



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0333 - Generally revise motorized recreation laws (Oblander, Greg)

Status: As Amended in House Committee

- 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 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$1,718	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	(\$20,265)	(\$40,530)	(\$40,530)	(\$40,530)
State Special Revenue	(\$608)	(\$1,216)	(\$1,216)	(\$1,216)
Net Impact-General Fund Balance:	<u>(\$21,983)</u>	<u>(\$40,530)</u>	<u>(\$40,530)</u>	<u>(\$40,530)</u>

Description of fiscal impact: HB 333 changes the fee schedule for travel trailers and boats of certain lengths, raising fees on travel trailers and lowering fees on boats, the net impact of which is a slight reduction in general fund revenue. The bill also increases the fine for failure to affix a summer motorized recreation trail pass to a recreation vehicle and the fine for failure to display a nonresident temporary-use permit. These fines are increased to \$60. The minimum amount of the fine associated with failure to affix a winter trail pass is increased to \$40.

FISCAL ANALYSIS

Assumptions:**Department of Justice**

- Section 5(9) of HB 333, as amended, raises the registration fee for travel trailers with lengths of 31 feet or longer from \$152 to \$192, an increase of \$40. Revenue from travel trailer registration fees is deposited in the general fund.
- Data from the Motor Vehicle Division's MERLIN registration system indicates that 4,193 travel trailers with lengths of at least 31 feet will register each year during the period FY 2024 – FY 2027. The \$40 fee increase associated with these registrations will raise general fund revenue by \$167,720 per year.

3. The higher registration fee for 31+ foot travel trailers will increase revenue from the 3% administrative fee provided for in 61-3-111, MCA that is deposited into the MVD administration account within the state special revenue fund. Revenue from this fee will rise by \$5,032 per year due to the higher registration fee.
4. Section 5(10) of the bill lowers the registration fee for boats (a broad term that includes motorboats, sailboats, personal watercraft, and motorized pontoons) with lengths greater than 19 feet but less than 21 feet from \$295.50 to \$125.50, a decline of \$170. Revenue from boat registration fees is deposited in the general fund.
5. It is estimated that 1,225 boats within lengths between 19 and 21 feet will register each year during the period FY 2024 – FY 2027. The \$170 fee reduction associated with these registrations will reduce general fund revenue by \$208,250 per year.
6. The lower registration fee for boats will also result in lower revenue from the 3% administrative fee provided for in 61-3-111, MCA, that is deposited into the MVD administration account within the state special revenue fund. Revenue from this fee will decline by a total of \$6,248 per year due to the lower registration fees.
7. The estimated revenue impacts in assumptions 2, 3, 5, and 6 are halved in FY 2024 because the bill is effective January 1, 2024, halfway through FY 2024.
8. Implementing HB 333 will require 20 hours of programming modifications to MERLIN at a cost of \$39.20 per hour (20 X 39.20=\$784), 20 hours of testing from a Business Analyst at a cost of \$28.78 per hour (20 X 28.78= \$575.60), and 20 hours of Quality Assurance review at a cost of \$17.90 per hour (20 X \$17.90=\$358.00). Total programming and testing costs are \$1,718 in FY 2024.
9. The reduction in motor vehicle revenue deposited in the general fund resulting from the net impact of higher travel trailer and lower boat registration fees has a negligible effect on the transfers made pursuant to 15-1-122, MCA, where a small portion of general fund motor vehicle revenue is allocated to a collection of state special revenue accounts. The motor vehicle recycling program account administered by the Department of Justice receives 1.48% of motor vehicle revenue deposited in the general fund. This account will experience a very small revenue decline due to the lowering of general fund motor vehicle revenue under HB 333.

Department of Fish, Wildlife, and Parks

10. This bill will increase fine for failure to obtain/display the resident summer motorized recreation trail pass or the nonresident temporary-use permit from \$25 to \$60.
11. The minimum fine for failure to obtain/display a winter trail pass is increased from \$25 to \$40. This increase is below the current bond amount set for each violation. All revenue collected from this fine is deposited in the general fund.
12. Of the \$60 fine associated with resident summer motorized recreation trail passes and nonresident temporary-use permits, \$20 is directed to the summer motorized recreation trail account administered by FWP. The remaining \$40 is directed to the general fund.
13. In FY 2022 there was no revenue collected from these citations. We anticipate that very few citations will be issued in the future and any revenue will be negligible.
14. The reduction in motor vehicle revenue deposited in the general fund resulting from the net impact of higher travel trailer and lower boat registration fees has a negligible effect on the transfers made pursuant to 15-1-122, MCA, where a small portion of general fund motor vehicle revenue is allocated to a collection of state special revenue accounts. Many of these accounts are administered by the Department of Fish, Wildlife, and Parks, and each of these accounts will experience a very small revenue decline due to the lowering of general fund motor vehicle revenue under HB 333.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$0	\$0	\$0	\$0
Operating Expenses	\$1,718	\$0	\$0	\$0
Transfers	\$0	\$0	\$0	\$0
TOTAL Expenditures	<u>\$1,718</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$1,718	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$1,718</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	(\$20,265)	(\$40,530)	(\$40,530)	(\$40,530)
State Special Revenue (02)	(\$608)	(\$1,216)	(\$1,216)	(\$1,216)
TOTAL Revenues	<u>(\$20,873)</u>	<u>(\$41,746)</u>	<u>(\$41,746)</u>	<u>(\$41,746)</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$21,983)	(\$40,530)	(\$40,530)	(\$40,530)
State Special Revenue (02)	(\$608)	(\$1,216)	(\$1,216)	(\$1,216)



Sponsor's Initials

Date



Budget Director's Initials

2-20-23

Date