

Fiscal Note Request SB0431, As Introduced

(continued)

Montana Historical Society

5. The Montana Historical Society has budgeted 6 percent overhead for \$46,424 in FY 2003 and 7.5 percent for \$58,179 in FY 2005 applied to expenditures of the Montana Heritage Commission's statutory budget and to total expenditures resulting from concession revenue.
6. The bill transfers the retail alcoholic beverage licenses from the Montana Heritage Commission to Department of Fish, Wildlife and Parks.
7. The bill changes the Montana Heritage Preservation and Development Commission to an advisory council. The council becomes appointed by the Director of Fish, Wildlife and Parks and council members are reduced from 14 to 11, eliminating the Director of the Montana Historical Society, the Director of the Department of Commerce, and the Director of Fish, Wildlife and Parks.
8. The Montana Heritage Preservation and Development Commission will no longer be able to employ the executive director, the curator, and other staff to operate the commission properties.
9. The bill allows the deposit of federal money into an account in the federal special revenue.
10. The bill transfers title of real and personal property referred to as the "Bovey Assets" from the Montana Historical Society to the State of Montana.
11. The Montana Heritage Preservation and Development Commission's budget is statutorily appropriated and thus does not appear in the general appropriations act (HB 2). The statutory expenditures of the commission are shown under the Fiscal Impact for information.

Department of Commerce

12. SB 431 makes permanent the \$400,000 statutory allocation of lodging facilities use tax proceeds flowing to the Montana Heritage Preservation and Development Commission, which was to terminate on June 30, 2007, under current law.

Department of Revenue

13. This bill would not have significant administrative impacts on the Department of Revenue.

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FISCAL IMPACT:

	<u>FY 2004</u> <u>Difference</u>	<u>FY 2005</u> <u>Difference</u>
Fish, Wildlife and Parks		
<u>Expenditures:</u>		
Operating Expenses – HB 2	\$72,421	\$72,421
MHC Operating Expenses – Statutory (Bed Tax)	\$400,000	\$400,000
MHC Operating – Statutory (Concessions, Other)	\$533,422	\$535,411
<u>Funding of Expenditures:</u>		
State Special Revenue (02)	\$72,421	\$72,421
State Special Statutory Bed Tax	\$400,000	\$400,000
Proprietary Statutory (Concessions, Other)	\$533,422	\$535,411
<u>Revenues:</u>		
State Special Revenue (02)	\$72,421	\$72,421
State Special (02) Statutory (Bed Tax)	\$400,000	\$400,000
Proprietary (06) Statutory (Concessions, Other)	\$533,422	\$535,411
Montana Historical Society		
<u>Expenditures:</u>		
Operating Expenses – HB 2	(\$46,424)	(\$58,179)
MHC Operating Expenses – Statutory (Bed Tax)	(\$400,000)	(\$400,000)
MHC Operating – Statutory (Concessions, Other)	(\$533,422)	(\$535,411)
<u>Funding of Expenditures:</u>		
Proprietary (06)	(\$46,424)	(\$58,179)
State Special (02) Statutory (Bed Tax)	(\$400,000)	(\$400,000)
Proprietary (06) Statutory (Concessions, Other)	(\$533,422)	(\$535,411)
<u>Revenues:</u>		
Proprietary (06)	(\$46,424)	(\$58,179)
State Special (02) Statutory (Bed Tax)	(\$400,000)	(\$400,000)
Proprietary (06) Statutory (Concessions, Other)	(\$533,422)	(\$535,411)
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
State Special Revenue FWP (02)	\$0	\$0
State Special Revenue (02) MHP (Statutory)	\$0	\$0
Proprietary MHS Statutory (06)	\$0	\$0

LONG-RANGE IMPACTS:

Montana Historical Society

1. The bill removes the Director of the Montana Historical Society from the council. This could be a loss of professional assistance in the area of Museum artifact preservation.

Department of Revenue

2. Beginning in FY 2008, \$400,000 would be allocated to the heritage preservation and development account each fiscal year. This would reduce the long range allocation to other accounts as follows:

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(continued)

Historical society - roadside signs and historic sites	\$4,000
University system - tourism research	\$10,000
DFWP - parks maintenance	\$26,000
Dept. of Commerce - statewide tourism promotion	\$270,000
Regional and local tourism promotion	\$90,000

TECHNICAL NOTES:

Department of Commerce

1. SB 232, which transferred the Montana Heritage Preservation and Development Commission to the Department of Commerce passed 3rd reading in the Senate on 02/08/2003 by a vote of 35-14 and was subsequently transmitted to the House. SB 431 directly conflicts with SB 232. The Legislature should consider the adoption of a coordination clause that eliminates the conflict between the bills.