



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill # SB0047

Title: Increase assessments on owners of classified forest land

Primary Sponsor: Pomnichowski, JP

Status: As Introduced

- 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 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$385,000	\$390,775	\$396,636	\$402,585
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: The FY 2015 fire assessment fees revenue is approximately \$3.6 million, which is the maximum that can be generated under the current statutory cap of \$45 per parcel and \$0.25 per acre over 20 acres. SB 47 allows DNRC the ability to generate revenues equal to one-third of the general fund appropriation in future biennia with a statutory cap of \$50 per parcel and \$0.30 per acre over 20 acres, which would equal approximately \$4.0 million in FY 2016 and FY 2017.

FISCAL ANALYSIS

Assumptions:

- Section 76-13-207, MCA, directs the Department of Natural Resources and Conservation (DNRC) to "...cause an assessment to be made on the owners of classified forest land," using the fees outlined in 76-13-201, MCA. The fees from the assessment shall be sufficient to bring the total amount received from the landowners to no greater than one-third of the amount specified in the appropriation for fire pre-suppression.
- Currently, landowners are assessed a fee of \$45 for a 20 acre parcel, and \$0.25 for each acre exceeding 20 acres order to support one-third of the proposed fire pre-suppression appropriation. Based on this legislation, assessment rates would be raised to approximately:
 - \$46.63 for a 20-acre parcel and \$0.29 for each acre exceeding 20 acres in FY 2016; and

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(continued)

- b. \$46.73 for a 20-acre parcel and \$0.29 for each acre exceeding 20 acres in FY 2017.
- 3. The proposed assessment fee would generate revenue of \$3,984,064 in FY 2016 and \$3,990,426 in FY 2017. This would result in increased revenue assessments of \$385,000 in FY 2016 and \$390,775 in FY 2017.
- 4. A 1.5% inflationary rate has been applied for the 2019 biennium.

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	<u>\$385,000</u>	<u>\$390,775</u>	<u>\$396,636</u>	<u>\$402,585</u>
TOTAL Revenues	<u>\$385,000</u>	<u>\$390,775</u>	<u>\$396,636</u>	<u>\$402,585</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$385,000	\$390,775	\$396,636	\$402,585

Technical Notes:

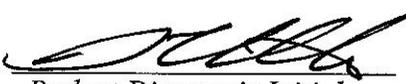
- 1. The funding included in the Executive Budget for DNRC assumes the passage and approval of SB 47.



 Sponsor's Initials

6 Jan 2015

 Date



 Budget Director's Initials

12/20/14

 Date