



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2021 Biennium

Bill #	HB0674	Title:	Increase state gas tax distribution to recreation-related programs
Primary Sponsor:	White, Kerry	Status:	As Introduced

- | | | |
|------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------|
| <input checked="" 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 checked="" type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2020 Difference</u>	<u>FY 2021 Difference</u>	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 674 alters the distribution of state gas tax from state and local government road projects and Montana Highway Patrol to the snowmobile and the off-highway vehicle account under 60-3-201, MCA.

FISCAL ANALYSIS

Assumptions:

Department of Transportation & Department of Fish, Wildlife, and Parks

- The FY 2020 gas tax rate will be \$0.32/gallon, increasing to \$0.325/gallon in FY 2022, then holding at \$0.33/gallon for future years. Over the four-year period, taxable gallons are projected to be between 557 million to 570 million per year.
- Total gasoline tax revenue available for distribution is projected to be \$168,229,598 in FY 2020, \$169,299,111 in FY 2021, \$173,258,215 in FY 2022, and \$177,534,543 in FY 2023.
- Additional gas tax will be allocated to the snowmobile account by changing the allocation from 15/28 of 1% to 3/4 of 1%.
- Additional gas tax will be allocated to the off-highway vehicle account by changing the allocation from 1/8 of 1% to 1/4 of 1%.
- The following table illustrates the revenue change for the snowmobile account and the off-highway vehicle account.

Current Law Revenue				
	FY 2020	FY 2021	FY 2022	FY 2023
Snowmobile Account	\$901,230	\$906,960	\$928,169	\$951,078
OHV Account	\$210,287	\$211,624	\$216,573	\$221,918
Total FWP State Special Revenue	\$1,111,517	\$1,118,584	\$1,144,742	\$1,172,996
Revenue HB674				
	FY 2020	FY 2021	FY 2022	FY 2023
Snowmobile Account	\$1,261,722	\$1,269,743	\$1,299,437	\$1,331,509
OHV Account	\$420,574	\$423,248	\$433,146	\$443,836
Total FWP State Special Revenue	\$1,682,296	\$1,692,991	\$1,732,583	\$1,775,345
Change in Revenue				
	FY 2020	FY 2021	FY 2022	FY 2023
Snowmobile Account	\$360,492	\$362,783	\$371,268	\$380,431
OHV Account	\$210,287	\$211,624	\$216,573	\$221,918
Total FWP State Special Revenue	\$570,779	\$574,408	\$587,840	\$602,349

6. The increased distribution to the snowmobile account and off-highway vehicle account will result in decreased revenue for the following state special revenue accounts (the revenue reduction is the total for the FY 2020 – FY 2023 period):
- BaRSAA Local Fuel Tax (\$252,157)
 - MHP Highway State Special (\$288,510)
 - BaRSAA MDT Fuel Tax (\$135,777)
 - Highway State Special (\$1,658,932)
7. The bill shifts allocations within the state special revenue fund, resulting in a net fiscal impact to the state of \$0 across the state special fund type.


	FY 2020 Difference	FY 2021 Difference	FY 2022 Difference	FY 2023 Difference
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
TOTAL Expenditures	\$0	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
TOTAL Funding of Exp.	\$0	\$0	\$0	\$0
<u>Revenues:</u>				
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

Effect on County or Other Local Revenues or Expenditures:

1. The BaRSAA Local Fuel Tax is currently in statute under 17-7-502, MCA.
2. This bill will result in a reduction of gas tax allocation to BaRSAA Local account of \$252,157 between FY 2020 to FY 2023.

Long-Term Impacts:

1. The reduction in state dollars may affect the Department of Transportation's ability to match federal aid for future construction projects.



Sponsor's Initials

3-22-19

Date

TL

Budget Director's Initials

3/22/19

Date