



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill #	HB0556	Title:	Revise laws related to coal severance tax allocations
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 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	\$0	\$0	\$0	\$0
State Special Revenue	(\$1,322,018)	\$0	\$0	\$0
Revenue:				
General Fund	(\$1,322,018)	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	(\$1,322,018)	\$0	\$0	\$0

Description of fiscal impact: HB 556 delays the transfer of the unreserved fund balance in the coal severance tax shared account for three years. The account is shared between library services and costs of participating in networking, conservation districts, and the Montana Growth Through Agriculture Act. The bill specifically states that in FY 2013, FY 2014, and FY 2015 any unreserved balance will not be deposited into the general fund. This bill does not affect the current distribution of the coal severance tax revenue nor does it appropriate the fund balance of the coal tax shared account. The fiscal impact of the bill is one time reduction to general fund revenue of approximately \$1.3 million in FY 2014.

FISCAL ANALYSIS

Assumptions:

1. The FY 2013 beginning fund balance in the coal severance tax shared account was \$1,420,540.
2. Using SJ 2 revenue estimates, the coal severance tax shared account will receive \$2,991,000 in revenue in FY 2013.
3. FY 2013 total disbursements out of the coal severance tax shared account are \$3,089,522.

Coal Severance Tax Shared Account Fund Balance

	FY 2013
Beginning fund Balance	\$ 1,420,540
Revenue SJ-2	\$ 2,991,000
Expenditures	\$ (3,089,522)
Ending Fund Balance	\$ 1,322,018

4. Cash that would remain in the coal severance tax shared state special revenue account as a result of HB 556 is estimated to be \$1,322,018. This fund balance would be available for appropriation by the legislature in the 2015 biennium upon passage and approval of HB 556.

	<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>				
Transfers	(\$1,322,018)	\$0	\$0	\$0
TOTAL Expenditures	(\$1,322,018)	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$1,322,018)	\$0	\$0	\$0
TOTAL Funding of Exp.	(\$1,322,018)	\$0	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	(\$1,322,018)	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	(\$1,322,018)	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$1,322,018)	\$0	\$0	\$0
State Special Revenue (02)	\$1,322,018	\$0	\$0	\$0

Sponsor's Initials

Date

Budget Director's Initials

Date