



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill #	HB0374	Title:	Amend Coal Severance Tax SSR accounts, provide transfers
---------------	--------	---------------	--

Primary Sponsor:	Holmlund, Kenneth L	Status:	As Amended in House Committee
-------------------------	---------------------	----------------	-------------------------------

- 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 2021</u> <u>Difference</u>	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:					
General Fund	\$1,000,000	\$1,076,167	\$1,200,952	\$1,339,646	\$1,477,100
State Special Revenue	\$0	\$0	\$0	\$0	\$0
Revenue:					
General Fund	\$0	\$0	\$0	\$0	\$0
State Special Revenue	\$1,000,000	\$1,076,167	\$1,200,952	\$1,339,646	\$1,477,100
Net Impact-General Fund Balance	<u>(\$1,000,000)</u>	<u>(\$1,076,167)</u>	<u>(\$1,200,952)</u>	<u>(\$1,339,646)</u>	<u>(\$1,477,100)</u>

Description of fiscal impact: Beginning in FY 2021, HB 374 provides for transfers from the state general fund to the conservation district account to backfill declining revenues. Beginning in FY 2022, HB 374 provides for transfers from the state general fund to the basic library services account to backfill declining revenues.

FISCAL ANALYSIS

Assumptions:

Department of Natural Resources and Conservation (DNRC) - Conservation Districts Account:

1. HB 374 provides for a transfer from the general fund to provide full funding for appropriations from the conservation district account after accounting for any unencumbered fund balance and anticipated revenues.
2. The conservation districts account provides funding to support the operations of the 58 conservation districts in Montana.
3. Prior to the close of FY 2021, \$1 million will be transferred from the general fund to the conservation district account. This transfer will provide sufficient funding to complete FY 2021 providing funding to conservation districts for their operations and project.

4. This fiscal note assumes 100% of the appropriation in HB 2 for the conservation district account is expended each fiscal year.
5. Revenue into the account comes from a 3.77% allocation of coal severance taxes (15-35-108(4), MCA). The fiscal note further assumes that revenue estimates will be reached each fiscal year.
6. Expenditures from the conservation district account are included each biennium in HB 2 and are in the Executive Budget for FY 2022 and FY 2023.
7. The conservation district account is estimated to have an available and unencumbered fund balance of \$0 at the end of FY 2021.
8. Anticipated transfers are \$1,000,000 in FY 2021, \$1,008,867 in FY 2022, \$1,108,652 in FY 2023, \$1,222,510 in FY 2024, and \$1,335,436 in FY 2025.

Montana State Library (MSL) – Basic Library Services Account:

9. HB 374 provides for a transfer from the general fund to provide full funding for appropriations from the basic library services account after accounting for any unencumbered fund balance and anticipated revenues.
10. The basic library services account provides funding for the following services in the MSL:
 - a. Federation grants to local libraries
 - b. Montana Shared Catalog
 - c. Professional training for Montana librarians
 - d. Digitization of state government publications
 - e. Digitization of content for the Montana Memory Project
11. This fiscal note assumes 100% of the appropriation in HB 2 for the basic library services account is expended each fiscal year.
12. Revenue into the account comes from a 0.90% allocation of coal severance taxes (15-35-108(3), MCA). The fiscal note further assumes that revenue estimates will be reached each fiscal year.
13. Expenditures from the basic library services account are included each biennium in HB 2 and are in the Executive Budget for FY 2022 and FY 2023.
14. The basic library services account is estimated to have an available and unencumbered fund balance of \$0 at the end of FY 2021.
15. Anticipated transfers are \$67,300 in FY 2022, \$92,300 in FY 2023, \$117,136 in FY 2024, and \$141,664 in FY 2025.

Fiscal Note Request – As Amended in House Committee

(continued)

	<u>FY 2021</u> <u>Difference</u>	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>					
<u>Expenditures:</u>					
Transfers	\$1,000,000	\$1,076,167	\$1,200,952	\$1,339,646	\$1,477,100
TOTAL Expenditures	\$1,000,000	\$1,076,167	\$1,200,952	\$1,339,646	\$1,477,100
<u>Funding of Expenditures:</u>					
General Fund (01)	\$1,000,000	\$1,076,167	\$1,200,952	\$1,339,646	\$1,477,100
State Special Revenue (02)	\$0	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	\$1,000,000	\$1,076,167	\$1,200,952	\$1,339,646	\$1,477,100
<u>Revenues:</u>					
General Fund (01)	\$0	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$1,000,000	\$1,076,167	\$1,200,952	\$1,339,646	\$1,477,100
TOTAL Revenues	\$1,000,000	\$1,076,167	\$1,200,952	\$1,339,646	\$1,477,100
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>					
General Fund (01)	(\$1,000,000)	(\$1,076,167)	(\$1,200,952)	(\$1,339,646)	(\$1,477,100)
State Special Revenue (02)	\$1,000,000	\$1,076,167	\$1,200,952	\$1,339,646	\$1,477,100

Effect on County or Other Local Revenues or Expenditures:

- Continued funding to the conservation district account and the basic library services account is essential for operations in the 58 conservation districts as well as local libraries around the state.



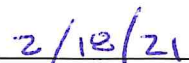
Sponsor's Initials



Date



Budget Director's Initials



Date