



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # SB0333

Title: Generally revise drug and human trafficking laws

Primary Sponsor: Molnar, Brad

Status: As Amended on the Senate Floor

- 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>
Expenditures:				
General Fund	\$221,294	\$5,130,201	\$5,130,201	\$5,130,201
State Special Revenue	\$1,292,767	\$1,692,593	\$1,692,593	\$1,692,593
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u><u>(\$221,294)</u></u>	<u><u>(\$5,130,201)</u></u>	<u><u>(\$5,130,201)</u></u>	<u><u>(\$5,130,201)</u></u>

Description of fiscal impact: As amended on the Senate Floor, SB 333 includes new operating expenses in the Department of Justice for reward payouts of \$50,000 for informants of human trafficking activity or drug distribution convictions (Tier I excluding Marijuana or Tier II with a street value of at least \$10,000) and for expenses for the Department of Transportation for highway signs to proclaim the rewards.

FISCAL ANALYSIS

Assumptions:

Department of Transportation (MDT)

- As amended on the Senate Floor, the bill places responsibility for highway signs with the Department of Transportation. The amendment was not incorporated into the amendment bill this way; however, this fiscal note assumes that MDT will provide the roadway signage.
- The small signs (4'x7') would cost \$3,168.79 per sign and the larger signs (5.5'x11') would cost \$5,670.79 per sign.
- The bill identifies the ports of entry into the State of Montana but does not specifically define the locations.
- MDT assumes the signs will be placed on state-maintained highways entering Montana at similar locations to

the “Welcome to Montana” signs. The following is a list of these locations and the associated costs:

State of Montana Ports of Entry					
Sign Route	Corridor	Mile Post	Location	Sign Size	Estimated Sign & Installation Cost
US-12	C000093	0.0	West of Lolo - Lolo Pass	4'x7'	\$3,168.79
US-93	C000007	0.0	South of Hamilton - Lost Trail Pass	4'x7'	\$3,168.79
I-90	C000090	0.0	West of Saltese - Lookout Pass	5.5'x11'	\$5,670.79
MT-200	C000006	0.0	West of Noxon	4'x7'	\$3,168.79
US-2	C000001	0.0	West of Troy	4'x7'	\$3,168.79
US-93	C000005	187.4	North of Eureka	5.5'x11'	\$5,670.79
I-15	C000015	0.0	South of Lima	5.5'x11'	\$5,670.79
US-191	C000050	0.0	Boundry St./ West Yellowstone	5.5'x11'	\$5,670.79
US-20	C000012	0.0	Targhee Pass - Idaho Line	4'x7'	\$3,168.79
MT-87	C000013	0.0	Reynolds Pass - Idaho Line	4'x7'	\$3,168.79
US-89 S	C000011	0.7	Gardiner - Hell Roaring Street	5.5'x11'	\$5,670.79
S-232	C000232	42.9	Port of Wildhorse - NE of Havre	4'x7'	\$3,168.79
S-233	C000233	30.2	Port of Willow Creek - North of Havre	4'x7'	\$3,168.79
S-241	C000241	43.1	Port of Turner - Northeast of Harlem	4'x7'	\$3,168.79
I-15 (SB)	C000015	397.3	Port of Sweetgrass - North of Sunburst	5.5'x11'	\$5,670.79
US-89	C000058	49.6	Port of Piegan - North of St. Mary	5.5'x11'	\$5,670.79
US-2	C000001	667.1	East of Culbertson	4'x7'	\$3,168.79
MT-16	C000034	15.3	Port of Raymond - North of Plentywood	4'x7'	\$3,168.79
MT-5	C000030	24.2	East of Plentywood	4'x7'	\$3,168.79
US-191	C000099	54.1	Port of Morgan - North of Malta	4'x7'	\$3,168.79
MT-24	C000031	60.8	Port of Opheim - North of Opheim	4'x7'	\$3,168.79
MT-13	C000032	65.8	Port of Scobey - North of Scobey	4'x7'	\$3,168.79
US-12	C000002	95.5	East of Baker	5.5'x11'	\$5,670.79
MT-200	C000020	64.2	Northeast of Sidney	5.5'x11'	\$5,670.79
MT-23	C000026	7.5	East of Sidney	5.5'x11'	\$5,670.79
I-94 W	C000094	250.1	East of Wibaux	5.5'x11'	\$5,670.79
MT-59	C000054	0.0	South of Broadus	4'x7'	\$3,168.79
US-212	C000023	139.8	Southeast of Alzada	5.5'x11'	\$5,670.79
S-326	C000326	0+0.0	South of Alzada	4'x7'	\$3,168.79
US-212	C000028	45.0	South of Red Lodge	5.5'x11'	\$5,670.79
US-310	C000004	0.0	South of Bridger	4'x7'	\$3,168.79
MT-72	C000072	0.0	South of Belfry	4'x7'	\$3,168.79
I-90	C000090	554.4	South of Lodge Grass	5.5'x11'	\$5,670.79
S-451	C000451	38.0	South of Wyola - Wyoming State Line	4'x7'	\$3,168.79
Totals					\$142,766.86

Department of Justice (DOJ)

5. As amended on the Senate Floor, the bill retains responsibility for reward payments with the Department of Justice. The amendment was not incorporated into the amendment bill this way; however, this fiscal note assumes that DOJ will provide the rewards.
6. The design and signage to be installed in airports, railway stations, and bus depots will cost \$2,500 based on prior campaigns.
7. It is expected that the reward structure will lead to an increased amount of informant information to be received related to drug and human trafficking offenses.
8. The estimated payout for rewards to informants that lead to drug distribution convictions for Tier I excluding marijuana and Tier II with a street value of \$10,000 is \$750,000 in FY 2022 (due to effective date and time for cases to reach trial and conviction) and \$4,500,000 in subsequent years. (90 estimated convictions x \$50,000 reward = \$4,500,000). This is based upon an assumption of 90 estimated convictions per year with the maximum reward. If less convictions were to occur, the cost would be less.
9. The estimated payout for rewards to informants that lead to Human Trafficking convictions is \$400,000 in FY 2022 (due to effective date and time for cases to reach trial and conviction) and \$2,050,000 in subsequent years. (41 estimated convictions x \$50,000 = \$2,050,000). This is based upon an assumption of 41 estimated convictions per year with the maximum reward. If less convictions were to occur, the cost would be less.
10. The Montana Highway Patrol (MHP) will receive tips on human trafficking and drug distribution due to the award. It is assumed that the system for receiving and verifying tips will be administered by the MHP communications center. All tips will then be distributed to the proper agency for investigation. The estimated cost for an additional 1.00 FTE dispatcher is \$56,794 annually.
11. SB 333 directs funding to come from the Office of Consumer Protection (OCP) fund in 30-14-143, MCA. The average revenue over the last four years into the Consumer Protection fund is \$3,143,418 and the operation of the office is \$1,441,825 annually. Given the estimated impact of this bill, it is expected that the fiscal impact of this bill cannot be fully funded from the resources of the Office of Consumer Protection fund. Therefore, any rewards due beyond the funding in the OCP fund are assumed to be paid from the general fund as follows:
 - a. The expense to the general fund is expected to be \$4,857,407 in FY 2023, FY 2024, and FY 2025. (\$4,500,000 rewards for drug conviction in FY 2023 + \$2,050,000 for human trafficking convictions in FY 2023+ \$1,441,825 operation cost of the Office of Consumer Protection - \$3,134,418 average revenue collected in FY 2023 = \$4,857,407 deficit to OCP to be covered in the general fund). This amount has been prorated for FY 2022 based on the effective date of the bill and time for cases to reach trial and conviction.

Fiscal Note Request – As Amended on the Senate Floor

(continued)

Equipment	\$16,003	\$0	\$0	\$0
TOTAL Expenditures	<u>\$142,767</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Funding of Expenditures:

State Special Revenue (02)	\$142,767	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$142,767</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Revenues:

State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

State Special Revenue (02)	(\$142,767)	\$0	\$0	\$0
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Department of Justice

	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
<u>Fiscal Impact:</u>				
FTE	1.00	1.00	1.00	1.00
<u>Expenditures:</u>				
Personal Services	\$56,794	\$56,794	\$56,794	\$56,794
Operating Expenses	\$1,314,500	\$6,766,000	\$6,766,000	\$6,766,000
TOTAL Expenditures	<u>\$1,371,294</u>	<u>\$6,822,794</u>	<u>\$6,822,794</u>	<u>\$6,822,794</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$221,294	\$5,130,201	\$5,130,201	\$5,130,201
State Special Revenue (02)	\$1,150,000	\$1,692,593	\$1,692,593	\$1,692,593
TOTAL Funding of Exp.	<u>\$1,371,294</u>	<u>\$6,822,794</u>	<u>\$6,822,794</u>	<u>\$6,822,794</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

General Fund (01)	(\$221,294)	(\$5,130,201)	(\$5,130,201)	(\$5,130,201)
State Special Revenue (02)	(\$1,150,000)	(\$1,692,593)	(\$1,692,593)	(\$1,692,593)

Sponsor's Initials	Date	<div style="text-align: center; color: blue; font-size: 1.2em;">KA</div> Budget Director's Initials	<div style="text-align: center; color: blue; font-size: 1.2em;">4-19-21</div> Date
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