



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2021 Biennium

Bill # HB0693

Title: Requiring reimbursement of certain expenses by elected official

Primary Sponsor: Mandeville, Forrest

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 Difference</u>	<u>FY 2021 Difference</u>	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>
Expenditures:				
General Fund	\$28,185	\$28,185	\$28,185	\$28,185
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$309,420	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$28,185)</u>	<u>(\$28,185)</u>	<u>(\$28,185)</u>	<u>(\$28,185)</u>

Description of fiscal impact: HB 693 requires certain expenses associated with political fundraising or electioneering retroactive to January 1, 2017, to be reimbursed to the state. The Commissioner of Political Practices will require additional resources to investigate complaints.

FISCAL ANALYSIS

Assumptions:

Department of Justice (DOJ)

- The Montana Highway Patrol (MHP) has an Executive Protection detail assigned to the Governor that will qualify for reimbursement under HB 693.
- Tracking expenses related to out-of-state political fundraising or electioneering has not been done historically. The MHP Executive Protection detail estimates it has expended approximately \$309,420 since January 1, 2017, that will qualify for reimbursement. Retroactive expenditures will be reimbursed in FY 2020.
 - FY 2019 expenses will total approximately \$780,000. Approximately 35% will be eligible for reimbursement, or \$273,000.

- b. FY 2018 expenses total \$728,399. Approximately 5% of expenses will be eligible for reimbursement, or \$36,420.
 - c. FY 2017 activities from 1/1/17-6/30/17 are minimal so not included in this fiscal note.
3. The amount of upcoming electioneering activity the Executive Protection detail is involved with will determine future reimbursements.

Governor’s Office

- 4. Governor’s Office staff who accompany an elected official during work hours use personal leave. Any related travel expenses are paid directly by non-state sources.

Commissioner of Political Practices (COPP)

- 5. The COPP will be responsible for HB 693 compliance.
- 6. The retroactive nature of HB 693 and the upcoming 2020 election will create an immediate workload impact for the COPP office.
- 7. One 0.50 FTE for a compliance specialist will be required at a cost of \$26,685 for salary and benefits and \$1,500 annual operating costs.

	<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	0.50	0.50	0.50	0.50
<u>Expenditures:</u>				
Personal Services	\$26,685	\$26,685	\$26,685	\$26,685
Operating Expenses	\$1,500	\$1,500	\$1,500	\$1,500
TOTAL Expenditures	<u><u>\$28,185</u></u>	<u><u>\$28,185</u></u>	<u><u>\$28,185</u></u>	<u><u>\$28,185</u></u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$28,185	\$28,185	\$28,185	\$28,185
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	<u><u>\$28,185</u></u>	<u><u>\$28,185</u></u>	<u><u>\$28,185</u></u>	<u><u>\$28,185</u></u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$309,420	\$0	\$0	\$0
TOTAL Revenues	<u><u>\$309,420</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$28,185)	(\$28,185)	(\$28,185)	(\$28,185)
State Special Revenue (02)	\$309,420	\$0	\$0	\$0

_____ Sponsor’s Initials	_____ Date	TL _____ Budget Director’s Initials	3/26/19 _____ Date
-----------------------------	---------------	---	--------------------------