



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:	
SB0028 - Provide funding for conservation districts (Lang, Mike)	
Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> 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	\$0	\$0	\$0	\$0
State Special Revenue	\$3,156,000	\$3,800,000	\$4,027,000	\$4,195,000
Revenue:				
General Fund	(\$3,156,000)	(\$3,800,000)	(\$4,027,000)	(\$4,195,000)
State Special Revenue	\$3,156,000	\$3,800,000	\$4,027,000	\$4,195,000
Net Impact-General Fund Balance:	<u>(\$3,156,000)</u>	<u>(\$3,800,000)</u>	<u>(\$4,027,000)</u>	<u>(\$4,195,000)</u>

Description of fiscal impact: SB 28 changes the distribution from the marijuana state special revenue account to provide funding for conservation districts. These distributions are estimated to be \$3,156,000 for FY 2024, \$3,800,000 for FY 2025, \$4,027,000 for FY 2026 and \$4,195,000 for FY 2027. General fund revenue would decrease by matching amounts.

FISCAL ANALYSIS

Assumptions:

1. SB 28 revises the distribution from the marijuana state special revenue account (16-12-111, MCA) to include a distribution into the conservation district account (76-15-106, MCA) at the Department of Natural Resources and Conservation (DNRC).
2. Under current law 3.71% of the coal severance tax revenue goes to the conservation account, and this bill would add a distribution from the marijuana account for whatever amount is necessary to make a total distribution of \$6 million per year. The HJ 2 forecast for coal severance tax revenue to be deposited in the conservation account is \$2.844 million in FY 2024, \$2.370 million in FY 2025, \$2.294 million in FY 2026 and \$2.220 million in FY 2027.

3. Section 2 of the bill ties an inflationary rate to the \$6 million cap after fiscal year 2024. The inflationary rate, equal to one-half of the average inflation rate for the prior three years, is estimated at 2.83% for FY 2025, 2.45% for FY 2026, and 1.49% for FY 2027.
4. Based on the above estimates, the distributions from the marijuana state special revenue account to the conservation district account would be \$3.156 million for FY 2024, \$3.800 million for FY 2025, \$4.027 million for FY 2026, and \$4.195 million for FY 2027.
5. The general fund distribution from the marijuana state special revenue account would decrease by the same amounts, and no other distributions would be impacted.
6. The Department of Revenue would not incur significant additional costs because of this bill.


	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Conservation Districts	\$3,156,000	\$3,800,000	\$4,027,000	\$4,195,000
TOTAL Expenditures	<u>\$3,156,000</u>	<u>\$3,800,000</u>	<u>\$4,027,000</u>	<u>\$4,195,000</u>
<u>Funding of Expenditures:</u>				
State Special Revenue	\$3,156,000	\$3,800,000	\$4,027,000	\$4,195,000
TOTAL Funding of Exp.	<u>\$3,156,000</u>	<u>\$3,800,000</u>	<u>\$4,027,000</u>	<u>\$4,195,000</u>
<u>Revenues:</u>				
General Fund (01)	(\$3,156,000)	(\$3,800,000)	(\$4,027,000)	(\$4,195,000)
State Special Revenue DNRC	\$3,156,000	\$3,800,000	\$4,027,000	\$4,195,000
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$3,156,000)	(\$3,800,000)	(\$4,027,000)	(\$4,195,000)
State Special Revenue (02)	\$0	\$0	\$0	\$0

NO SPONSOR SIGNATURE

Sponsor's Initials

1/4/23

Date



Budget Director's Initials

12-28-22

Date