

Fiscal Note Request SB0130, As Amended in Free Conference Committee

(continued)

4. Under this bill, hunters and anglers will no longer purchase a recreation use permit to use school trust lands. In license year 2001, there were 39,089 recreation use permits sold. According to a survey, DNRC projects that 97 percent (37,916 users) of recreational use of state lands is for hunting and fishing and the remaining 3 per cent (1,173 users) is for other types of recreation.
5. A \$.50 commission is paid to license agents for each state recreation land use permit sold. During license year 2001, there was \$16,513 paid to license agents for recreation use permit commissions. Under this bill, if recreation use permit sales decline by 97 percent, a reduction in authority of \$16,018 should occur.
6. If recreation use permit sales decline, revenues also will decline. However, revenues currently are abated when transferred to DNRC. No adjustment to revenues or expenditure authority is necessary.
7. The personal services and operating budget associated with the state lands recreational use account is already included in the DNRC HB 2.
8. Section 77-1-802 and -808, MCA, and Section 8, 2(b) in the bill direct that \$1.28 of each general recreational use license and 10 percent of the revenue received as a result of the agreement with FWP for public recreational rights of hunting, fishing and trapping will be deposited in the state land recreational use account and expended accordingly. Due to the increase in revenues generated by this bill, the state land recreational use account will receive additional monies for operating expenses associated with recreational uses. A HB 2 appropriation will be needed to enable the expenditures identified under state special revenue.
9. DNRC sold 39,089 recreational use licenses from March 1, 2001 through February 2002. The trusts received \$314,912 and \$50,033 was deposited in the state land recreational use account.

10. Projected revenue: Trust Land Revenues

FWP Agreement 460,000 licenses	@ \$2.00	\$920,000
1,173 general recreational use licenses	@ \$10.00	\$ 11,730
\$0.22 retained by FWP x 1,730		(258)
minus \$.50 per license (1,173) to license agent		\$ (587)
Total Gross Projected Revenue		\$930,885

Projected revenue: Recreational Use Account

\$1.28 of general recreational use license	\$ 1,501
10% of revenue from FWP agreement	\$ 92,000
Subtotal	\$ 93,501

Total projected revenue to trusts \$ 837,384

11. The agreement would be effective for FWP license year beginning March 1, 2004. Therefore, FY 2004 would reflect two quarters of revenues and expenditures, and FY 2005 would reflect the full effect. Under current law FW makes a non-budgeted transfer of \$314,912 per year. The annual increase in distributable revenue projected for FY 2004 and FY 2005 would be:

FY 2004: \$261,236 trust revenue $(\$837,384 - \$314,912)/2$
\$21,734 state land recreational use account $(\$93,501 - \$50,033)/2$

FY 2005: \$522,473 trust revenue $(\$837,384 - \$314,912)$
\$43,468 state land recreational use account $(\$93,501 - \$50,033)$.

Fiscal Note Request SB0130, As Amended in Free Conference Committee
(continued)

12. The trust revenue will be apportioned on a pro rata basis to the land trust, in proportion to the respective trust's percentage of acreage in the total acreage of all state land trust.

FY 2004			Distributable			Distributable
Beneficiaries	Surface Acres	% Ratio	Revenue FY2004	3% Res Dev	5% CS Perm F	Net FY 2004 Revenue
Common School	4,621,732	89.79%	\$234,572	\$7,037	\$11,377	\$216,158
Univ. of Montana	17,930	0.35%	\$910	\$27		\$883
MSU-Morrill	63,456	1.23%	\$3,220	\$97		\$3,124
MSU-Second	31,323	0.61%	\$1,590	\$48		\$1,542
MT TECH	58,790	1.14%	\$2,984	\$90		\$2,894
Normal School	63,455	1.23%	\$3,220	\$97		\$3,124
Deaf & Blind	36,461	0.71%	\$1,850	\$56		\$1,795
Reform School	67,709	1.32%	\$3,436	\$103		\$3,333
Veterans Home	1,276	0.02%	\$65	\$2		\$63
Public Buildings	<u>184,967</u>	<u>3.59%</u>	<u>\$9,387</u>	<u>\$282</u>		<u>\$9,106</u>
Total	5,147,099	100.00%	\$261,236	\$7,837	\$11,377	\$242,021

FY 2005			Distributable			Distributable
Beneficiaries	Surface Acres	% Ratio	Revenue FY2005	3% Res Dev	5% CS Perm F	Net FY 2005 Revenue
Common School	4,621,732	89.79%	\$469,144	\$14,074	\$22,753	\$432,316
Univ. of Montana	17,930	0.35%	\$1,820	\$55		\$1,765
MSU-Morrill	63,456	1.23%	\$6,441	\$193		\$6,248
MSU-Second	31,323	0.61%	\$3,179	\$95		\$3,084
MT TECH	58,790	1.14%	\$5,967	\$179		\$5,788
Normal School	63,455	1.23%	\$6,441	\$193		\$6,248
Deaf & Blind	36,461	0.71%	\$3,701	\$111		\$3,590
Reform School	67,709	1.32%	\$6,873	\$206		\$6,667
Veterans Home	1,276	0.02%	\$130	\$4		\$126
Public Buildings	<u>184,967</u>	<u>3.59%</u>	<u>\$18,775</u>	<u>\$563</u>		<u>\$18,212</u>
Total	5,147,099	100.00%	\$522,473	\$15,674	\$22,753	\$484,043

13. If this legislation is not successful, DNRC will manage and administer the general recreational use program as provided for under existing statutes.

Office of Public Instruction

14. SB 130 provides additional revenue for Common Schools through the guarantee account. The guarantee account is statutorily appropriated to school district BASE aid. Increases or decreases in the guarantee account do not increase or decrease the statutory entitlements for BASE aid. When there are increases in the amount of guarantee account for schools, there is a corresponding decrease in the amount of state general fund required to fund schools.

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(continued)

<u>FISCAL IMPACT:</u>	<u>FY 2004</u> <u>Difference</u>	<u>FY 2005</u> <u>Difference</u>
Office of Public Instruction (09)		
<u>Funding of Expenditures:</u>		
General Fund (01)	(\$216,158)	(\$432,316)
State Special Revenue (02)	<u>216,158</u>	<u>432,316</u>
Total	\$0	\$0
Department of Fish, Wildlife and Parks (05)		
<u>Expenditures:</u>		
Operating Expenses	(\$16,018)	(\$16,018)
Operating Transfers to DNRC	<u>460,000</u>	<u>920,000</u>
Total	\$443,982	\$903,982
<u>Funding of Expenditures:</u>		
State Special Revenue (02)	\$443,982	\$903,982
<u>Revenues:</u>		
State Special Revenue (02)	\$460,000	\$920,000
Department of Natural Resources and Conservation (35)		
<u>Expenditures:</u>		
Operating Expenses	(\$21,734)	(\$43,468)
<u>Funding of Expenditures:</u>		
State Special Revenue (02) Rec Use Acct	(\$21,734)	(\$43,468)
<u>Revenues:</u>		
State Special Revenue (02) Resource Dev	\$7,837	\$15,674
State Special (02) Guarantee Fund	216,158	432,316
School for the Deaf and Blind (02)	1,795	3,590
Dept. of Corrections Pine Hills (02)	3,333	6,667
Veterans Home (02)	63	126
Capital Projects (05)	9,106	18,212
Trust (09) Common School Permanent Fund	11,377	22,753
University Funds	<u>11,567</u>	<u>23,134</u>
TOTAL	\$261,236	\$522,473
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	\$216,158	\$432,316
State Special Revenue (02) Rec Use Account	\$21,734	\$43,468
State Special Revenue (02) Resource Dev	\$7,837	\$15,674
State Special (02) Guarantee Fund	\$0	\$0
School for the Deaf and Blind (02)	\$1,795	\$3,590
Dept. of Corrections Pine Hills (02)	\$3,333	\$6,667
Veterans Home (02)	\$63	\$126
Capital Projects (05)	9,106	18,212
Trust (09) Common School Permanent Fund	11,377	22,753
University Funds	11,567	23,134

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LONG-RANGE IMPACTS:

The trust beneficiaries will receive an increase in revenues.