



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2023 Biennium

**Bill #** HB0678

**Title:** Authorize transfers and other necessary measures to implement HB2 -section A

**Primary Sponsor:** Bartel, Dan

**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 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue - FWP	\$490,000	\$475,000	\$475,000	\$475,000
State Special Revenue - DoMA	\$475,000	\$475,000	\$475,000	\$475,000
Federal Special Revenue	(\$28,000,000)	(\$28,000,000)	(\$28,000,000)	(\$28,000,000)
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue - FWP	\$0	\$0	\$0	\$0
State Special Revenue - DoMA	\$475,000	\$475,000	\$475,000	\$475,000
Federal Special Revenue	(\$28,000,000)	(\$28,000,000)	(\$28,000,000)	(\$28,000,000)
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** HB 678 makes the conservation license revenue for search and rescue funding a voluntary donation and increases the amount that local search and rescue units may be reimbursed.

### FISCAL ANALYSIS

#### Assumptions:

#### **Department of Fish, Wildlife, and Parks (FWP)**

1. HB678 revises the search and rescue funding collected in the conservation license.
2. Montana Fish, Wildlife, and Parks participates in the US Fish and Wildlife grant program to receive federal funds.
3. To continue participation in the federal grant programs, FWP must follow the applicable federal law.

4. In accordance with the current federal law (50 CFR 80, Subpart B, 80.10), license revenue can only be used for administration of the state fish and wildlife agency, which includes only the functions required to manage the agency and the fish-and-wildlife related resources for which the agency has authority under state law.
5. HB678 New Section. Section 4; continued reimbursement of the prior surcharge to the state search and rescue program for incident response does not constitute an eligible use of license revenue as defined in 50 CFR 80, Subpart B, 80.10. The continued reimbursement for this purpose could render the agency ineligible to receive future grant funding.
6. The agency currently receives \$28,000,000 from the US Fish and Wildlife Service therefore, a reduction of revenue of \$28,000,000 is shown should HB 678 pass as introduced. An associated reduction in expenditures is included
7. The bill changes the search and rescue money received from a surcharge to a voluntary donation. This requires the Technology Services Division to develop a customer search and rescue donation option in the Automated License System (ALS).
8. The development, analysis, and quality assurance will cost FWP \$15,000 in contracted services for the required modifications to the ALS system.

**Department of Military Affairs**

9. HB 678 would revise the maximum amount allowed to be reimbursed to counties from \$6,000 per rescue mission to \$25,000 regardless of the number of counties or county search and rescue organization involved.
10. The department assumes 20 – 30 qualifying events per year, for the purpose of this fiscal note it is assumed that 25 search and rescue missions will be reimbursed each year.
11. The department assumes that the state special revenues previously allocated into 3 state special revenue accounts will no longer be segregated and the additional funds requested will be added to the existing \$300,000 already appropriated to search and rescue operations.
12. The additional funds requested are arrived at by the following assumption:  $(\$25,000 - \$6,000) \times 25$  missions per year = \$475,000 additional special revenue to the existing appropriation (\$300,000 HB2) for a total of \$775,000 per year.

	<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><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Operating Expenses - FWP	\$15,000	\$0	\$0	\$0
FWP Expenses	(\$28,000,000)	(\$28,000,000)	(\$28,000,000)	(\$28,000,000)
Operating Expenses - DoMA	\$475,000	\$475,000	\$475,000	\$475,000
Transfers	\$475,000	\$475,000	\$475,000	\$475,000
<b>TOTAL Expenditures</b>	<b>(\$27,035,000)</b>	<b>(\$27,050,000)</b>	<b>(\$27,050,000)</b>	<b>(\$27,050,000)</b>

<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Rev (02) - FWP	\$490,000	\$475,000	\$475,000	\$475,000
State Special Rev (02) - DoMA	\$475,000	\$475,000	\$475,000	\$475,000
Fed Special Rev (03) - FWP	(\$28,000,000)	(\$28,000,000)	(\$28,000,000)	(\$28,000,000)
<b>TOTAL Funding of Exp.</b>	<b>(\$27,035,000)</b>	<b>(\$27,050,000)</b>	<b>(\$27,050,000)</b>	<b>(\$27,050,000)</b>

<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Rev (02) - FWP	\$0	\$0	\$0	\$0
State Special Rev (02) - DMA	\$475,000	\$475,000	\$475,000	\$475,000
Fed Special Rev (03) - FWP	(\$28,000,000)	(\$28,000,000)	(\$28,000,000)	(\$28,000,000)
<b>TOTAL Revenues</b>	<b>\$475,000</b>	<b>\$475,000</b>	<b>\$475,000</b>	<b>\$475,000</b>

<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Rev (02) - FWP	(\$490,000)	(\$475,000)	(\$475,000)	(\$475,000)
State Special Rev (02) - DoMA	\$0	\$0	\$0	\$0
Fed Special Rev (03) - FWP	\$0	\$0	\$0	\$0

**NOT SIGNED BY SPONSOR**

Sponsor's Initials

3/30/21  
Date

Budget Director's Initials

KA

3-29-21  
Date