



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2023 Biennium

**Bill #** SB0117

**Title:** Generally revise laws governing the Housing Montana Fund

**Primary Sponsor:** Jacobson, Tom

**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
Proprietary	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
Proprietary	(\$2,164)	(\$3,895)	(\$5,280)	(\$6,388)
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** SB 117 would allow the Montana Board of Housing to make grants from the Housing Montana Fund in addition to loans.

### FISCAL ANALYSIS

#### Assumptions:

#### **Department of Commerce – Board of Housing**

1. There is no identified, on-going fund source for the Housing Montana Fund. The only revenues are interest income on mortgage loans and investments. Subsection 4 of 90-6-133, MCA indicates “The board may accept contributions, gifts, and grants for deposit into the fund. The money must be used in accordance with the provisions of 90-6-134.” To date, the board has not received contributions permitted under this subsection.
2. Assuming the board would exercise new flexibility proposed under SB 117 to issue funds as grants in addition to loans, expenses for loans made would be reduced by the amount of grant expenses. The impact on the fund would include decreasing interest income from mortgage loans and investments.
3. Cash and cash equivalents in the Housing Montana Fund as of January 19, 2021 is \$403,000 for TANF funding and \$138,000 for the regular Housing Montana Fund for a total of \$541,000.

**Fiscal Note Request – As Introduced**

(continued)

4. The interest rate these funds are normally lent at is 2%.
5. It is assumed that 20% of the fund balance would be granted each year. The reduction in interest revenue is outlined below.
  - a. FY 2022:  $\$541,000 \times 20\% = \$108,200 \times 2\% = \$2,164$
  - b. FY 2023:  $\$432,800 \times 20\% = \$86,560 \times 2\% = \$1,731$
  - c. FY 2024:  $\$346,240 \times 20\% = \$69,248 \times 2\% = \$1,385$
  - d. FY 2025:  $\$276,992 \times 20\% = \$55,398 \times 2\% = \$1,108$
6. The amount of funding available for loans in the future will be diminished by the amount of the grants dispersed.

	<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	(\$108,200)	(\$86,560)	(\$69,248)	(\$55,398)
Grants	\$108,200	\$86,560	\$69,248	\$55,398
<b>TOTAL Expenditures</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Proprietary (06)	\$0	\$0	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Proprietary (06)	(\$2,164)	(\$3,895)	(\$5,280)	(\$6,388)
<b>TOTAL Revenues</b>	<u>(\$2,164)</u>	<u>(\$3,895)</u>	<u>(\$5,280)</u>	<u>(\$6,388)</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Proprietary (06)	(\$2,164)	(\$3,895)	(\$5,280)	(\$6,388)

  
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 Sponsor's Initials

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 Date

  
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 Budget Director's Initials

  
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 Date