



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0445

Title: Generally revise automobile franchise laws

Primary Sponsor: Usher, Barry

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>
Expenditures:				
General Fund	\$7,200	\$0	\$0	\$0
Revenue:				
General Fund	\$2,475	\$2,475	\$2,475	\$2,475
Net Impact-General Fund Balance:	<u>(\$4,725)</u>	<u>\$2,475</u>	<u>\$2,475</u>	<u>\$2,475</u>



Description of fiscal impact: This bill creates a new fee of \$25 for dealer loaner vehicle license plates.

FISCAL ANALYSIS

Assumptions:

- It is estimated that there will be 60 hours of programming required to create the loaner vehicle program at a rate of \$120/hour. This is an expense to the general fund of \$7,200 (\$120*60 hours=\$7,200)
- There are 99 new car and truck dealers in Montana according to the Montana Automobile Dealers Association.
- It is assumed that each dealer would commit one new vehicle from inventory as a loaner vehicle.
- The revenue from the additional fee is estimated be \$2,475 per year (99 dealerships *1 loaner plate set*\$25 fee = \$2,475 revenue).

	<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>				
Personal Services	\$0	\$0	\$0	\$0
Operating Expenses	<u>\$7,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Expenditures	<u><u>\$7,200</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u>Funding of Expenditures:</u>				
General Fund (01)	<u>\$7,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Funding of Exp.	<u><u>\$7,200</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u>Revenues:</u>				
General Fund (01)	<u>\$2,475</u>	<u>\$2,475</u>	<u>\$2,475</u>	<u>\$2,475</u>
TOTAL Revenues	<u><u>\$2,475</u></u>	<u><u>\$2,475</u></u>	<u><u>\$2,475</u></u>	<u><u>\$2,475</u></u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$4,725)	\$2,475	\$2,475	\$2,475

	<u>2/24/21</u>		<u>2/24/21</u>
Sponsor's Initials	Date	Budget Director's Initials	Date