



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill #	HB0322	Title:	Revise laws related to livestock loss
Primary Sponsor:	Cuffe, Mike	Status:	As Introduced

- | | | |
|-----------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input checked="" type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
Expenditures:				
General Fund	\$400,000	\$400,000	\$400,000	\$400,000
State Special Revenue	\$400,000	\$400,000	\$400,000	\$400,000
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$400,000	\$400,000	\$400,000	\$400,000
Net Impact-General Fund Balance:	<u>(\$400,000)</u>	<u>(\$400,000)</u>	<u>(\$400,000)</u>	<u>(\$400,000)</u>

Description of fiscal impact: HB 322 revises laws in the livestock loss program creating a livestock loss reduction restricted account and adds losses due to grizzly bear. The funding in the newly created fund is restricted for reducing the impacts created by predators on livestock and reducing expenditures incurred by livestock owners.

FISCAL ANALYSIS

Assumptions:

- The bill provides for a general fund transfer of \$400,000 per year to the livestock loss reduction restricted account established in section 1 of the bill.
- HB 322 establishes a statutory appropriation for the livestock loss reduction restricted account.
- For the purpose of this fiscal note, it is assumed that the department will spend all available funds each year.
- Section 1-(4)(a) caps administrative costs at 10% of the general fund transfer each year. \$40,000 each year will be utilized for administrative expenses within the program.
- Section 1-(3) of the bill would allow the department to use \$200,000 per year for contracted services with USDA Wildlife Services for investigation and confirmation of livestock losses due to wolves and grizzly bears and to reduce predation of livestock.

6. It is assumed that the remaining \$160,000 each year will be used based upon greatest needs as determined by the Livestock Loss Board as grants for loss prevention to individual livestock owners, livestock organizations, and conservation groups to reduce predation and to pay veterinary bills; to pay a portion of value for injured livestock; and a multiplier factor for weight loss and lower pregnancy rates due to injury or harassment of livestock by grizzly bears and wolves.
7. 17-1-508, MCA, requires analysis of the statutory appropriation relative to the guidance in 17-1-508(2), MCA, to be published in the fiscal note. In reviewing and establishing statutory appropriations, the legislature shall consider the following guidelines:

	<u>YES</u>	<u>NO</u>
a. The fund or use requires an appropriation.	Yes	
b. The money is not from a continuing, reliable, and estimable source.		No
c. The use of the appropriation or the expenditure occurrence is not predictable and reliable.	Yes	
d. The authority does not exist elsewhere.	Yes	
e. An alternative appropriation method is not available, practical, or effective.		No
f. Other than for emergency purposes, it does not appropriate money from the state general fund.	Yes	
g. The money is dedicated for a specific use.	Yes	
h. The legislature wishes the activity to be funded on a continual basis.	Yes	
i. When feasible, an expenditure cap and sunset date are included.	Yes	

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$240,000	\$240,000	\$240,000	\$240,000
Benefits	\$160,000	\$160,000	\$160,000	\$160,000
Transfers	\$400,000	\$400,000	\$400,000	\$400,000
TOTAL Expenditures	\$800,000	\$800,000	\$800,000	\$800,000
<u>Funding of Expenditures:</u>				
General Fund (01)	\$400,000	\$400,000	\$400,000	\$400,000
State Special Revenue (02)	\$400,000	\$400,000	\$400,000	\$400,000
TOTAL Funding of Exp.	\$800,000	\$800,000	\$800,000	\$800,000
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$400,000	\$400,000	\$400,000	\$400,000
TOTAL Revenues	\$400,000	\$400,000	\$400,000	\$400,000
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$400,000)	(\$400,000)	(\$400,000)	(\$400,000)
State Special Revenue (02)	\$0	\$0	\$0	\$0

Effect on County or Other Local Revenues or Expenditures:

1. Funds expended for predation and prevention from livestock loss from wolves and grizzly bears will benefit local counties and producers throughout Montana

Long-Term Impacts:

1. HB 322 terminates on June 30, 2019. The general fund transfer of \$400,000 will occur each year for five years (FY 2014-FY 2019).

Sponsor's Initials

Date

Budget Director's Initials

Date



GOVERNOR'S OFFICE OF
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Dedication of Revenue 2015 Biennium

17-1-507-509, MCA.

- a) **Are there persons or entities that benefit from this dedicated revenue that do not pay? (please explain)**

No.

- b) **What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?**

The state special revenue fund is restricted for certain uses and any unspent balance would carry forward and be available the next fiscal year.

- c) **Is the source of revenue relevant to current use of the funds and adequate to fund the program activity that is intended? Yes / No (if no, explain)**

The source of revenue is a general fund transfer.

- d) **Does the need for this state special revenue provision still exist? Yes No (Explain)**

If HB 322 passes this fund will be necessary.

- e) **Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please Explain)**

By establishing a restricted state special revenue fund the legislature should be able to clearly see what the funds were spent on.

- f) **Does the dedicated revenue fulfill a continuing, legislatively recognized need? (Please Explain)**

Yes. Predator management and control is an ongoing issue and is continually addressed by the legislature.

- g) **How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please Explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?)**

It could be accounted for either way.