



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill #	HB0444	Title:	Provide tax credit for access to state lands
Primary Sponsor:	Jacobson, Tom	Status:	As Amended in House Committee

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 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	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$7,065	\$7,171	\$7,279
Revenue:				
General Fund	\$0	(\$15,000)	(\$29,500)	(\$43,000)
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>(\$15,000)</u>	<u>(\$29,500)</u>	<u>(\$43,000)</u>

Description of fiscal impact: HB 444 as amended provides an individual income tax credit of \$500 (not to exceed \$2,000) for qualified access to state land that was previously inaccessible to the public, starting in CY 2014.

FISCAL ANALYSIS

Assumptions:

Department of Fish, Wildlife, and Parks (FWP)

1. There are more than 5.1 million acres of state school trust lands in Montana. The Department of Fish, Wildlife and Parks (FWP) assumes there are approximately 4,000 parcels, constituting 1.2 million acres that do not have legal public access.
2. FWP assumes an average of 40 parcels will be offered annually to the Unlocking State Lands Program.
3. FWP assumes that 75% of parcels will be accepted in the program.
4. Existing staff will administer the program.
5. Each of the 40 parcels will require a site visit by staff to assess the feasibility of enrollment and discuss access agreement terms at a cost of \$3,180 (40 site visits x 150 mile average trip x \$.53/mile).

6. Each of the 30 parcels accepted will require 5 signs and 5 posts to mark the site at a cost of \$1,500 (30 sites x 10 signs and posts x \$5/sign & post).
7. A site visit is required to post public notice signs for access route entry points, parking areas, and in some cases unfenced property boundaries or safety zones at a cost of \$2,385 (30 site visits x 150 mile average trip x \$.53/mile).
8. Annual costs are anticipated to remain the same due to regular maintenance and turnover in the program.

Department of Revenue (DOR)

9. Based on data provided by the department of Fish Wildlife and Parks, it is estimated that 4,000 parcels may be eligible for this credit.
10. Furthermore, it is assumed that each year 1% of these parcels would choose to begin to participate in the program and apply for this credit.
11. It is assumed that 75% of these annual applicants would be approved by Fish, Wildlife, and Parks.
12. Based on the 15 year experience of other FWP land programs, between 3% and 5% - approximately 4% - of all participating parcels will drop out of the program annually.
13. HB 444 is effective beginning January 1, 2014, with the fiscal impact beginning in FY 2015.
14. It is assumed that parcel owners will receive the full \$500 credit.
15. The effects of assumptions 9, 10, 11, 12, 13 and 14 are presented in the following table:

Calculation of Tax Credits -- HB 444 as Amended,			
	FY 2015	FY 2016	FY 2017
Potential Parcels	4,000	3,970	3,911
Applying Parcels (1%)	40	40	39
Selected Parcel (75%)	30	30	29
Attrition (-4%)	0	-1	-2
Net Participating Parcels	30	59	86
Tax Credits Claimed (\$500 each)	\$15,000	\$29,500	\$43,000

16. It is assumed an existing schedule of income tax credits will need to be modified to account for this credit with explanation in the instructions. It is not anticipated that this will create increased cost for programming.

	FY 2014	FY 2015	FY 2016	FY 2017
<u>Fiscal Impact:</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>
Dept. of Fish, Wildlife, and Parks				
<u>Expenditures:</u>				
Operating Expenses	\$0	\$7,065	\$7,171	\$7,279
TOTAL Expenditures (FWP)	\$0	\$7,065	\$7,171	\$7,279
<u>Funding of Expenditures (FWP):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$7,065	\$7,171	\$7,279
Funding of Exp. (FWP)	\$0	\$7,065	\$7,171	\$7,279
Department of Revenue (DOR)				
<u>Expenditures:</u>				
TOTAL Expenditures (DOR)	\$0	\$0	\$0	\$0
<u>Funding of Expenditures (DOR):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Funding of Exp (DOR)	\$0	\$0	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$0	(\$15,000)	(\$29,500)	(\$43,000)
TOTAL Revenues	\$0	(\$15,000)	(\$29,500)	(\$43,000)
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	(\$15,000)	(\$29,500)	(\$43,000)
State Special Revenue (02)	\$0	(\$7,065)	(\$7,171)	(\$7,279)

Sponsor's Initials

Date

Budget Director's Initials

Date