must sign a contract with the Department prior to receiving RAP funds. Grantees must submit to the Division a final report no more than 24 months after contract execution in the form required by the Division, providing the Division with reporting on KPIs established in the grantee’s application demonstrating how the grantee effectively used RAP funds to further the purpose of the program. The Division will use previous performance and successes when evaluating future applications and has the right to withhold funds for any CVB or Region that has not successfully expended funds or has failed to use funds correctly.

IV. Eligible Projects

Eligibility Requirements for All Projects:

To be considered for RAP funding, all eligible applicants must apply proposing a project that is in alignment with the Division’s strategic plan, the Division’s tourism marketing strategy, and/or a regional or state resiliency plan. The Division’s strategic plan, marketing strategy and resiliency plans are posted at:

commerce.mt.gov/Business/Programs-and-Services/Tourism-Marketing/Resources.

Each proposal must reference KPI goals and/or any other measurements of success in alignment with metrics actively being tracked by the Division. Quarterly, each grantee must provide a progress report to the Division, in the format required by the Division, demonstrating the net impact per KPIs. A final report at the end of the funding cycle will also be required.

Applications should identify:

- Whether the proposed project is ready to be immediately implemented; and
- A timeline of what project activities will occur within the 24 months following the award date.

The applicant must demonstrate readiness by including a plan and coinciding budget with the application. Although projects can have multi-year phases, applicants must be able to complete all required deliverables within the grant cycle and final reporting must be submitted to the Division in accordance with the contract and to close out projects.

V. Funding Availability

RAP funding is authorized by MCA 15-65-121, which allocates a percentage of the 4% Lodging Facility Use Tax to the Department for this purpose. Annual grants are subject to funding availability.

The Division generally will provide RAP funding to selected grantees as follows:

- **Funding for Years 1 and 2** - For both years of the initial two-year grant cycle, the Division will provide grantees with an award amount that is equal to the difference between their most recent TAC-approved marketing plan budget at the time the application cycle opens, and:
 - a. \$75,000, for an eligible Convention and Visitor Bureau
 - b. \$500,000, for an eligible Tourism Region.

For example, if a Tourism Region's TAC-approved marketing plan budget were \$100,000, they would be eligible to receive up to \$400,000 both years of the grant cycle.

- **Funding for Year 3 and beyond** - The Division will determine whether a grantee is entitled to continue receiving RAP funds by evaluating their performance during the prior funding cycle. This evaluation will include an assessment of the

grantee's performance using KPIs/measurements and will determine whether the grantee's proposals continue to align with the Division's strategic plan, the Division's tourism marketing strategy, and/or a regional or state resiliency plan. In years 3 and beyond, grantees are not guaranteed to receive the full amount of RAP funding they received during the initial two-year award period.

- **Quarterly Disbursements** – The Division will issue funds to grantees in quarterly disbursements. An initial disbursement, depending on total amount awarded and the cycle, will occur upon contract signature to start project activities, with each additional disbursement at time of quarterly reporting. Please review the reporting schedule below when planning budget activities and payments. For a breakdown of funding to better understand disbursements, please reach out to Destination MT.

Quarterly reports will be required to illustrate the appropriate expenditure of the previous quarter's funding and progress toward contract deliverables prior to the next quarterly disbursement.

- **Expenditure Requirements** – In order to be considered appropriately expended, RAP grantees will be required to illustrate in the quarterly report that:
 - The previous quarter's funds were 85% expended during the quarter, along with a plan for how the remaining 15% will be expended: OR
 - 100% of the quarterly funds upon which they are reporting are committed for expenditure by the end of a designated future quarter

If a quarterly disbursement is withheld due to a grantee not meeting requirements of 85% expenditure, this disbursement will be added to a future disbursement once the grantee demonstrates ability to expend 85% of this total amount.

- **Quarterly Reporting Deadlines** – Quarterly report deadlines fall on March 31, June 30, September 30, and December 31. If a quarterly report has not been received by the Division 30 days after the due date, then the Division will consider the Region or CVB to be in breach of contract.

VI. Application Process

RAP accepts applications through the MT Grants and Loans portal, <https://montana.servicenowservices.com/mtgl>. Links are only available and accessible during the call for submissions. The online RAP application must be received by midnight mountain standard time of the application close date, which is posted on the program webpage at the time of each cycle.

- **Completeness Review** - All applications received through the MT Grants and Loans portal are reviewed for completeness. All complete applications received by midnight mountain standard time on the application close date will be reviewed and evaluated by the review committee.
- **Committee Review** - The review committee will review completed applications by applying the review criteria identified below before making recommendations to the Department's Director.
- **Supplemental Information** - During the review, staff may contact an applicant to discuss any concerns or questions, or to request additional information or documentation. Staff may require additional information from the applicant to clarify information presented in the application; however, the applicant may only submit additional information after the initial application if specifically requested by Destination MT staff.

VII. Application Review Criteria

The RAP review committee uses the following criteria to evaluate applications for RAP funding:

1. Project Details and Anticipated Performance per KPIs:

An applicant's performance metrics must align with the Division's strategic plan and/or the Division's tourism marketing plan, be demonstrable, and be achievable. Project details must demonstrate collaboration and ability to enhance

Rural and/or Under-visited tourism opportunities, including asset development and collaborative promotion, to increase visitor commerce and generate community revenue for the benefit of local economies.

2. Connection to Strategic Plans:

Detail on connection to regional or state resiliency plans, <https://commerce.mt.gov/Business/Programs-and-Services/Tourism-Marketing/Tourism-Grant-Program/Resiliency-Plan-Implementation-Grant-Program>, the Division's strategic plan, <https://commerce.mt.gov/Business/Programs-and-Services/Tourism-Marketing/Resources>, and/or the State's tourism marketing plan. All proposals must show specific alignment with at least one of these strategic initiatives.

3. Budget Detail:

Applicants must submit a detailed proposed budget for the two-year award period delineating where and how RAP funds will be spent, including a breakdown of all administrative and personnel costs/budgets.

4. Work Plan:

Applicants must provide a detailed staffing plan for any employee or contracted service supported with these funds, including job description and percentage of time dedicated to the proposed project.

5. Timeline Details:

Applicants must provide a detailed timeline for all components and benchmarks for the project they will complete during the two-year grant cycle, from grant award through final reporting.

Special Consideration and Preference:

1. Administrative Costs:

Up to 20% of the grant award amount per cycle can be used for administrative purposes, including personnel specific to the project. This can be applied to existing staff, new staff positions, and/or contracted services. Allowable administrative expenses must align with allowable administrative expenses outlined in the Regulations and Procedures for Region/CVB Tourism Organization use of Bed Tax Revenue, published January 2022, located here as well as any updates: https://brand.mt.gov/_shared/Regions-CVBs/docs/Resource-Page/January-2022-Rules-and-Procedures.pdf.

2. Economic Impact Requirements:

CVBs that apply for RAP funding must show projected measurable economic impact to the city, consolidated city-county, resort area, or resort area district in which the CVB is located. Tourism Regions that apply for RAP funding must show projected measurable economic impact within Rural and/or Under-visited area(s) of the region.

A map of current Rural and Under-visited areas can be found at:

commerce.mt.gov/Business/Programs-and-Services/Tourism-Marketing/Tourism-Grant-Program/.

VIII. Award Process and Grant Administration

The RAP review committee will forward its recommendations to the Department's Director for final review and funding approval. All applicants will be notified of funding decisions by e-mail. Once applicants have been notified of funding decisions, those approved for funding must complete the contracting process initiated by the Department to receive RAP funds.

MEDIA ANNOUNCEMENT INFORMATION FOR GRANTEES

 **COMMERCE**

The Montana Department of Commerce will issue an initial press release and social media post announcing all awardees of its grants. Commerce kindly asks grant recipients to refrain from issuing their own news releases, social media posts or public announcements until after Commerce has made its official announcement. This ensures a coordinated and consistent message regarding all grant awards. Once the initial press release has been issued, grantees are welcome to share their news. Commerce appreciates being tagged on Facebook or LinkedIn social posts generated by grantees.