



## Fiscal Note 2009 Biennium

**Bill #** SB0016

**Title:** 6-mill levy for university system referendum

**Primary Sponsor:** Hawks, B.

**Status:** Select status

- Significant Local Gov Impact     
 Include in HB 2     
 Technical Concerns  
 Included in the Executive Budget     
 Significant Long-Term Impacts     
 Dedicated Revenue Form Attached

### FISCAL SUMMARY

|  | <u>FY 2008<br/>Difference</u> | <u>FY 2009<br/>Difference</u> | <u>FY 2010<br/>Difference</u> | <u>FY 2011<br/>Difference</u> |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b>Expenditures:</b>                   |                               |                               |                               |                               |
| General Fund                           | \$0                           | \$0                           | \$0                           | \$0                           |
| State Special Revenue                  | \$0                           | \$0                           | \$0                           | \$0                           |
| <b>TOTAL Expenditures</b>              | <b>\$0</b>                    | <b>\$0</b>                    | <b>\$0</b>                    | <b>\$0</b>                    |
| <b>Revenues:</b>                       |                               |                               |                               |                               |
| General Fund                           | \$0                           | \$0                           | \$0                           | \$0                           |
| State Special Revenue                  | \$0                           | \$0                           | \$13,807,862                  | \$14,271,807                  |
| <b>Net Impact-General Fund Balance</b> | <b>\$0</b>                    | <b>\$0</b>                    | <b>\$0</b>                    | <b>\$0</b>                    |

### FISCAL ANALYSIS

#### Description of Fiscal Impact:

This bill presents the six mill levy to a vote of the general electorate in 2008, continuing the funding for the Montana University System (MUS) through tax year 2018.

#### Assumptions:

- Section 5 of this bill presents the six mill levy supporting the MUS to a vote of the general electorate in 2008. Without voter approval, the current six mill levy would expire January 1, 2009 and taxes generated from this levy would no longer be collected starting FY 2010.
- According to the 2009 revenue estimates as adopted in HJR2, the projected annual revenue from the six mill levy is \$12.505 million in FY 2007, \$12.971 million in FY 2008, and \$13.359 million in FY 2009 representing an average annual growth of 3.36 percent. Maintaining this growth rate, a six mill levy would generate \$13,807,862 in FY 2010 and \$14,271,807 in FY 2011.

3. The MUS also receives non-levy revenues which are not impacted by passage/non-passage of the six mill levy.
4. The legislature traditionally appropriates the six mill funds in the general appropriations act (HB 2).
5. The Department of Revenue does not anticipate any additional administrative costs associated with passage of this bill.
6. This fiscal note assumes voters pass the initiative.

|   | <u>FY 2008</u><br><u>Difference</u> | <u>FY 2009</u><br><u>Difference</u> | <u>FY 2010</u><br><u>Difference</u> | <u>FY 2011</u><br><u>Difference</u> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <b>Fiscal Impact:</b>   |                                     |                                     |                                     |                                     |
| <b><u>Expenditures:</u></b>   |                                     |                                     |                                     |                                     |
| TOTAL Expenditures  | \$ -                                | \$ -                                | \$ -                                | \$ -                                |
| <b><u>Funding of Expenditures:</u></b>  |                                     |                                     |                                     |                                     |
| TOTAL Funding of Exp.   | \$ -                                | \$ -                                | \$ -                                | \$ -                                |
| <b><u>Revenues:</u></b>   |                                     |                                     |                                     |                                     |
| State Special Revenue (02)  | \$ -                                | \$ -                                | \$ 13,807,862                       | \$ 14,271,807                       |
| <b>TOTAL REVENUES</b>   | <b>\$ -</b>                         | <b>\$ -</b>                         | <b>\$ 13,807,862</b>                | <b>\$ 14,271,807</b>                |
| <b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b> |                                     |                                     |                                     |                                     |
| State Special Revenue (02)  | \$ -                                | \$ -                                | \$ 13,807,862                       | \$ 14,271,807                       |

**Long-Range Impacts:**

Without passage of this bill, the loss of revenue to the state special revenue account for the MUS would continue beyond FY 2011 without action by a future legislature to restore funding.

\_\_\_\_\_  
*Sponsor's Initials*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Budget Director's Initials*

\_\_\_\_\_  
*Date*