



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0005

Title: Long-Range Building Appropriations

Primary Sponsor: Jones, Lew

Status: As Introduced-Revised

- 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>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	↗ \$49,806,126	↗ \$49,806,126	\$0	\$8,814,619
Federal Special Revenue	↗ \$25,245,122	↗ \$25,245,122	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$8,814,619
State Special Revenue	↗ \$49,806,126	↗ \$49,806,126	\$0	\$8,814,619
Federal Special Revenue	↗ \$25,245,122	↗ \$25,245,122	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$8,814,619</u>

Description of fiscal impact: The long-range building program uses dedicated revenue to complete major repair and capital development projects. Several state agencies also have dedicated revenue that is used for specific projects. Capital projects typically take multiple fiscal years to complete and the appropriation authority is valid until projects are completed per 17-7-212, MCA. Tax collections for construction of the Montana Heritage Center are extended one year, to December 30, 2025.

FISCAL ANALYSIS

Assumptions:

1. Major Repair is defined in 17-7-201(7), MCA.
2. Capitol Development is defined in 17-7-201(2), MCA.
3. Any reduction in the minimum funding for Major Repair will eliminate the legislature's ability to appropriate Capital Development projects, as provided in 17-7-222(2), MCA.

4. The appropriations are valid until projects are completed. The funding is shown as expenditures are anticipated to be made but are subject to change.
5. Authority-only capital projects do not require an appropriation and are funded from grants, donations, auxiliary funds, and non-university funds.
6. Extending the tax collection for construction of the Montana Heritage Center by one year will increase funding by \$12.7 million.
7. Any revenue in account 22-3-1303, MCA that exceeds \$37 million will revert to the general fund.
8. Revenue exceeds \$37 million in FY 2025, which will result in a transfer to the general fund of \$8.8 million in FY 2025.

	<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>Expenditures:</u>				
Transfers	\$0	\$0	\$0	\$8,814,619
Major Repair	\$28,363,445	\$28,363,445	\$0	\$0
Capital Development	\$46,687,803	\$46,687,803	\$0	\$0
TOTAL Expenditures	<u>\$75,051,248</u>	<u>\$75,051,248</u>	<u>\$0</u>	<u>\$8,814,619</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$49,806,126	\$49,806,126	\$0	\$8,814,619
Federal Special Revenue (03)	\$25,245,122	\$25,245,122	\$0	\$0
TOTAL Funding of Exp.	<u>\$75,051,248</u>	<u>\$75,051,248</u>	<u>\$0</u>	<u>\$8,814,619</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$8,814,619
State Special Revenue (02)	\$49,806,126	\$49,806,126	\$0	\$8,814,619
Federal Special Revenue (03)	\$25,245,122	\$25,245,122	\$0	\$0
TOTAL Revenues	<u>\$75,051,248</u>	<u>\$75,051,248</u>	<u>\$0</u>	<u>\$17,629,238</u>

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	\$0	\$0	\$0	\$8,814,619
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

Technical Notes:

1. Some of the proposed capital projects will have on-going operations and maintenance funding that will need to be funded per 17-7-210, MCA.
2. Amendment needed to reduce DOA capital land grant projects in order to align with revenue projections.
 - a. Page 6, delete lines 8-13
 - b. Page 6, delete lines 20-25
 - c. Page 6, line 27, change \$800,000 to \$400,000
3. Amendment needed for Capital Development projects
 - a. Page 8, after line 14, add “Malta Vehicle Maintenance Shop”, federal special revenue, \$17,877,000.
 - b. Page 9, after line 2, add “Lincoln Airport Snow Removal Equipment Building” \$450,000 of federal special revenue

- 4. Amendment needed in Section 9 and Section 10 for the Montana Heritage Center revenue extension.
 - a. Page 14, line 20, amend date to read as December 31, 2025. Doing this would also eliminate the need for Senate Bill 6. Not changing from “30” to “31” leaves one day of revenue unallocated.
 - b. Page 16, line 6, amend date to read as December 31, 2025. Doing this would also eliminate the need for Senate Bill 6. Not changing from “30” to “31” leaves one day of revenue unallocated.

NOT SIGNED BY SPONSOR

Sponsor's Initials

Date

Budget Director's Initials

Date