



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	SB0309	Title:	Revise laws to incentivize access to isolated state and federal lands
Primary Sponsor:	Hinkle, Jedediah	Status:	As Amended

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|---|--|--|
| <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 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	(\$19,750)	(\$30,000)	(\$39,500)
Net Impact-General Fund Balance:	<u>\$0</u>	<u>(\$19,750)</u>	<u>(\$30,000)</u>	<u>(\$39,500)</u>

Description of fiscal impact: SB 309, as amended, expands the Unlocking State Lands personal and corporate income tax credit to include land access to federal land managed by the U.S. Forest Service or the Bureau of Land Management. The expanded credit will increase to \$750 for each qualified access to public land that is provided, with a maximum annual credit of \$3,000 each year for each taxpayer. SB 309 is projected to decrease general fund revenue by \$19,750 in FY 2017, \$30,000 in FY 2018, and \$39,500 by FY 2019.

FISCAL ANALYSIS

Assumptions:

Department of Revenue

- Under current law, individuals and corporations are able to claim a \$500 refundable tax credit for allowing an access, or corridor, to be established through their property to a parcel of state land for recreational use and certified by the Department of Fish, Wildlife, and Parks (15-30-2380, MCA). Each taxpayer can claim a maximum credit of \$2,000 each year.
- SB 309 expands the types of land that would qualify for the credit to include an access corridor created on the taxpayer's property to a parcel of federal land managed by the U.S. Forest Service or the Bureau of Land Management. SB 309 also increases the credit amount to \$750 for each qualified access to public land. The maximum credit amount is also increased to \$3,000.
- SB 309 applies to tax years beginning after December 31, 2015.

4. The Department of Fish, Wildlife and Parks (FWP) estimates that there are nearly 6.7 million acres of state school trust, Bureau of Land Management and U.S. Forest Service lands in Montana. FWP also estimates that 9,300 of the parcels do not have legal public access.
5. The FWP reports that four parcels of state land were enrolled in the Unlocking State Lands income tax credit for TY 2014.
6. Under the current law, FWP projects that an average of eight parcels of state land will be enrolled in the Unlocking State Lands income tax credit in TY 2015.
7. Under current law, it is assumed that the number of parcels that are enrolled in the Unlocking State Lands income tax credit will continue to increase by eight parcels each year, reaching 16 parcels in TY 2016, 24 in TY 2017, and 32 in TY 2018.
8. With a credit of \$500 for each enrolled parcel under current law, the Unlocking State Lands income tax credit is projected to reduce income tax revenue by \$4,000 in FY 2016, \$8,000 in FY 2017, \$12,000 in FY 2018 and \$16,000 in FY 2019 under current law.
9. FWP projects that the expansion of the qualified lands in SB 309 to include federal Bureau of Land Management and U.S. Forest Service lands will increase the number of qualified parcels from 4,000 state land parcels to 9,300 state and federal land parcels.
10. It is assumed that SB 309 will increase the number of parcels enrolled in the Unlocking State Lands income tax credit at the same ratio as the increase in qualified parcels under the proposed law relative to the projected parcels under current law.
11. Based on the projected number of enrolled parcels under current law, and the estimated increase in qualified parcels under the proposed law, the number of parcels is projected to be 37 in TY 2016, 56 in TY 2017 and 74 in TY 2018.
12. With a credit of \$750 for each enrolled parcel, the Unlocking State Lands income tax credit under SB 309 will decrease income tax revenue by \$27,750 in FY 2017, \$42,000 in FY 2018 and \$55,500 in FY 2019.
13. Relative to current law, SB 309 will reduce general fund revenue by \$19,750 in FY 2017, \$30,000 in FY 2018 and \$39,500 in FY 2019.
14. The Department of Revenue does not expect to incur any additional costs as a result of SB 309.

Fish Wildlife and Parks

15. Fish, Wildlife and Parks will administer the SB 309 program changes with existing staff and resources.

<u>Fiscal Impact:</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>
<u>Expenditures:</u>				
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	<u>\$0</u>	<u>(\$19,750)</u>	<u>(\$30,000)</u>	<u>(\$39,500)</u>
TOTAL Revenues	<u>\$0</u>	<u>(\$19,750)</u>	<u>(\$30,000)</u>	<u>(\$39,500)</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	<u>\$0</u>	<u>(\$19,750)</u>	<u>(\$30,000)</u>	<u>(\$39,500)</u>

Sponsor's Initials

Date

Budget Director's Initials

Date