



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2023 Biennium

**Bill #** HB0651

**Title:** Generally revise ballot initiative laws

**Primary Sponsor:** Bertoglio, Marta

**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 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>
<b>Expenditures:</b>				
General Fund	\$68,940	\$45,960	\$69,974	\$46,649
Other	\$13,830	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
Other		\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>(\$68,940)</u>	<u>(\$45,960)</u>	<u>(\$69,974)</u>	<u>(\$46,649)</u>

**Description of fiscal impact:** HB 651 requires legislative interim committees (including the Legislative Council) to review proposed ballot initiative language and vote whether to support the placement of a measure on a ballot. The fiscal impact to the Legislative Services Division is \$114,900 for the 2023 biennium and \$116,623 for the 2025 biennium.

For the Office of the Secretary of State, this legislation will require an administrative rule change along with related expenditures for form design, tracking, and monitoring. The office is funded entirely with non-budgeted proprietary funds and does not receive HB 2 appropriations. The revenue generated from registration and document filings fees paid by Montana businesses will be used to pay for the expenditures resulting from this bill.

### FISCAL ANALYSIS

#### Assumptions:

##### **Legislative Branch**

1. It is assumed that an additional meeting will be required by an interim committee to perform the requirements in HB 651. However, it is difficult to determine which interim committees will be required to review the proposed ballot initiatives.

2. For the purposes of this fiscal note, the following assumptions are used:
  - a. An average number of interim committee members (nine)
  - b. Eight ballot initiatives will be reviewed each interim (eight meetings)
  - c. All meetings will be one-day meetings and held in Helena
3. HB 651 has an immediate effective date and no expiration date.
4. HB 651 adds additional duties to the Legislative Services Division's executive director and to the Legislative Council. It is assumed that a quarter-time web developer will be needed to update the ballot initiatives as they go through the interim committee review process. The Legislative Branch completed a solicitation for web development work in FY 2020, and the winning bid came in at \$73.50 per hour. It is estimated that the web developer contractor will work 520 hours annually. The total cost for a contracted web developer is \$76,440 for the 2023 biennium.
5. A 1.5% inflationary factor was applied to the 2025 biennium.
6. Due to the cyclical nature of the Legislative Branch, the costs are split out as follows:
  - a. 60% in the even year of each biennium
  - b. 40% in the odd year of each biennium
7. It is unknown how many bills are seeking to add to the duties of the Legislative Services Division. The fiscal note of each bill is prepared based on the effect of each individual bill. However, when viewed as a package, the cumulative effect of passage of more than one bill will require additional analysis and may require additional resources. The Legislative Services Division may not be able to absorb these duties.

**Office of the Secretary of State**

8. It is assumed that it will take an attorney 30 hours to write administrative rules which will result in \$3,630 in operating expenditures in FY 2022. It is assumed that the Office of the Secretary of State will contract with the Department of Justice's Agency Legal Services Division for this task.
9. In FY 2022, the office will contract with a vendor from the statewide master vendor list to develop and implement a tracking and reporting mechanism to gather, store, and report information at an estimated cost of \$7,200.
10. In FY 2022, the office will contract with a vendor from the statewide master vendor list to perform the form design with an estimated cost of \$3,000.
11. The Office of the Secretary of State is unable to determine the amount of paid signature gatherers. As a result, no revenue has been estimated for this filing fee.

**Department of Justice**

12. While it is assumed that this bill will likely be challenged, based on the registration requirements, the Department of Justice assumes any fiscal impact will be absorbed within existing HB 2 appropriations.
13. Based on previous cases, the costs may range from \$15,000 to \$20,000 for the department. This estimate does not include attorney costs.

	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
<b>Fiscal Impact: Legislative Branch</b>				
FTE	0.00	0.00	0.00	0.00
<b>Expenditures:</b>				
Personal Services	\$7,772	\$5,181	\$7,888	\$5,259
Operating Expenses	\$61,168	\$40,779	\$62,086	\$41,390
<b>TOTAL Expenditures</b>	<u>\$68,940</u>	<u>\$45,960</u>	<u>\$69,974</u>	<u>\$46,649</u>
<b>Funding of Expenditures:</b>				
General Fund (01)	\$68,940	\$45,960	\$69,974	\$46,649
<b>TOTAL Funding of Exp.</b>	<u>\$68,940</u>	<u>\$45,960</u>	<u>\$69,974</u>	<u>\$46,649</u>
<b>Revenues:</b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</b>				
General Fund (01)	(\$68,940)	(\$45,960)	(\$69,974)	(\$46,649)

	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
<b>Fiscal Impact: Office of the Secretary of State</b>				
<b>Expenditures:</b>				
Operating Expenses	\$13,830	\$0	\$0	\$0
<b>TOTAL Expenditures</b>	<u>\$13,830</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Funding of Expenditures:</b>				
General Fund (01)	\$0	\$0	\$0	\$0
Other	\$13,830	\$0	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<u>\$13,830</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Revenues:</b>				
General Fund (01)	\$0	\$0	\$0	\$0
Other		\$0	\$0	\$0
<b>TOTAL Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</b>				
General Fund (01)	\$0	\$0	\$0	\$0
Other	(\$13,830)	\$0	\$0	\$0

**NOT SIGNED BY SPONSOR**

Sponsor's Initials

3/26/21  
Date

KA  
Budget Director's Initials

3-24-21  
Date