



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill #	HB0452	Title:	Assist with impacts of natural resource development
Primary Sponsor:	Cook, Rob	Status:	As Introduced

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

FISCAL SUMMARY

	<u>FY 2014 Difference</u>	<u>FY 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>
Expenditures:				
General Fund	\$25,025	\$25,025	\$25,400	\$25,781
State Special Revenue	\$50,615	\$50,615	\$51,374	\$52,145
Federal Special Revenue	\$25,300	\$25,300	\$25,680	\$26,065
Other (proprietary)	\$5,395	\$5,395	\$5,476	\$5,558
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Other (proprietary)	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	(\$25,025)	(\$25,025)	(\$25,400)	(\$25,781)

Description of fiscal impact: This bill allows local governments impacted by the oil and gas industry to address infrastructure impacts by establishing infrastructure impact areas and allowing for the collection of infrastructure impact fees. This bill would increase the financial obligations related to MDT travel expenditures within designated impact areas.

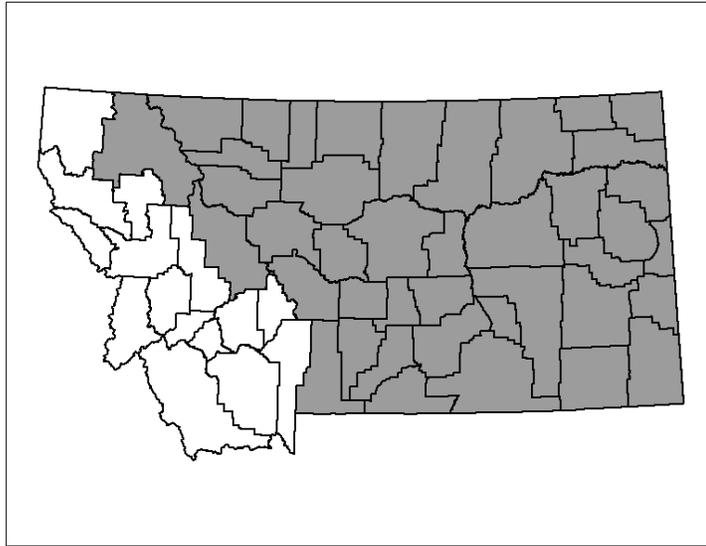
FISCAL ANALYSIS

Assumptions:

Department of Revenue

- Using FY 2013 oil and natural gas severance tax data, the following 41 counties would be able to enact the infrastructure impact fee: Big Horn, Blaine, Carbon, Carter, Cascade, Chouteau, Custer, Daniels, Dawson, Fallon, Fergus, Flathead, Garfield, Glacier, Golden Valley, Hill, Judith Basin, Lewis and Clark, Liberty, McCone, Meagher, Musselshell, Park, Petroleum, Phillips, Pondera, Powder River, Prairie, Richland, Roosevelt, Rosebud, Sheridan, Stillwater, Sweet Grass, Teton, Toole, Treasure, Valley, Wheatland, Wibaux,

and Yellowstone. The shaded counties in the map below displays the counties that would be able to enact the infrastructure impact fee, based on FY 2013 production.



2. For purposes of this fiscal note, it is assumed that 31 of the 41 eligible counties would implement the \$5 impact fee (55% of total counties).
3. Based on FY 2012 actual expenditures for in-state lodging, OBPP calculated the estimated number of lodging nights. For purposes of this fiscal note, it is assumed that 40% of total state employee lodging nights occurred in the 55% of total counties that would implement the \$5 impact fee.
4. OBPP applied the 40% factor to the calculated number of total lodging nights to determine the total fiscal impact to state agencies of \$106,335. This is reflected for HB 2, proprietary, and statutory appropriated funds only.
5. Funding is based upon actual expenditures in FY 2012. A 1.5% inflation factor is applied in FY 2014 and FY 2015.

	<u>FY 2014 Difference</u>	<u>FY 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$106,335	\$106,335	\$107,930	\$109,549
TOTAL Expenditures	\$106,335	\$106,335	\$107,930	\$109,549
<u>Funding of Expenditures:</u>				
General Fund (01)	\$25,025	\$25,025	\$25,400	\$25,781
State Special Revenue (02)	\$50,615	\$50,615	\$51,374	\$52,145
Federal Special Revenue (03)	\$25,300	\$25,300	\$25,680	\$26,065
Other (Proprietary)	\$5,395	\$5,395	\$5,476	\$5,558
TOTAL Funding of Exp.	\$106,335	\$106,335	\$107,930	\$109,549
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	(\$25,025)	(\$25,025)	(\$25,400)	(\$25,781)
State Special Revenue (02)	(\$50,615)	(\$50,615)	(\$51,374)	(\$52,145)
Federal Special Revenue (03)	(\$25,300)	(\$25,300)	(\$25,680)	(\$26,065)
Other (Proprietary)	(\$5,395)	(\$5,395)	(\$5,476)	(\$5,558)

Effect on County or Other Local Revenues or Expenditures:

- The revenue gained to the local areas if an infrastructure impact fee were allowed is unknown at this time. For each infrastructure impact area that adopted the impact fee, it would receive \$5.00 per lodging night.

Technical Notes:

- In Section 1(2)(b), the bill defines what types of entities are not included in the term “facilities” and it is unclear if a state park campground is included or excluded.

Sponsor’s Initials

Date

Budget Director’s Initials

Date