



Tourism Development and Enhancement Revolving Loan Fund

Montana Department of Commerce

Grant Program Guidelines

Tourism Development and Enhancement Revolving Loan Fund— Grant Program Guidelines Summary

The Montana Department of Commerce (“Commerce”) has created the Tourism Development and Enhancement Revolving Loan Fund Grant Program (the “Program”). The 2023 Montana Legislature directed Commerce to facilitate the creation of Tourism-focused revolving loan funds by enacting Section 1(d) of SB 540.

Commerce will award Program funds as grants to eligible applicant Economic Development Organizations (“EDOs”), which must use those funds to create new revolving loan funds that support Montana’s Tourism economy. Commerce anticipates awarding up to \$24,000,000 in Program funds during the first application cycle. Commerce’s Destination MT Division (“Destination MT”) will administer the Program in accordance with these Guidelines.

These Guidelines establish general requirements for eligible applicants. Applicants may submit to Commerce a written request for a waiver of specific guideline requirements identifying the basis for the requested waiver when applying. Commerce will review written waiver requests during the application review process described below.

Purpose:

The purpose of the Program is to create a public-private partnership between the State of Montana and local Economic Development Organizations. The sole purpose of that public-private partnership is to support Montana’s tourism economy. Commerce will provide Program funding as grants to qualifying EDOs, which must use those grant funds in accordance with these Guidelines and the contract they sign with Commerce.

Through supporting Tourism development and enhancement, the Program will: (a) create good-paying jobs for Montana residents; (b) promote long-term, stable economic growth in Montana’s Tourism economy; (c) retain or expand existing Tourism-related businesses; (d) provide a better life for future generations through greater economic growth and prosperity in Montana; and (e) encourage workforce development in Montana’s Tourism economy.

Alternative accessible formats for this document will be provided upon request. If you need this document in an alternative format, such as large print, Braille, audio tape, or computer diskette, please contact the Montana Department of Commerce Destination MT Division at 406-841-2870, TDD 406-841-2702, or the Relay Services number, 711.

The Department of Commerce does not discriminate based on disability in admission to, access to, or operations of its program, services, or activities. Individuals who need aid or services for effective communications or other disability-related accommodations in the programs and services offered are invited to make their needs and preferences known. Please provide as much advance notice as possible for requests.

Definitions:

Convention and Visitor Bureau (“CVB”): A Convention and Visitor Bureau is “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. More information on CVBs can be found at [hXps://brand.mt.gov/Programs/Office-Of-Tourism/Tourism-Regions-and-CVBs](https://brand.mt.gov/Programs/Office-Of-Tourism/Tourism-Regions-and-CVBs).

Economic Development Organization (“EDO”): An Economic Development Organization is either: (i) “a private, nonprofit corporation, as provided in Title 35, chapter 2, that is exempt from taxation under section 501(c)(3) or 501(c)(6) of the Internal Revenue Code, 26 U.S.C. 501(c)(3) or 501(c)(6);” or (ii) “an entity actively engaged in economic development and business assistance work in a region of the state.” See § 90-1-201(2)(b), MCA.

Regional Nonprofit Tourism CorporaFon (“Region”): A Regional Nonprofit Tourism CorporaFon is a “nonprofit corporation organized under Montana law and recognized by the [Montana Tourism Advisory Council] as the entity for promoting tourism within one of several regions established by executive order of the governor.” See § 15-65-101(7), MCA. More information on Regions can be found at [hXps://brand.mt.gov/Programs/Office-Of-Tourism/Tourism-Regions-and-CVBs](https://brand.mt.gov/Programs/Office-Of-Tourism/Tourism-Regions-and-CVBs).

Rural: For purposes of this Program, a Rural area is any area that is not “Urban,” as defined below.

Tourism: For the purposes of this Program, Tourism is the activity or practice of traveling for recreational purposes.

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, it is Under-visited. This designation will be analyzed every year and the Layered Map of Urban and Overvisited Designations will be updated accordingly.

Urban: Urban places are either: 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 or town within 10 miles of one of those large urban areas. Areas in Montana that meet this definition currently include Billings, Bozeman, Butte, Great Falls, Helena, Kalispell, Missoula, Belgrade, Columbia Falls, East Helena, Laurel, Walkerville, and Whitefish. See the [Layered Map of Urban and Overvisited Designations](#) for more information.

Eligible Applicants:

Each EDO in Montana with an existing revolving loan fund is eligible to apply for Program funding. To apply, the EDO also must be registered to do business with the Montana Secretary of State. To receive Program funding, eligible EDOs must agree to act in accordance with these Guidelines and sign a contract with Commerce. If you have additional questions involving eligibility, please contact Destination MT staff at 406-841-2870.

Eligible Uses of Program Funds:

EDOs that are awarded Program funds may only use those funds as provided in these Guidelines, i.e., to establish new revolving loan funds that support Montana Tourism. Commerce anticipates awarding up to \$24,000,000 in Program funds as grants to eligible EDOs (the “Grantees”) during the first application cycle. Grantees must use Program funds to create new revolving loan funds (“RLF”), separate from Grantees’ existing RLFs, to support Tourism development or enhancement in Montana. To be considered as Tourism developing or enhancing, loans supported with Program funds must:

1. Support Tourism projects that have an existing continuous revenue stream, or that reasonably can be expected to develop a continuous revenue stream (i.e., no events);
2. support development, restoration, or upgrades of permanent Tourism assets or Tourism-related infrastructure (i.e., no temporary structures);
3. increase or reasonably expect to increase Tourism visitation or support existing Tourism visitation; and
4. be verified as a Tourism-related project via a letter of support from the relevant Region or CVB.

Any Grantee that is awarded Program funds shall give preference to applications for loans that support Tourism development or enhancement in Rural and Under-visited areas; however, loans are allowable in Urban areas at the Grantee's discretion.

The Grantees' RLFs must leverage additional, private investment of at least two dollars (\$2.00) for every one dollar (\$1.00) of public RLF loans. This leveraging requirement applies to the Grantees' RLF portfolios as a whole rather than to individual loans and is effective for the duration of the RLF's operation. To be classified as leveraged, additional private investment must be made within twelve months of approval of an RLF loan closing, as part of the same business development project, and may include: (i) capital invested by the RLF borrower or others; (ii) financing from private entities; (iii) the non-guaranteed portions and ninety percent (90%) of the guaranteed portions of any federal loan; or (iv) loans from other State and local lending programs.

Ineligible Uses of Program Funds:

Grantees may not provide Program funds to any businesses that are on the federal or state debarment list.

Application Process:

To apply for the Program, interested EDOs must complete and submit to Commerce the application that is located on the Destination MT website: <https://brand.mt.gov/Programs/Office-Of-Tourism/Tourism-Grant-Program/>. Additionally, interested EDOs must submit to Commerce all documents referenced in the Program application.

Applications and other documents submitted to Commerce may be subject to public disclosure in response to requests received under the Montana Public Records Act, to the extent required by Montana law. If an applicant believes their application or other documents contain information that reasonably could be considered proprietary, privileged, private, or confidential in nature, they should contact Commerce prior to submitting any documents to Commerce.

Application Review Process:

After the application period closes, Commerce staff will review Program applications for completeness. During this review, Destination MT staff may contact an applicant to discuss any concerns or questions, or to request additional information or documentation. Destination MT 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 staff.

When evaluating application materials, Destination MT staff will screen for compliance and responsiveness to the application requested material in the required categories: (i) need for services; (ii) approach to providing services; (iii) outcomes and deliverables; (iv) capacity and expertise; (v) outreach; and (vi) financials of the applicant EDO's existing revolving loan fund. Applications that pass the initial screening will be evaluated on its merits. The evaluation of applications will be conducted by Commerce's Review Committee ("Review Committee") based on the following criteria:

- a) Need for services
- b) Approach to providing services
- c) Outcomes and deliverables, in line with the purpose of this Program
- d) Capacity and expertise
- e) Outreach
- f) Financials

The Review Committee will finalize scoring and recommend final award amounts to Commerce's Director, who will make the final funding decision.

Grant Administration:

After completion of the application review process, Commerce will notify successful applicants (Grantees) of a Program award by sending a formal award letter. The completed application, including any written modifications resulting from the review of the application by Destination MT staff, will be incorporated into the grant contract between Commerce and the Grantee.

The grant contract must be executed by an authorized agent of the Grantee prior to disbursement of any grant award. Grantees are responsible for administering their revolving loan fund in accordance with all applicable local, state, and federal laws, as well as these guidelines and their contracts with Commerce.

The provisions below illustrate some of the more significant administrative procedures and requirements with which successful Grantees must comply. All procedures and requirements that the award recipient must comply with will be set forth in the Grantee's contract with Commerce, which controls.

1. Contract

Prior to receiving any Program grant funds, each Grantee must execute a contract with Commerce. The executed contract between the Grantee and Commerce is the legal document that governs the administration of the grant, as well as the Grantee's operation of the Tourism-related revolving loan fund (RLF). Failure to meet the conditions of the contract may result in contract termination. Sample contract provisions are discussed below but may be subject to change prior to execution.

2. Payment

Destination MT will disburse Program funds to Grantees after contract execution as a lump-sum grant payment.

3. Project Monitoring and Annual Reporting Requirements

Each Grantee must submit reports to Commerce in the format required by Commerce and when required by Commerce. These reports generally must describe how the Grantee has used Program funds in furtherance of the Program's objectives.

4. Public's Right to Know

Applications and other documents submitted to Commerce may be subject to public disclosure in response to requests received under the Montana Public Records Act. If an applicant believes their application or other documents contain information that could reasonably be considered to be proprietary, privileged, private, or confidential in nature, they should contact Commerce prior to submitting and request to fill out an affidavit (see, e.g., this form affidavit) identifying what information they contend should be protected from public disclosure.

5. Compliance with Laws

Applicants must certify on the application that the Grantee's new Tourism-related revolving loan fund will comply with all state, federal, and local laws, ordinances, and regulations.

6. Return of Funds

At Commerce's sole discretion, the Grantee will be required to and agrees it shall return to Commerce any and all Program funds that are determined by Commerce to have been spent in violation of the terms and conditions of the Grantee's contract.

7. Available Funding

Commerce must, by law, terminate its contract with the Grantee if funds are not appropriated or otherwise made available to support Commerce's continuation of performance of this Contract in a subsequent fiscal period. See § 18-4-313(4), MCA. If funds are not appropriated or otherwise made available through the state budgeting process to support continued performance of this Contract (whether at an initial contract payment level or any contract increases to that initial level) in subsequent fiscal periods, Commerce shall terminate this Contract as required by law.

8. Access to Records

Grantee shall provide Commerce, Legislative Auditor, or their authorized agents access to any records related to Grantee's participation in the Program at no cost. Commerce may terminate this Contract without incurring liability due to Grantee's refusal to allow access as required by this section. See § 18-1-118, MCA.