

### Agency Budget Comparison

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Agency Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	659.28	659.28	676.28	676.28	659.28	676.28	17.00	2.58%
Personal Services	36,246,957	36,629,023	37,876,156	37,783,268	72,875,980	75,659,424	2,783,444	3.82%
Operating Expenses	15,200,024	14,788,745	16,366,992	16,051,751	29,988,769	32,418,743	2,429,974	8.10%
Equipment & Intangible Assets	143,765	330,978	79,646	55,604	474,743	135,250	(339,493)	(71.51%)
Transfers	0	0	0	0	0	0	0	n/a
Debt Service	0	0	31,925	31,925	0	63,850	63,850	n/a
<b>Total Costs</b>	<b>\$51,590,746</b>	<b>\$51,748,746</b>	<b>\$54,354,719</b>	<b>\$53,922,548</b>	<b>\$103,339,492</b>	<b>\$108,277,267</b>	<b>\$4,937,775</b>	<b>4.78%</b>
General Fund	47,663,801	47,756,729	49,930,132	49,723,201	95,420,530	99,653,333	4,232,803	4.44%
State Special	1,015,571	1,028,900	1,152,311	1,152,725	2,044,471	2,305,036	260,565	12.74%
Federal Special	256,608	271,218	248,447	247,312	527,826	495,759	(32,067)	(6.08%)
Other	2,654,766	2,691,899	3,023,829	2,799,310	5,346,665	5,823,139	476,474	8.91%
<b>Total Funds</b>	<b>\$51,590,746</b>	<b>\$51,748,746</b>	<b>\$54,354,719</b>	<b>\$53,922,548</b>	<b>\$103,339,492</b>	<b>\$108,277,267</b>	<b>\$4,937,775</b>	<b>4.78%</b>

### Page Reference

Legislative Budget Analysis, A-81

### Executive Budget Comparison

The following table compares the legislative budget in the 2015 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2012	Executive Budget Fiscal 2014	Legislative Budget Fiscal 2014	Leg - Exec. Difference Fiscal 2014	Executive Budget Fiscal 2015	Legislative Budget Fiscal 2015	Leg - Exec. Difference Fiscal 2015	Biennium Difference Fiscal 14-15
FTE	659.28	679.28	676.28	(3.00)	679.28	676.28	(3.00)	
Personal Services	36,246,957	38,587,736	37,876,156	(711,580)	38,685,265	37,783,268	(901,997)	(1,613,577)
Operating Expenses	15,200,024	16,405,769	16,366,992	(38,777)	16,080,258	16,051,751	(28,507)	(67,284)
Equipment & Intangible Assets	143,765	79,646	79,646	0	55,604	55,604	0	0
Transfers	0	0	0	0	0	0	0	0
Debt Service	0	31,925	31,925	0	31,925	31,925	0	0
<b>Total Costs</b>	<b>\$51,590,746</b>	<b>\$55,105,076</b>	<b>\$54,354,719</b>	<b>(\$750,357)</b>	<b>\$54,853,052</b>	<b>\$53,922,548</b>	<b>(\$930,504)</b>	<b>(\$1,680,861)</b>
General Fund	47,663,801	50,818,750	49,930,132	(888,618)	50,601,932	49,723,201	(878,731)	(1,767,349)
State/Other Special	1,015,571	1,160,893	1,152,311	(8,582)	1,161,312	1,152,725	(8,587)	(17,169)
Federal Special	256,608	252,611	248,447	(4,164)	251,479	247,312	(4,167)	(8,331)
Proprietary	2,654,766	2,872,822	3,023,829	151,007	2,838,329	2,799,310	(39,019)	111,988
<b>Total Funds</b>	<b>\$51,590,746</b>	<b>\$55,105,076</b>	<b>\$54,354,719</b>	<b>(\$750,357)</b>	<b>\$54,853,052</b>	<b>\$53,922,548</b>	<b>(\$930,504)</b>	<b>(\$1,680,861)</b>

Total funding in this agency is a net biennium reduction of \$1.7 million from the executive proposal, a \$1.7 million reduction of general fund. The changes to the biennial budget include:

- Reduction of funding for 3.00 FTE from agency requests – (\$310,409)
- Reductions of a biennium total \$1.5 million with the adoption of an additional 2% in vacancy savings
- Removal of two items from language appropriations for ongoing expenses in the Liquor Control Division and their inclusion in a standard appropriation - \$190,000 (does not increase actual costs)
- Fixed cost adjustments - \$1,425
- Rejection of the Professional Development Center request - (\$17,952)

## Agency Highlights

<b>Department of Revenue Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ Personal services would increase \$2.8 million, or 3.8%, from the 2013 biennium primarily due to the addition of 17.00 FTE including:               <ul style="list-style-type: none"> <li>• 1.00 FTE in the Director's Office (OTO)</li> <li>• 4.00 FTE in the Information Management and Technology Division</li> <li>• 2.00 FTE in the Liquor Control Division</li> <li>• 5.00 FTE in the Business and Income Taxes Division (temporary and modified made permanent)</li> <li>• 5.00 FTE in the Property Assessment Division (OTO)</li> </ul> </li> <li>◆ Personal service costs also increase with the elimination of \$190,000 from language appropriation and its inclusion as standard HB 2 appropriation, but does not change actual costs</li> <li>◆ Personal service costs are reduced with the adoption of an additional 2% of vacancy savings</li> <li>◆ Operating expenses increase by \$2.4 million, or 8.1%, from the 2013 biennium primarily due to:               <ul style="list-style-type: none"> <li>• \$259,687 in rent increases in county property assessment offices</li> <li>• \$1.0 million increase in GenTax maintenance and development costs</li> <li>• Increased operational costs associated with new FTE requests, including \$225,000 (OTO) for postage required during the upcoming property tax reappraisal cycle</li> </ul> </li> </ul>

## Agency Discussion

The Department of Revenue administers the tax collection and compliance functions for most state taxes. Additionally, the department values all property in the state, regulates the sale and distribution of alcoholic beverages in the state, and administers the abandoned property program. The funding approved to carry out these functions is 6.3% above the level of funding provided in the 2013 biennium. The increase is primarily related to the addition of 17.00 FTE. The increased FTE are expected to achieve several goals, including:

- Enabling additional E-filing
- Reducing temporary staffing needs at the liquor warehouse
- Continuing tobacco tax compliance activities
- Providing needed staff for the upcoming appraisal cycle

General fund appropriations will increase by approximately 6.0% over the funding of the 2013 biennium. The liquor proprietary funding will also increase by 10.4%, and this is an indirect use of general funds. A number of the funding proposals in this budget have been specifically restricted to the stated purpose, insuring that funds are used as intended and if not needed the authority will revert.

## Funding

The following table shows agency funding by source of authority, as approved by the legislature. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Department Of Revenue Funding by Source of Authority 2015 Biennium Budget					
Funds	HB 2	Non- Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	\$99,653,333	\$0	\$234,511,665	\$334,164,998	58.2%
State Special Total	2,305,036	-	231,264,506	233,569,542	40.7%
Federal Special Total	495,759	-	-	495,759	0.1%
Proprietary Total	5,823,139	368,700	-	6,191,839	1.1%
Current Unrestricted	-	-	-	-	0.0%
Other Total	-	-	-	-	0.0%
Total All Funds	<u>\$108,277,267</u>	<u>\$368,700</u>	<u>\$465,776,171</u>	<u>\$574,422,138</u>	
Percent - Total All Sources	18.8%	0.1%	81.1%		

The department is primarily funded with general fund. Proprietary funds support the operation of the Liquor Control Division and other divisions that support liquor control functions or the staff of the Liquor Control Division. State special revenue supports:

- Tobacco tax compliance activities under the Tobacco Master Settlement Agreement
- Appraisal, assessment, and taxation processes
- Administration of the unclaimed property program
- Administrative costs associated with billing and collecting hail insurance premiums and livestock per capita fees

State special revenue from the property valuation improvement fund is used for increasing the efficiency of the property appraisal, assessment, and taxation process through improvements in technology and administration. Federal special revenue supports federal mineral royalty audits.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	47,663,801	47,663,801	95,327,602	95.66%	51,590,746	51,590,746	103,181,492	95.29%
Statewide PL Adjustments	1,005,558	823,183	1,828,741	1.84%	1,034,660	847,754	1,882,414	1.74%
Other PL Adjustments	641,828	690,200	1,332,028	1.34%	1,161,637	989,334	2,150,971	1.99%
New Proposals	618,945	546,017	1,164,962	1.17%	567,676	494,714	1,062,390	0.98%
<b>Total Budget</b>	<b>\$49,930,132</b>	<b>\$49,723,201</b>	<b>\$99,653,333</b>		<b>\$54,354,719</b>	<b>\$53,922,548</b>	<b>\$108,277,267</b>	

**Language and Statutory Authority**

The legislature approved the following language in HB 2.

"Director's Office includes a reduction in general fund of \$720,405 in fiscal year 2014 and \$720,965 in fiscal year 2015, state special revenue of \$8,582 in fiscal year 2014 and \$8,587 in fiscal year 2015, and proprietary funds of \$38,523 in fiscal year 2014 and \$38,549 in fiscal year 2015. The reduction is the equivalent of an additional 2% vacancy savings. The agency may allocate this reduction in funding among programs when developing 2015 biennium operating plans."

"Business and Income Taxes Division includes a reduction in federal special revenue of \$4,164 in fiscal year 2014 and \$4,167 in fiscal year 2015. The reduction is the equivalent of an additional 2% vacancy savings. The agency may allocate this reduction in funding among programs when developing 2015 biennium operating plans."

### Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	49.48	49.48	50.48	50.48	49.48	50.48	1.00	2.02%
Personal Services	3,795,101	3,834,541	3,222,937	3,296,442	7,629,642	6,519,379	(1,110,263)	(14.55%)
Operating Expenses	1,916,159	1,715,098	1,903,405	1,718,603	3,631,257	3,622,008	(9,249)	(0.25%)
<b>Total Costs</b>	<b>\$5,711,260</b>	<b>\$5,549,639</b>	<b>\$5,126,342</b>	<b>\$5,015,045</b>	<b>\$11,260,899</b>	<b>\$10,141,387</b>	<b>(\$1,119,512)</b>	<b>(9.94%)</b>
General Fund	5,490,203	5,326,317	4,943,927	4,832,547	10,816,520	9,776,474	(1,040,046)	(9.62%)
State Special	106,257	107,607	105,554	105,384	213,864	210,938	(2,926)	(1.37%)
Federal Special	1,000	1,000	1,000	0	2,000	1,000	(1,000)	(50.00%)
Other	113,800	114,715	75,861	77,114	228,515	152,975	(75,540)	(33.06%)
<b>Total Funds</b>	<b>\$5,711,260</b>	<b>\$5,549,639</b>	<b>\$5,126,342</b>	<b>\$5,015,045</b>	<b>\$11,260,899</b>	<b>\$10,141,387</b>	<b>(\$1,119,512)</b>	<b>(9.94%)</b>

### Page Reference

Legislative Budget Analysis, A-86

### Funding

Funding for the program comes primarily from the general fund. State special revenue from tobacco settlement funds supports the dedicated attorney that supports tobacco tax compliance activities. Federal mineral royalty audit special revenue funds a portion of the Legislative Audit fixed cost allocation for the agency. The proprietary funding is from a direct appropriation of Liquor Control Division proprietary fund and is for the Liquor Control Division share of Director's Office support costs. The allocation is calculated as a percentage of the program's budget. Liquor Control Division proprietary funds are an indirect use of general fund since net liquor revenues are deposited in the general fund after operating costs are deducted.

### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	5,490,203	5,490,203	10,980,406	112.31%	5,711,260	5,711,260	11,422,520	112.63%
Statewide PL Adjustments	201,553	24,230	225,783	2.31%	210,016	32,807	242,823	2.39%
Other PL Adjustments	(27,423)	39,079	11,656	0.12%	(27,423)	39,079	11,656	0.11%
New Proposals	(720,406)	(720,965)	(1,441,371)	(14.74%)	(767,511)	(768,101)	(1,535,612)	(15.14%)
<b>Total Budget</b>	<b>\$4,943,927</b>	<b>\$4,832,547</b>	<b>\$9,776,474</b>		<b>\$5,126,342</b>	<b>\$5,015,045</b>	<b>\$10,141,387</b>	

### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					285,135					289,511
Vacancy Savings					(163,213)					(163,381)
Inflation/Deflation					(5)					86
Fixed Costs					88,099					(93,409)
<b>Total Statewide Present Law Adjustments</b>		<b>\$201,553</b>	<b>\$7,879</b>	<b>\$0</b>	<b>\$210,016*</b>		<b>\$24,230</b>	<b>\$7,714</b>	<b>(\$1,000)</b>	<b>\$32,807*</b>
DP 50 - Initial Motion to FY 2012 Base	0.00	(201,553)	(7,879)	0	(210,016)*	0.00	(24,230)	(7,714)	1,000	(32,807)*
DP 51 - Adjustment for Statewide Personal Services	0.00	117,204	2,268	21	121,922*	0.00	121,248	2,347	22	126,130*
DP 52 - Adjustment for Statewide Operations	0.00	84,685	1,639	15	88,094*	0.00	(89,711)	(1,736)	(16)	(93,323)*
DP 53 - Base Funding Switch	0.00	(336)	3,972	(36)	0*	0.00	(7,307)	7,103	(1,006)	0*
DP 101 - Taxpayer Appeals Efficiency and Fairness (OTO/RST)	1.00	83,577	0	0	83,577	1.00	80,079	0	0	80,079
DP 102 - Overtime Pay for Timely Fiscal Notes (OTO/RST)	0.00	0	0	0	0	0.00	70,000	0	0	70,000
DP 103 - Adjust for Operating Plan Change	0.00	(111,000)	0	0	(111,000)	0.00	(111,000)	0	0	(111,000)
<b>Total Other Present Law Adjustments</b>	<b>1.00</b>	<b>(\$27,423)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$27,423)*</b>	<b>1.00</b>	<b>\$39,079</b>	<b>\$0</b>	<b>\$0</b>	<b>\$39,079*</b>
<b>Grand Total All Present Law Adjustments</b>	<b>1.00</b>	<b>\$174,130</b>	<b>\$7,879</b>	<b>\$0</b>	<b>\$182,593*</b>	<b>1.00</b>	<b>\$63,309</b>	<b>\$7,714</b>	<b>(\$1,000)</b>	<b>\$71,886*</b>

\* "Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 101 - Taxpayer Appeals Efficiency and Fairness (OTO/RST) - The legislature approved 1.00 FTE in the Office of Dispute Resolution. The FTE is funded as one-time-only and the funding is restricted only for this purpose.

DP 102 - Overtime Pay for Timely Fiscal Notes (OTO/RST) - The legislature approved a general fund appropriation for overtime in the Tax Policy and Research Office (TPR) to prepare fiscal notes for the 2015 Legislature. Funding is one-time-only and is restricted only for this purpose.

DP 103 - Adjust for Operating Plan Change - The legislature approved a reduction of general fund in the base budget. In the base year, the department moved personal services budget authority into the Director's Office operating expense budget to pay department expenditures. To maintain the base budget at the level appropriated by the last legislature, this amount will be removed from the division's base budget.

**New Proposals**

New Proposals										
	-----Fiscal 2014-----					-----Fiscal 2015-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 54 - Additional Vacancy Savings										
01	0.00	(720,406)	(8,582)	0	(767,511)*	0.00	(720,965)	(8,587)	0	(768,101)*
<b>Total</b>	<b>0.00</b>	<b>(\$720,406)</b>	<b>(\$8,582)</b>	<b>\$0</b>	<b>(\$767,511)*</b>	<b>0.00</b>	<b>(\$720,965)</b>	<b>(\$8,587)</b>	<b>\$0</b>	<b>(\$768,101)*</b>

\* "Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 54 - Additional Vacancy Savings - The legislature applied an additional 2% vacancy savings to all positions except those exempt in statute or that must be filled 24/7. Language was included in HB 2 that allows the agency to allocate the reduction among programs.

### Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	86.75	86.75	90.75	90.75	86.75	90.75	4.00	4.61%
Personal Services	4,481,208	4,347,984	4,921,722	4,928,267	8,829,192	9,849,989	1,020,797	11.56%
Operating Expenses	6,889,877	6,722,512	7,684,674	7,409,681	13,612,389	15,094,355	1,481,966	10.89%
Equipment & Intangible Assets	25,050	238,120	25,050	25,050	263,170	50,100	(213,070)	(80.96%)
<b>Total Costs</b>	<b>\$11,396,135</b>	<b>\$11,308,616</b>	<b>\$12,631,446</b>	<b>\$12,362,998</b>	<b>\$22,704,751</b>	<b>\$24,994,444</b>	<b>\$2,289,693</b>	<b>10.08%</b>
General Fund	11,134,395	11,046,759	12,252,915	11,989,905	22,181,154	24,242,820	2,061,666	9.29%
State Special	124,805	124,804	124,804	124,804	249,609	249,608	(1)	0.00%
Other	136,935	137,053	253,727	248,289	273,988	502,016	228,028	83.23%
<b>Total Funds</b>	<b>\$11,396,135</b>	<b>\$11,308,616</b>	<b>\$12,631,446</b>	<b>\$12,362,998</b>	<b>\$22,704,751</b>	<b>\$24,994,444</b>	<b>\$2,289,693</b>	<b>10.08%</b>

### Page Reference

Legislative Budget Analysis, A-90

### Funding

The Information Management and Technology Division is primarily funded with general fund. State special revenue funds support the administration of hail insurance premiums, the livestock per capita fee, and the lodging facilities tax. The proprietary funding is from a direct appropriation of Liquor Control Division proprietary fund and is for the Liquor Control Division share of division support costs. The allocation is a percentage of the program's budget. Liquor Control Division proprietary funds are an indirect use of general fund since net liquor revenues are deposited in the general fund after operating costs are deducted.

### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	11,134,395	11,134,395	22,268,790	91.86%	11,396,135	11,396,135	22,792,270	91.19%
Statewide PL Adjustments	19,556	43,539	63,095	0.26%	136,347	154,892	291,239	1.17%
Other PL Adjustments	517,601	535,767	1,053,368	4.35%	517,601	535,767	1,053,368	4.21%
New Proposals	581,363	276,204	857,567	3.54%	581,363	276,204	857,567	3.43%
<b>Total Budget</b>	<b>\$12,252,915</b>	<b>\$11,989,905</b>	<b>\$24,242,820</b>		<b>\$12,631,446</b>	<b>\$12,362,998</b>	<b>\$24,994,444</b>	

### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget approved by the legislature.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					385,689					392,889
Vacancy Savings					(194,680)					(194,966)
Inflation/Deflation					20,669					37,478
Fixed Costs					(75,331)					(80,509)
<b>Total Statewide Present Law Adjustments</b>		<b>\$19,556</b>	<b>(\$1)</b>	<b>\$0</b>	<b>\$136,347*</b>		<b>\$43,539</b>	<b>(\$1)</b>	<b>\$0</b>	<b>\$154,892*</b>
DP 50 - Initial Motion to FY 2012 Base	0.00	(19,556)	1	0	(136,347)*	0.00	(43,539)	1	0	(154,892)*
DP 51 - Adjustment for Statewide Personal Services	0.00	186,622	2,092	0	191,009*	0.00	193,377	2,168	0	197,923*
DP 52 - Adjustment for Statewide Operations	0.00	(53,406)	(599)	0	(54,662)*	0.00	(42,043)	(471)	0	(43,031)*
DP 53 - Base Funding Switch	0.00	(113,660)	(1,494)	0	0*	0.00	(107,795)	(1,698)	0	0*
DP 201 - Ongoing System Mainten. and Support Increase (RST)	0.00	500,000	0	0	500,000	0.00	500,000	0	0	500,000
DP 205 - Rent and Parking	0.00	17,601	0	0	17,601	0.00	35,767	0	0	35,767
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$517,601</b>	<b>\$0</b>	<b>\$0</b>	<b>\$517,601*</b>	<b>0.00</b>	<b>\$535,767</b>	<b>\$0</b>	<b>\$0</b>	<b>\$535,767*</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$537,157</b>	<b>(\$1)</b>	<b>\$0</b>	<b>\$653,948*</b>	<b>0.00</b>	<b>\$579,306</b>	<b>(\$1)</b>	<b>\$0</b>	<b>\$690,659*</b>

\* "Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 201 - Ongoing System Mainten. and Support Increase (RST) - The legislature approved an increase in general fund to support maintenance activities for the GenTax system. The increase will support increased costs of vendor maintenance. Funding was designated as restricted only for this purpose.

DP 205 - Rent and Parking - The legislature approved a general fund increase for the 2015 biennium to pay for contractual rent increases for existing lease obligations and increases in rates for downtown parking.

**New Proposals**

New Proposals	-----Fiscal 2014-----					-----Fiscal 2015-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 203 - Enhance E-Services for Property and State Taxes	02	4.00	581,363	0	0	581,363	4.00	276,204	0	0	276,204
<b>Total</b>		<b>4.00</b>	<b>\$581,363</b>	<b>\$0</b>	<b>\$0</b>	<b>\$581,363</b>	<b>4.00</b>	<b>\$276,204</b>	<b>\$0</b>	<b>\$0</b>	<b>\$276,204</b>

DP 203 - Enhance E-Services for Property and State Taxes - The legislature approved a general fund appropriation to expand electronic services for property taxes and other non-individual income taxes, while ensuring the security and accuracy of the data. This package will provide 4 FTE for the program. This decision package includes ongoing personal service costs and operating expenses. The legislature designated a portion of the operations costs, \$304,790, for the development of the E-services as one-time-only.

### Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	29.75	29.75	31.75	31.75	29.75	31.75	2.00	6.72%
Personal Services	1,667,801	1,805,120	2,031,730	1,842,737	3,472,921	3,874,467	401,546	11.56%
Operating Expenses	593,584	565,096	539,129	532,114	1,158,680	1,071,243	(87,437)	(7.55%)
Equipment & Intangible Assets	99,461	26,700	54,596	30,554	126,161	85,150	(41,011)	(32.51%)
Transfers	0	0	0	0	0	0	0	n/a
Debt Service	0	0	31,925	31,925	0	63,850	63,850	n/a
<b>Total Costs</b>	<b>\$2,360,846</b>	<b>\$2,396,916</b>	<b>\$2,657,380</b>	<b>\$2,437,330</b>	<b>\$4,757,762</b>	<b>\$5,094,710</b>	<b>\$336,948</b>	<b>7.08%</b>
Other	2,360,846	2,396,916	2,657,380	2,437,330	4,757,762	5,094,710	336,948	7.08%
<b>Total Funds</b>	<b>\$2,360,846</b>	<b>\$2,396,916</b>	<b>\$2,657,380</b>	<b>\$2,437,330</b>	<b>\$4,757,762</b>	<b>\$5,094,710</b>	<b>\$336,948</b>	<b>7.08%</b>

### Page Reference

Legislative Budget Analysis, A-94

### Funding

The division is funded with a direct appropriation of Liquor Control Division proprietary funds. Net revenues from liquor sales are transferred to the general fund after operating costs are deducted from gross revenues. Consequently, any proposals funded through this program are an indirect use of state general fund.

### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	0	0	0	0.00%	2,360,846	2,360,846	4,721,692	92.68%
Statewide PL Adjustments	0	0	0	0.00%	65,219	65,427	130,646	2.56%
Other PL Adjustments	0	0	0	0.00%	231,315	11,057	242,372	4.76%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$2,657,380</b>	<b>\$2,437,330</b>	<b>\$5,094,710</b>	

### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget approved by the legislature.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					138,920					140,130
Vacancy Savings					(72,271)					(72,318)
Inflation/Deflation					902					1,799
Fixed Costs					(2,332)					(4,184)
<b>Total Statewide Present Law Adjustments</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$65,219*</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$65,427*</b>
DP 50 - Initial Motion to FY 2012 Base	0.00	0	0	0	(65,219)*	0.00	0	0	0	(65,427)*
DP 51 - Adjustment for Statewide Personal Services	0.00	0	0	0	66,649*	0.00	0	0	0	67,812*
DP 52 - Adjustment for Statewide Operations	0.00	0	0	0	(1,430)*	0.00	0	0	0	(2,385)*
DP 301 - Production Capacity Increase	2.00	0	0	0	143,080*	2.00	0	0	0	112,822*
DP 304 - Adjust for Operating Plan Change	0.00	0	0	0	(101,765)*	0.00	0	0	0	(101,765)*
DP 305 - Personal Services-Termination Payout (BIEN/RST)	0.00	0	0	0	60,000*	0.00	0	0	0	0
DP 306 - Personal Services-Temp and Overtime (BIEN/RST)	0.00	0	0	0	130,000*	0.00	0	0	0	0
<b>Total Other Present Law Adjustments</b>	<b>2.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$231,315*</b>	<b>2.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,057*</b>
<b>Grand Total All Present Law Adjustments</b>	<b>2.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$296,534*</b>	<b>2.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$76,484*</b>

\* "Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 301 - Production Capacity Increase - The legislature approved an increase in proprietary revenue to meet the growing liquor case volume demand. This appropriation funds the personal service and operating costs of 2.00 permanent FTE. In the base year, FY 2012, temporary employees were used to meet the demand.

DP 304 - Adjust for Operating Plan Change - The legislature approved a reduction of base operating expenses for the 2015 biennium. In the base year, FY 2012, the division moved personal services budget authority into the operating expense and equipment budget to pay for expenditures. To maintain the base budget at the appropriated level, this amount will be removed from the base budget.

DP 305 - Personal Services-Termination Payout (BIEN/RST) - The legislature approved funding for payouts of accrued leave balances in the event of staff terminations. Funding was designated biennial and restricted to be used only for this purpose.

DP 306 - Personal Services-Temp and Overtime (BIEN/RST) - The legislature approved funding for overtime pay and costs to hire additional temporary employees to maintain statutory service levels to agency liquor stores in the event that demand increases. Funding was designated biennial and restricted to be used only for this purpose.

**Language and Statutory Authority**

The legislature approved the following language for inclusion in HB 2.

"Liquor Control Division proprietary funds necessary to maintain adequate inventories, pay freight charges, and transfer profits and taxes to appropriate accounts are appropriated from the liquor enterprise fund (06005) to the department in the amounts not to exceed \$124 million in fiscal year 2014 and \$130 million in fiscal year 2015."

### Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	53.50	53.50	53.50	53.50	53.50	53.50	0.00	0.00%
Personal Services	2,764,229	2,841,483	2,871,996	2,871,907	5,605,712	5,743,903	138,191	2.47%
Operating Expenses	765,677	817,160	814,160	785,843	1,582,837	1,600,003	17,166	1.08%
Equipment & Intangible Assets	19,254	0	0	0	19,254	0	(19,254)	(100.00%)
<b>Total Costs</b>	<b>\$3,549,160</b>	<b>\$3,658,643</b>	<b>\$3,686,156</b>	<b>\$3,657,750</b>	<b>\$7,207,803</b>	<b>\$7,343,906</b>	<b>\$136,103</b>	<b>1.89%</b>
General Fund	3,318,565	3,428,167	3,437,457	3,409,050	6,746,732	6,846,507	99,775	1.48%
State Special	187,410	187,261	211,838	212,123	374,671	423,961	49,290	13.16%
Other	43,185	43,215	36,861	36,577	86,400	73,438	(12,962)	(15.00%)
<b>Total Funds</b>	<b>\$3,549,160</b>	<b>\$3,658,643</b>	<b>\$3,686,156</b>	<b>\$3,657,750</b>	<b>\$7,207,803</b>	<b>\$7,343,906</b>	<b>\$136,103</b>	<b>1.89%</b>

### Page Reference

Legislative Budget Analysis, A-99

### Funding

The Citizen Services and Resource Management Division is funded primarily by the general fund. State special revenue funds the division's administration of hail insurance premiums and livestock per capita fee, and for support of the unclaimed property program. The finances of the Collections Services Program are not shown in the HB 2 tables because it is funded with proprietary funds. The Collections Services Program is discussed in the Proprietary Rates Section.

### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	3,318,565	3,318,565	6,637,130	96.94%	3,549,160	3,549,160	7,098,320	96.66%
Statewide PL Adjustments	105,246	98,239	203,485	2.97%	123,350	116,344	239,694	3.26%
Other PL Adjustments	13,646	(7,754)	5,892	0.09%	13,646	(7,754)	5,892	0.08%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$3,437,457</b>	<b>\$3,409,050</b>	<b>\$6,846,507</b>		<b>\$3,686,156</b>	<b>\$3,657,750</b>	<b>\$7,343,906</b>	

### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget approved by the legislature.

Present Law Adjustments	Fiscal 2014				Fiscal 2015					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					227,432					227,344
Vacancy Savings					(119,665)					(119,666)
Inflation/Deflation					86					159
Fixed Costs					15,497					8,507
<b>Total Statewide Present Law Adjustments</b>		<b>\$105,246</b>	<b>\$24,428</b>	<b>\$0</b>	<b>\$123,350*</b>		<b>\$98,239</b>	<b>\$24,713</b>	<b>\$0</b>	<b>\$116,344*</b>
DP 50 - Initial Motion to FY 2012 Base	0.00	(105,246)	(24,428)	0	(123,350)*	0.00	(98,239)	(24,713)	0	(116,344)*
DP 51 - Adjustment for Statewide Personal Services	0.00	100,766	5,690	0	107,767*	0.00	100,682	5,686	0	107,678*
DP 52 - Adjustment for Statewide Operations	0.00	14,570	823	0	15,583*	0.00	8,104	457	0	8,666*
DP 53 - Base Funding Switch	0.00	(10,090)	17,915	0	0*	0.00	(10,547)	18,570	0	0*
DP 501 - Web-Based App Portal-1-Stop Licensing (RST)	0.00	32,900	0	0	32,900	0.00	11,500	0	0	11,500
DP 502 - Adjust for Operating Plan Change	0.00	(19,254)	0	0	(19,254)	0.00	(19,254)	0	0	(19,254)
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$13,646</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,646*</b>	<b>0.00</b>	<b>(\$7,754)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$7,754)*</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$118,892</b>	<b>\$24,428</b>	<b>\$0</b>	<b>\$136,996*</b>	<b>0.00</b>	<b>\$90,485</b>	<b>\$24,713</b>	<b>\$0</b>	<b>\$108,590*</b>

\* "Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 501 - Web-Based App Portal-1-Stop Licensing (RST) - The legislature approved an increase in general fund appropriation authority to fund the development and maintenance of a secure web-based application that will allow businesses to apply for licenses in coordination with the internet application One-Stop Licensing Program. \$21,400 of the funding in FY2014 is designated as one time only and the funding is restricted only for this purpose.

DP 502 - Adjust for Operating Plan Change - The legislature approved a reduction in the general funded equipment budgetary base. In FY 2012 the division utilized budget authority to invest in an upgraded telephone. To maintain the base budget at the level appropriated by the last legislature, this amount will be removed from the division's base budget.

## Proprietary Rates

### Proprietary Program Description

Montana law authorizes the Department of Revenue to assist other agencies in the collection of delinquent accounts. The department retains a percentage of these collections for the costs of assistance in conjunction with 17-4-103 (3)(a), MCA. The department established the Collections Services Program to administer its statutory responsibilities under Title 17, chapter 4, MCA. There are 3.50 FTE allocated to this program. This program supports the centralized debt collection function for the state of Montana.

**Proprietary Revenues and Expenses**Expenses

Significant costs for the program are for:

- Personal services for 3.50 FTE, \$316,331 or 85.7% of total costs for the biennium
- Operating costs are \$52,609 with 51.4% of these costs due to:
  - Fixed cost items (rent, insurance, SABHRS fees, etc.), \$17,048
  - Postage and mailing costs, \$10,005

Revenues

The department is currently authorized to charge a commission rate up to 5% for its collection services. The rate excludes the collection of overpaid child support payments made to custodial parents (debt code 43) and collection of delinquent child support payments from noncustodial parents (debt code 44). The commissions collected are used to pay the expenses of the program.

**Proprietary Rate Explanation**

The legislature approved a maximum commission rate of 5% continue into the 2015 biennium. Exempted from this rate is collection of overpaid child support payments made to custodial parents or collection of delinquent child support payments from noncustodial parents. Commissions associated with child support payments are charged against a separate general fund appropriation designated by the legislature in a prior legislative session.

### Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	133.45	133.45	138.45	138.45	133.45	138.45	5.00	3.75%
Personal Services	8,139,328	7,978,456	8,274,916	8,279,297	16,117,784	16,554,213	436,429	2.71%
Operating Expenses	1,313,986	1,517,250	1,497,682	1,472,324	2,831,236	2,970,006	138,770	4.90%
<b>Total Costs</b>	<b>\$9,453,314</b>	<b>\$9,495,706</b>	<b>\$9,772,598</b>	<b>\$9,751,621</b>	<b>\$18,949,020</b>	<b>\$19,524,219</b>	<b>\$575,199</b>	<b>3.04%</b>
General Fund	8,653,778	8,680,288	8,868,207	8,847,066	17,334,066	17,715,273	381,207	2.20%
State Special	543,928	545,200	656,944	657,243	1,089,128	1,314,187	225,059	20.66%
Federal Special	255,608	270,218	247,447	247,312	525,826	494,759	(31,067)	(5.91%)
Other	0	0	0	0	0	0	0	n/a
<b>Total Funds</b>	<b>\$9,453,314</b>	<b>\$9,495,706</b>	<b>\$9,772,598</b>	<b>\$9,751,621</b>	<b>\$18,949,020</b>	<b>\$19,524,219</b>	<b>\$575,199</b>	<b>3.04%</b>

### Page Reference

Legislative Budget Analysis, A-104

### Funding

The Business and Income Taxes Division is primarily funded with general fund, with some state special revenue and federal special revenue. State special revenue comes from the unclaimed property fund for program support and tobacco settlement funds that supports tobacco tax compliance activities. Other state special revenue includes the accommodations tax and funds expenses for administering the tax. Federal special revenue comes from reimbursements for performing mineral royalty audits.

### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	8,653,778	8,653,778	17,307,556	97.70%	9,453,314	9,453,314	18,906,628	96.84%
Statewide PL Adjustments	211,311	190,170	401,481	2.27%	31,836	11,279	43,115	0.22%
Other PL Adjustments	0	0	0	0.00%	288,494	288,077	576,571	2.95%
New Proposals	3,118	3,118	6,236	0.04%	(1,046)	(1,049)	(2,095)	(0.01%)
<b>Total Budget</b>	<b>\$8,868,207</b>	<b>\$8,847,066</b>	<b>\$17,715,273</b>		<b>\$9,772,598</b>	<b>\$9,751,621</b>	<b>\$19,524,219</b>	

### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					189,449					194,445
Vacancy Savings					(333,157)					(333,352)
Inflation/Deflation					(2,042)					(1,296)
Fixed Costs					177,586					151,482
<b>Total Statewide Present Law Adjustments</b>		<b>\$211,311</b>	<b>(\$175,478)</b>	<b>(\$3,997)</b>	<b>\$31,836</b>		<b>\$190,170</b>	<b>(\$174,762)</b>	<b>(\$4,129)</b>	<b>\$11,279</b>
DP 50 - Initial Motion to FY 2012 Base	0.00	(211,311)	175,478	3,997	(31,836)	0.00	(190,170)	174,762	4,129	(11,279)
DP 51 - Adjustment for Statewide Personal Services	0.00	(131,554)	(8,268)	(3,886)	(143,708)	0.00	(127,160)	(7,991)	(3,756)	(138,907)
DP 52 - Adjustment for Statewide Operations	0.00	160,696	10,101	4,747	175,544	0.00	137,484	8,641	4,061	150,186
DP 53 - Base Funding Switch	0.00	182,169	(177,311)	(4,858)	0	0.00	179,846	(175,412)	(4,434)	0
DP 701 - Tobacco Tax Compliance Program (RST)	3.00	0	179,876	0	179,876	3.00	0	179,609	0	179,609
DP 702 - Unclaimed Property Compliance Program (RST)	2.00	0	108,618	0	108,618	2.00	0	108,468	0	108,468
<b>Total Other Present Law Adjustments</b>	<b>5.00</b>	<b>\$0</b>	<b>\$288,494</b>	<b>\$0</b>	<b>\$288,494</b>	<b>5.00</b>	<b>\$0</b>	<b>\$288,077</b>	<b>\$0</b>	<b>\$288,077</b>
<b>Grand Total All Present Law Adjustments</b>	<b>5.00</b>	<b>\$211,311</b>	<b>\$113,016</b>	<b>(\$3,997)</b>	<b>\$320,330</b>	<b>5.00</b>	<b>\$190,170</b>	<b>\$113,315</b>	<b>(\$4,129)</b>	<b>\$299,356</b>

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 701 - Tobacco Tax Compliance Program (RST) - The legislature approved 3.00 permanent FTE in the 2015 biennium to continue the Tobacco Tax Compliance Program. Funding was designated as restricted only for this purpose.

DP 702 - Unclaimed Property Compliance Program (RST) - The legislature approved an increase in state special revenue appropriation authority and 2.00 FTE in the 2015 biennium due to the changing nature and workload increases of the Unclaimed Property Program. Funding was designated as restricted only for this purpose.

**New Proposals**

New Proposals		-----Fiscal 2014-----				-----Fiscal 2015-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 54 - Additional Vacancy Savings										
07	0.00	0	0	(4,164)	(4,164)	0.00	0	0	(4,167)	(4,167)
DP 704 - Funding the Purchase of Cigarette Tax Stamps										
07	0.00	3,118	0	0	3,118	0.00	3,118	0	0	3,118
<b>Total</b>	<b>0.00</b>	<b>\$3,118</b>	<b>\$0</b>	<b>(\$4,164)</b>	<b>(\$1,046)</b>	<b>0.00</b>	<b>\$3,118</b>	<b>\$0</b>	<b>(\$4,167)</b>	<b>(\$1,049)</b>

DP 54 - Additional Vacancy Savings - The legislature applied an additional 2% vacancy savings to all positions except those exempt in statute or that must be filled 24/7. Language was included in HB 2 that allows the agency to allocate the reduction among programs.

DP 704 - Funding the Purchase of Cigarette Tax Stamps - The legislature approved an increase in general fund authority to fund a 40%, or \$0.30/1,000 stamps, increase in cigarette tax stamps. The request increases general fund support of tax stamps.

### Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	306.35	306.35	311.35	311.35	306.35	311.35	5.00	1.63%
Personal Services	15,399,290	15,821,439	16,552,855	16,564,618	31,220,729	33,117,473	1,896,744	6.08%
Operating Expenses	3,720,741	3,451,629	3,927,942	4,133,186	7,172,370	8,061,128	888,758	12.39%
Equipment & Intangible Assets	0	66,158	0	0	66,158	0	(66,158)	(100.00%)
<b>Total Costs</b>	<b>\$19,120,031</b>	<b>\$19,339,226</b>	<b>\$20,480,797</b>	<b>\$20,697,804</b>	<b>\$38,459,257</b>	<b>\$41,178,601</b>	<b>\$2,719,344</b>	<b>7.07%</b>
General Fund	19,066,860	19,275,198	20,427,626	20,644,633	38,342,058	41,072,259	2,730,201	7.12%
State Special	53,171	64,028	53,171	53,171	117,199	106,342	(10,857)	(9.26%)
<b>Total Funds</b>	<b>\$19,120,031</b>	<b>\$19,339,226</b>	<b>\$20,480,797</b>	<b>\$20,697,804</b>	<b>\$38,459,257</b>	<b>\$41,178,601</b>	<b>\$2,719,344</b>	<b>7.07%</b>

### Page Reference

Legislative Budget Analysis, A-108

### Funding

Funding for the Property Assessment Division is primarily from general fund, with state special support from the administration of hail insurance premiums and the livestock per capita fee.

### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	19,066,860	19,066,860	38,133,720	92.85%	19,120,031	19,120,031	38,240,062	92.86%
Statewide PL Adjustments	467,892	467,005	934,897	2.28%	467,892	467,005	934,897	2.27%
Other PL Adjustments	138,004	123,108	261,112	0.64%	138,004	123,108	261,112	0.63%
New Proposals	754,870	987,660	1,742,530	4.24%	754,870	987,660	1,742,530	4.23%
<b>Total Budget</b>	<b>\$20,427,626</b>	<b>\$20,644,633</b>	<b>\$41,072,259</b>		<b>\$20,480,797</b>	<b>\$20,697,804</b>	<b>\$41,178,601</b>	

### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget approved by the legislature.

Present Law Adjustments										
	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					1,109,819					1,122,355
Vacancy Savings					(660,364)					(660,852)
Inflation/Deflation					(27,601)					(16,552)
Fixed Costs					46,038					22,054
<b>Total Statewide Present Law Adjustments</b>		<b>\$467,892</b>	<b>\$0</b>	<b>\$0</b>	<b>\$467,892</b>		<b>\$467,005</b>	<b>\$0</b>	<b>\$0</b>	<b>\$467,005</b>
DP 50 - Initial Motion to FY 2012 Base	0.00	(467,892)	0	0	(467,892)	0.00	(467,005)	0	0	(467,005)
DP 51 - Adjustment for Statewide Personal Services	0.00	448,205	1,250	0	449,455	0.00	460,220	1,283	0	461,503
DP 52 - Adjustment for Statewide Operations	0.00	19,041	51	0	19,092	0.00	6,257	15	0	6,272
DP 53 - Base Funding Switch	0.00	1,301	(1,301)	0	0	0.00	1,298	(1,298)	0	0
DP 801 - Rent	0.00	137,349	0	0	137,349	0.00	122,338	0	0	122,338
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$138,004</b>	<b>\$0</b>	<b>\$0</b>	<b>\$138,004</b>	<b>0.00</b>	<b>\$123,108</b>	<b>\$0</b>	<b>\$0</b>	<b>\$123,108</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$605,896</b>	<b>\$0</b>	<b>\$0</b>	<b>\$605,896</b>	<b>0.00</b>	<b>\$590,113</b>	<b>\$0</b>	<b>\$0</b>	<b>\$590,113</b>

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee. The fixed cost changes related to this agency are reflected in this decision package.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 801 - Rent - The legislature approved a general fund appropriation in the 2015 biennium to pay for rent increases and building costs for division office space. SB 270 passed in the 56th Legislative Session allows counties to charge rates for space in county facilities equal to the rental rates charged by the Department of Administration.

**New Proposals**

New Proposals										
	-----Fiscal 2014-----					-----Fiscal 2015-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 802 - 6-Year Reappraisal Cycle Needs (OTO/RST)										
08	5.00	754,870	0	0	754,870	5.00	987,660	0	0	987,660
<b>Total</b>	<b>5.00</b>	<b>\$754,870</b>	<b>\$0</b>	<b>\$0</b>	<b>\$754,870</b>	<b>5.00</b>	<b>\$987,660</b>	<b>\$0</b>	<b>\$0</b>	<b>\$987,660</b>

DP 802 - 6-Year Reappraisal Cycle Needs (OTO/RST) - The legislature approved an increase in general fund and 5.00 temporary FTE for the 2015 required statewide appraisal cycle. The new FTE will address workload increases. Additional personal services funds are provided to decrease the required vacancies during the reappraisal biennium and additional printing and postage monies will pay for the increase in assessment notices required during the reappraisal biennium. This as appropriation is restricted and one-time-only.