# MONTANA LEGISLATIVE BRA

June 20, 2013

Ex. No. 10

## Legislative Fiscal Division

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**Director**
AMY CARLSON

DATE: June 20, 2013

TO: Environmental Quality Council

FROM: Roger Lloyd

RE: Fire and Legislation Updates

Montana's 2012-2013 fire season was severe. The 63rd Legislature addressed this with a large general fund supplemental appropriation to pay fire suppression costs that are Montana's responsibility. The table below shows the actual and projected costs for FY 2013 as of May 2013 and how these costs are funded. Montana's share of the costs are $50.3 million.

| Fire Suppression Costs and Funding | |
|---|---|
| FY 2013 (as of May 2013) | |
| Actual and Projected | |
| **All costs** | |
| State responsibility* | $50,251,567 |
| Other's responsibility | 10,006,875 |
| Total: | $60,258,442 |
| | |
| **State funding** | |
| Fire suppression account** | $4,100,000 |
| Governor's GF emergency appropriation*** | 10,368,145 |
| HB 3 supplemental appropriation**** | $35,783,422 |
| Total: | $50,251,567 |

* Includes $500,000 for spring fires
** Amount available prior to replenishment by HB 354
*** 10-3-312,MCA (amount from OBPP)
**** Total of $50 million with the excess of $14,216,578 in HB 3 to the fire suppression account in FY 2014

The 63rd Legislature addressed future fire funding with the enactment of HB 3 and HB 354. HB 3 provides for the transfer of any unencumbered funds from the $50 million supplemental appropriation to the fire suppression account. This transfer is projected to be $14.2 million. HB 354 provides for the potential of the following three transfers from the general fund to the fire suppression account.

(Over)

1. The transfer of any unexpended and unencumbered balance of the Governor's emergency appropriation at the end of each biennium
    a. no projected amount at this time
2. By August 15 following the end of each fiscal year, an amount equal to the balance of unspent general fund appropriated in that year in excess of 0.5% of the total general fund appropriated for that fiscal year, must be transferred
    a. the Legislative Fiscal Division projects a transfer of $1.0 million in FY 2014
3. Certain corporation license tax revenue deposited in the general fund must be transferred in the following manner:
    a. By August 15, 2013, funds in excess of $152 million collected for FY 2013
        i. the Legislative Fiscal Division projects a transfer of $24.1 million
    b. By August 15, 2014, funds in excess of $152.2 million collected for FY 2014
        i. the Legislative Fiscal Division projects a transfer of $22.8 million
    c. By August 15, 2015, funds in excess of $157.5 million collected for FY 2015
        i. the Legislative Fiscal Division projects a transfer of $17.5 million

Money in the account is statutorily appropriated to the Department of Natural Resources and Conservation and cannot exceed $100 million.

The table below summarizes the projected funding for the fire suppression account for the 2015 biennium.

| Fire Suppression Account & Funding | | |
|---|---|---|
| 2015 Biennium | | |
| Projected | | |
| **Sources** | | |
| HB 3 Transfer from FY 2013 | | $14,216,578 |
| Unspent governor's GF emergency appropriation | | $0 |
| HB 354 | Transfer from GF reversions>0.5% | $1,000,000 |
| HB 354 | FY 2014 Corporation License tax | $24,100,000 |
| HB 354 | FY 2015 Corporation License tax | $22,800,000 |
| Total: | | $62,116,578 |