



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2021 Biennium

Bill # HB0032

Title: Revise laws related to aquatic invasive species programs

Primary Sponsor: Curdy, Willis

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 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>
Expenditures:				
General Fund	\$2,000,000	\$3,330,000	\$2,258,518	\$2,258,518
State Special Revenue AIS	\$4,350,562	\$4,120,677	\$4,172,737	\$4,172,737
State Special Revenue Gen Lic	\$1,233,521	\$1,156,892	\$1,174,246	\$1,174,246
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue AIS	\$4,294,000	\$5,624,000	\$4,552,518	\$4,552,518
State Special Revenue Gen Lic	\$2,681,639	\$1,947,483	\$1,947,483	\$1,947,483
Net Impact-General Fund Balance:	(\$2,000,000)	(\$3,330,000)	(\$2,258,518)	(\$2,258,518)

Description of fiscal impact: HB 32 establishes an aquatic invasive species (AIS) prevention pass for vessels and reduces the nonresident AIS prevention pass for anglers. The costs attributable to continuing the current AIS program. While there is not an overall increase in costs of the AIS program, the bill provides a general fund transfer which is shown as an expenditure.

FISCAL ANALYSIS

Assumptions:

Department of Fish Wildlife & Parks (FWP)

1. HB 32 establishes an AIS prevention pass for each vessel operated on the waters of Montana and requires the pass be purchased annually.
2. The annual AIS prevention pass for a motorized vessel registered in Montana is \$10.
3. Based on an FWP survey of households, approximately 80,000 motorized boats will require the pass annually. This will generate revenue of \$800,000.

4. The annual AIS prevention pass for a motorized vessel exempt from registration in Montana is \$60.
5. Based on data collected at AIS inspection stations, 6,400 motorized vessels exempt from registration in Montana will require the pass annually. This will generate revenue of \$384,000.
6. The annual AIS prevention pass for a nonmotorized vessel owned by a resident is \$5.
7. Approximately 200,000 nonmotorized vessels owned by a resident will require the pass annually. This will generate revenue of \$1,000,000.
8. The annual AIS prevention pass for a nonmotorized vessel owned by a nonresident is \$10.
9. Based on data collected at AIS inspection stations, 11,000 nonmotorized vessels owned by a nonresident will require the pass annually. This will generate revenue of \$110,000.
10. The total revenue generated from the AIS prevention pass for vessels is \$2,294,000.
11. Existing law requires that an AIS prevention pass is purchased annually when applying for a fishing license or a combination license, which includes a fishing license.
12. The current fee for the AIS prevention pass for anglers is \$2 for residents and \$15 for nonresidents.
13. Based on FY 2018 license sales, it is estimated that 239,585 resident fishing licenses or combination licenses will be sold. This will generate \$479,170 in revenue.
14. HB 32 will reduce the nonresident AIS prevention pass for anglers to \$7.50 effective March 1, 2020.
15. Based on fiscal year 2018 license sales, it is estimated that 195,775 nonresident fishing licenses or combination licenses will be sold.
16. It is estimated that 97,888 nonresident fishing licenses or combination licenses will be sold between July 2019 and February 2020 at \$15. This will generate revenue of \$1,468,320.
17. It is estimated that 97,887 nonresident fishing licenses or combination licenses will be sold between March 2020 and June 2020 at \$7.50. This will generate revenue of \$734,153.
18. The total revenue generated from the AIS prevention pass for anglers is \$2,681,643 in FY 2020 and \$1,947,483 ongoing.
19. HB 32 requires the state treasurer to transfer \$2 million from the state general fund by July 15, 2019 and \$3.33 million by July 15, 2020.
20. Effective July 1, 2021, HB 32 will require an amount equal to the difference between \$6.5 million and the amount of fees collected for the AIS prevention pass for vessels and the AIS prevention pass for anglers in the prior fiscal year to be transferred from the state general fund to the invasive species account.
21. Based on the previous assumptions, \$2,258,518 will be transferred from the general fund to the invasive species account by July 1, 2021 and each year after.
22. General fund money transferred into the invasive species account is statutorily appropriated.
23. It is estimated that to maintain the AIS program in FWP it would take 62.00 FTE, \$3,284,333 in personal services, \$1,549,759 in operating (\$150,000 one-time-only), and \$100,000 in one-time-only equipment expenditures for a total of \$4,934,083. This would be funded with a combination of general fund, AIS fund, and general license funding.

Department of Natural Resources and Conservation

24. The Department of Natural Resources and Conservation (DNRC) will continue to fund:
 - a. 2.00 FTE and their associated operating costs;
 - b. invasive species grants;
 - c. operating expenses for the Upper Columbia Conservation Commission (UCCC) and the Montana Invasive Species Council (MISC); and
 - d. education, training, monitoring, and outreach to prevent the growth of invasive species in the state of Montana.

	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE - DNRC	2.00	2.00	2.00	2.00
FTE - FWP	62.00	62.00	62.00	62.00

<u>Expenditures:</u>				
Personal Services - DNRC	\$177,000	\$177,000	\$177,000	\$177,000
Personal Services - FWP	\$3,284,333	\$3,252,819	\$3,301,611	\$3,301,611
Operating Expenses - DNRC	\$195,000	\$195,000	\$195,000	\$195,000
Operating Expenses - FWP	\$1,549,750	\$1,374,750	\$1,395,371	\$1,395,371
Equipment - FWP	\$100,000	\$0	\$0	\$0
Grants - DNRC	\$278,000	\$278,000	\$278,000	\$278,000
Transfers - DoA	\$2,000,000	\$3,330,000	\$2,258,518	\$2,258,518
TOTAL Expenditures	<u><u>\$7,584,083</u></u>	<u><u>\$8,607,569</u></u>	<u><u>\$7,605,501</u></u>	<u><u>\$7,605,501</u></u>



<u>Funding of Expenditures:</u>				
General Fund	\$2,000,000	\$3,330,000	\$2,258,518	\$2,258,518
State Special Revenue AIS	\$4,350,562	\$4,120,677	\$4,172,737	\$4,172,737
State Special Revenue Gen Lic	\$1,233,521	\$1,156,892	\$1,174,246	\$1,174,246
TOTAL Funding of Exp.	<u><u>\$7,584,083</u></u>	<u><u>\$8,607,569</u></u>	<u><u>\$7,605,501</u></u>	<u><u>\$7,605,501</u></u>

<u>Revenues:</u>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue AIS	\$4,294,000	\$5,624,000	\$4,552,518	\$4,552,518
State Special Revenue Gen Lic	\$2,681,639	\$1,947,483	\$1,947,483	\$1,947,483
TOTAL Revenues	<u><u>\$6,975,639</u></u>	<u><u>\$7,571,483</u></u>	<u><u>\$6,500,001</u></u>	<u><u>\$6,500,001</u></u>

<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$2,000,000)	(\$3,330,000)	(\$2,258,518)	(\$2,258,518)
State Special Revenue AIS	(\$56,562)	\$1,503,323	\$379,781	\$379,781
State Special Revenue Gen Lic	\$1,448,118	\$790,591	\$773,237	\$773,237

Technical Notes:

- 61-3-321(14), MCA, states that federal, state, and local vessels are exempt from registration fees. However, the bill draft states that vessels that are exempt under that statute must pay a \$60 fee. The statute and the bill make the \$60 AIS fee apply to federal, state, and local vessels. No revenue impact is shown as it is not known how many vessels this is.

 Sponsor's Initials	<u>1-9-2019</u> Date	 Budget Director's Initials	<u>1/6/19</u> Date
--	-------------------------	--	-----------------------



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Statutory Appropriation 2021 Biennium

17-1-508(2), MCA.

Section 17-1-508, MCA, requires analysis of the statutory appropriation relative to the guidance in 17-1-508(3), MCA, to be published in the fiscal note. In reviewing and establishing statutory appropriations, the legislature shall consider the following guidelines.

	<u>YES</u>	<u>NO</u>
a. The money is from a continuing, reliable, and estimable source.	X	
b. The use of the appropriation or the expenditure occurrence is predictable and reliable.	X	
c. The authority exists elsewhere.		X
d. An alternative appropriation method is available, practical, or effective.	X	
e. It appropriates state general fund money for purposes other than paying for emergency services.	X	
f. The money is used for general purposes.		X
g. The legislature wishes to review expenditure and appropriation levels each biennium.	X	
h. An expenditure cap and sunset date are excluded.		X