



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2023 Biennium

**Bill #** HB0239

**Title:** Lower disability threshold for certain fee waivers to 80%

**Primary Sponsor:** Funk, Moffie

**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
<b>Revenue:</b>				
General Fund	(\$204,613)	(\$409,226)	(\$409,226)	(\$409,226)
State Special Revenue	(\$42,245)	(\$84,490)	(\$84,490)	(\$84,490)
<b>Net Impact-General Fund Balance:</b>	<u>(\$204,613)</u>	<u>(\$409,226)</u>	<u>(\$409,226)</u>	<u>(\$409,226)</u>

**Description of fiscal impact:** HB 239 lowers the disability threshold for disabled veterans to obtain a waiver of registration fees provided for in Title 61, Chapter 3, MCA, from 100% to 80%. The decrease in registration fees will reduce revenue to the state.

### FISCAL ANALYSIS

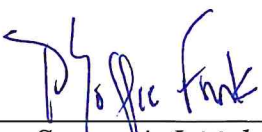
#### Assumptions:

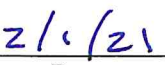
#### **Department of Justice**

- All veterans classified as 80% or more will become eligible to obtain a waiver of registration fees under the bill. The number of veterans in Montana that would become eligible for this waiver is 1,845 (per information gathered from the Montana Veterans Administration)
- Each veteran is allowed a waiver on two vehicle registration fees in Chapter 3 title 61 MCA., resulting in a possible 3,690 (1,845 veterans \* 2 vehicles assumed) currently registered vehicles.
- It is assumed that 100% of the veterans eligible will take advantage of the waiver on two vehicles.
- It is assumed that the waivers will apply to light vehicle registrations only.

5. In FY 2020, it is estimated that of the 3,690 eligible veteran vehicles, there are 1,069 in the one to four years old range, 1,135 in the five to eleven years old range, and 1,486 of the vehicles in the greater than 11 years old range.
6. There will be a loss to the general fund from annual registration fees due to the waiver as follows:
  - a. FY 2023, FY 2024, and FY 2025 are expected to realize a loss of (\$409,226) ((\$242,663) for vehicles one to four years old, (\$110,095) for vehicles five to eleven years old, and (\$56,468) for vehicles older than 11 years). Lost revenue in FY 2022 will be half this amount.
    - i. (1,069 vehicles \* (\$-217 registration fee + \$-10 Cemetery fee) = \$-242,663 loss)
    - ii. (1,135 vehicles \* (\$-87 registration fee + \$-10 Cemetery fee) = \$-110,095 loss)
    - iii. (1,486 vehicles \* (\$-28 registration fee + \$-10 Cemetery fee) = \$-56,468 loss)
7. State special revenue for Fish, Wildlife and Parks (\$9 fee imposed in 61-3-321(19), MCA) will realize a loss of revenue as follows:
  - a. FY 2023, FY 2024, and FY 2025 are expected to realize a loss of \$-33,210 ((\$9,621) for vehicles one to four years old, (\$10,215) for vehicles five to eleven years old, and (\$13,374) for vehicles older than 11 years). Lost revenue in FY 2022 will be half this amount.
    - i. (1,069 vehicles \* \$-9 FWP fee=\$-9,621 loss)
    - ii. (1,135 vehicles \* \$-9 FWP fee=\$-10,215 loss)
    - iii. (1,486 vehicles \* \$-9 FWP fee=\$-13,374 loss)
8. State special revenue for the funding of Montana highway patrol officers' (MHPO) salaries (\$10 fee imposed in 61-3-321(20), MCA) will realize a loss of revenue as follows:
  - a. FY 2023, FY 2024, and FY 2025 are expected to realize a loss of \$-36,900 (\$-10,690 for vehicles one to four years old, \$-11,350 for vehicles five to eleven years old, and \$-14,860 for vehicles older than 11 years). Lost revenue in FY 2022 will be half this amount.
    - i. (1,069 vehicles \* \$-10 FWP fee=\$-10,690 loss)
    - ii. (1,135 vehicles \* \$-10 FWP fee=\$-11,350 loss)
    - iii. (1,486 vehicles \* \$-10 FWP fee=\$-14,860 loss)
9. The MVD Administration fund collects 3% administrative fee on registration fees per 61-3-111, MCA.
  - a. FY 2023, FY 2024, and FY 2025 are expected to realize a loss of \$-14,380. ((\$-409,226 GF revenue lost + \$-70,110 FWP & MHPO SSR fund lost) \* 3% = \$-14,380). Lost revenue in FY 2022 will be half this amount.
10. No assumptions are made for the number of veterans that would be titling new vehicles and which would also be eligible for the fee waiver as that is impossible to determine.
11. The bill does not provide an effective date. Per 1-2-201(1)(c), MCA, HB 239 will become effective on January 1, 2022. As a result, the fiscal impact for FY 2022 is cut in half due to the bill taking effect halfway through the fiscal year.

	<b>FY 2022 <u>Difference</u></b>	<b>FY 2023 <u>Difference</u></b>	<b>FY 2024 <u>Difference</u></b>	<b>FY 2025 <u>Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Personal Services	\$0	\$0	\$0	\$0
<b>TOTAL Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Revenues:</u></b>				
General Fund (01)	(\$204,613)	(\$409,226)	(\$409,226)	(\$409,226)
SSR (02) FWP	(\$16,605)	(\$33,210)	(\$33,210)	(\$33,210)
SSR (02) MHPO	(\$18,450)	(\$36,900)	(\$36,900)	(\$36,900)
SSR (02) MVD	(\$7,190)	(\$14,380)	(\$14,380)	(\$14,380)
Other	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<b>(\$246,858)</b>	<b>(\$493,716)</b>	<b>(\$493,716)</b>	<b>(\$493,716)</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$204,613)	(\$409,226)	(\$409,226)	(\$409,226)
State Special Revenue (02)	(\$42,245)	(\$84,490)	(\$84,490)	(\$84,490)


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 Sponsor's Initials Date Budget Director's Initials Date