



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:	
SB0160 - Generally revise drug and human trafficking laws (Molnar, Brad)	
Status:	As Amended in Senate Committee

<input type="checkbox"/> Significant Local Gov Impact	<input checked="" type="checkbox"/> Needs to be included in HB 2	<input checked="" 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 - DoJ	\$5,994,121	\$5,991,069	\$5,993,936	\$5,996,845
State Special Revenue - DoT	\$358,962	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$5,994,121)</u>	<u>(\$5,991,069)</u>	<u>(\$5,993,936)</u>	<u>(\$5,996,845)</u>

Description of fiscal impact: SB 160 creates a reward program for drug and human trafficking reporting. The bill requires the Montana Department of Transportation (MDT) to create the reward signs and install them at all ports of entry, airports, railway stations, and bus stations. The Department of Justice, Division of Criminal Investigation's (DCI) fiscal impact relative to SB 160 includes personal services for two full-time employees to manage the program and operating expenses for reward payouts for informants of human trafficking activity or drug distribution convictions.

FISCAL ANALYSIS

Assumptions:

Department of Transportation (DoT)

- MDT assumes that the amended SB 160 will to give MDT sufficient time to install the signs based on staffing and resource levels. Therefore, MDT will utilize MDT state forces, instead of contractors, to install all of the

signs at ports of entry, airports as defined in 67-1-101, MCA, railway stations or terminals, and bus stations or terminals.

2. There would be two sign sizes at all ports of entry: a large size that would be 5.5' x 11' for interstates, and a small size of 4'x 7' for all other roadway types. The larger signs (5.5'x 11') would have a cost of \$10,677.37 per sign and the small signs (4'x 7') would cost \$9,632.95 per sign.
3. 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, which total \$342,142 in operating expenditures in FY 2024:

State of Montana Points of Entry

Sign Route	Corridor	Mile Post	Location	Sign Size	Estimated Sign Cost
US-12	C000093	0.0	West of Lolo - Lolo Pass	4'x7'	\$9,632.95
US-93	C000007	0.0	South of Hamilton - Lost Trail Pass	4'x7'	\$9,632.95
I-90	C000090	0.0	West of Saltese - Lookout Pass	5.5'x11'	\$10,677.37
MT-200	C000006	0.0	West of Noxon	4'x7'	\$9,632.95
US-2	C000001	0.0	West of Troy	4'x7'	\$9,632.95
US-93	C000005	187.4	North of Eureka	5.5'x11'	\$10,677.37
I-15	C000015	0.0	South of Lima	5.5'x11'	\$10,677.37
US-191	C000050	0.0	Boundry St./ West Yellowstone	5.5'x11'	\$10,677.37
US-20	C000012	0.0	Targhee Pass - Idaho Line	4'x7'	\$9,632.95
MT-87	C000013	0.0	Reynolds Pass - Idaho Line	4'x7'	\$9,632.95
US-89 S	C000011	0.7	Gardiner - Hell Roaring Street	5.5'x11'	\$10,677.37
S-232	C000232	42.9	Port of Wildhorse - NE of Havre	4'x7'	\$9,632.95
S-233	C000233	30.2	Port of Willow Creek - North of Havre	4'x7'	\$9,632.95
S-241	C000241	43.1	Port of Turner - Northeast of Harlem	4'x7'	\$9,632.95
I-15 (SB)	C000015	397.3	Port of Sweetgrass - North of Sunburst	5.5'x11'	\$10,677.37
US-89	C000058	49.6	Port of Piegan - North of St. Mary	5.5'x11'	\$10,677.37
US-2	C000001	667.1	East of Culbertson	4'x7'	\$9,632.95
MT-16	C000034	15.3	Port of Raymond - North of Plentywood	4'x7'	\$9,632.95
MT-5	C000030	24.2	East of Plentywood	4'x7'	\$9,632.95
US-191	C000099	54.1	Port of Morgan - North of Malta	4'x7'	\$9,632.95
MT-24	C000031	60.8	Port of Opheim - North of Opheim	4'x7'	\$9,632.95
MT-13	C000032	65.8	Port of Scobey - North of Scobey	4'x7'	\$9,632.95
US-12	C000002	95.5	East of Baker	5.5'x11'	\$10,677.37
MT-200	C000020	64.2	Northeast of Sidney	5.5'x11'	\$10,677.37
MT-23	C000026	7.5	East of Sidney	5.5'x11'	\$10,677.37
I-94 W	C000094	250.1	East of Wibaux	5.5'x11'	\$10,677.37
MT-59	C000054	0.0	South of Broadus	4'x7'	\$9,632.95
US-212	C000023	139.8	Southeast of Alzada	5.5'x11'	\$10,677.37
S-326	C000326	0+0.0	South of Alzada	4'x7'	\$9,632.95
US-212	C000028	45.0	South of Red Lodge	5.5'x11'	\$10,677.37
US-310	C000004	0.0	South of Bridger	4'x7'	\$9,632.95

MT-72	C000072	0.0	South of Belfry	4'x7'	\$9,632.95
I-90	C000090	554.4	South of Lodge Grass	5.5'x11'	\$10,677.37
S-451	C000451	38.0	South of Wyola - Wyoming State Line	4'x7'	\$9,632.95
Total					\$342,142

4. SB 160 further states that with permission, airports, railway stations or terminals, and bus stations or terminals would also contain these signs. MDT assumes posters within each facility would be sufficient.
5. There are 12 rail stations, 34 bus stations, and 13 airports (with commercial traffic and/or essential air service), and MDT estimates \$1,000 as the operating costs for the development, printing, and installation of posters for these locations.
6. There are 129 public airports in Montana and 116 do not have commercial air or essential air travel. MDT assumes that signs, not posters, would have to be installed at these airports.
7. These signs would be 2' x 2' in size and MDT would use a plastic sign for this. The cost for MDT to install these signs would be \$145 per sign and 116 airports in Montana would have these signs installed for a total cost of \$16,820 in operating expenditures in FY 2024 ($\$145 \times 116 = \$16,820$).

Department of Justice (DoJ) – Division of Criminal Investigation (DCI)

8. DCI assumes that 2.00 FTE positions will be needed, one Program Manager and one Executive Assistant with an estimated cost of \$168,130 annually. A 1.5% inflation factor is applied to FY 2026 and FY 2027.
9. It is assumed that there will be \$25,991 in operating costs in the first year and an \$23,000 each year after.
10. It is assumed there will be approximately 75 rewards issued annually (one third of the distribution convictions in 2020) to informants that lead to drug distribution convictions, and each is rewarded \$50,000. The estimated annually amount is \$3,750,000.
11. It is assumed there will be approximately 41 payouts issued annually (same number paid in 2020) to informants that lead to Human Trafficking convictions, and each reward is \$50,000. The estimated annual amount is \$2,050,000.

Office of Public Defender

12. OPD assumes this bill will increase the number of drug and human trafficking cases due to an increase in reporting of the same due to reward incentive.
13. OPD assumes an additional case weight of 15 hours per drug case and 50 hours per human trafficking case respectively.
14. OPD assumes assignment of these cases to contracted attorneys due to the current caseload saturation with FTE attorneys at a rate of \$71 per hour.
15. OPD is unable to determine the increase in the number of drug and sex trafficking cases that will result from this legislation.
16. While the exact number of new cases cannot be determined, OPD assumes an impact of \$1,065 per each additional drug case and \$3,550 per each additional human trafficking case.
17. It is unknown how many bills are seeking to add to the duties of the Office of Public Defender. The fiscal note of each bill is prepared based on the effect of each individual bill. However, when viewed as a package, the cumulative effect of passage of more than one bill would require additional analysis and may require additional resources. OPD may not be able to absorb the work required to defend individuals based upon this legislation.

	<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>				
FTE	2.00	2.00	2.00	2.00
<u>Expenditures:</u>				
Personal Services	\$168,130	\$168,130	\$170,652	\$173,212
Operating Expenses - DoT	\$358,962	\$0	\$0	\$0
Operating Expenses - DoJ	\$5,825,991	\$5,822,939	\$5,823,284	\$5,823,633
TOTAL Expenditures	\$6,353,083	\$5,991,069	\$5,993,936	\$5,996,845
<u>Funding of Expenditures:</u>				
General Fund (01)	\$5,994,121	\$5,991,069	\$5,993,936	\$5,996,845
State Special Revenue (02)	\$358,962	\$0	\$0	\$0
TOTAL Funding of Exp.	\$6,353,083	\$5,991,069	\$5,993,936	\$5,996,845
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$5,994,121)	(\$5,991,069)	(\$5,993,936)	(\$5,996,845)
State Special Revenue (02)	(\$358,962)	\$0	\$0	\$0

Technical Notes:

1. Installing these types of signs on state highway and interstate right-of-way may violate the Manual of Uniform Traffic Control Devices (MUTCD). The purpose of traffic control devices, as well as the principles for their use, is to promote highway safety and efficiency by providing for the orderly movement of all road users on streets, highways, bikeways, and private roads open to public travel throughout the nation. These signs may be considered advertisements.
2. If these signs are not allowed by MUTCD, MDT would need to install billboards at the 34 Montana ports of entry described above. In this case, there would be an annual cost to MDT.

NO SPONSOR SIGNATURE

Sponsor's Initials

3/2/23

Date



Budget Director's Initials

3-2-23

Date