



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

SB0522 - Provide hotels with grants to shelter victims of violence and human trafficking (Zolnikov, Daniel)

Status: As Amended in Senate 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	\$0	\$0	\$0	\$0
SSR (02) - Commerce	(\$75,505)	(\$81,258)	(\$84,506)	(\$86,922)
SSR (02) - New DPHHS	\$75,505	\$81,258	\$84,506	\$86,922
Revenue:				
General Fund	\$0	\$0	\$0	\$0
SSR (02) - Commerce	(\$75,505)	(\$81,258)	(\$84,506)	(\$86,922)
SSR (02) - New DPHHS	\$75,505	\$81,258	\$84,506	\$86,922
Net Impact-General Fund Balance:	\$0	\$0	\$0	\$0

Description of fiscal impact: SB 522, as amended, would reduce the allocation of the lodging facilities use tax to the Department of Commerce for promotion of tourism and film by 0.1%, and redirect the funding to the Department of Justice to establish a grant program to provide lodging for victims of domestic violence or human trafficking. It is estimated this would be \$75,505 in FY 2024 and \$81,258 in FY 2025.

FISCAL ANALYSIS

Assumptions:

Department of Revenue

1. SB 522 modifies the distribution of lodging facility use tax by reducing the amount distributed to the Department of Commerce from 60.3% to 60.2% and also distributes 0.1% to a newly established emergency lodging for victims of domestic violence or human trafficking state special revenue account.

2. HJ 2 forecasts for the lodging facility use tax for FY 2024 through FY 2025 are presented in the following table. The decrease in revenue to the Department of Commerce as well as the amount of revenue distributed to the new state special revenue account are also shown.

Fiscal Year	Total Revenue*	New State Special	Department of Commerce
FY 2024	\$75,504,503	\$75,505	(\$75,505)
FY 2025	\$81,257,936	\$81,258	(\$81,258)
FY 2026	\$84,506,308	\$84,506	(\$84,506)
FY 2027	\$86,922,080	\$86,922	(\$86,922)
*Total to be distributed per 15-65-121 (2), MCA			

3. It is not anticipated that SB 522 will have any substantial costs to the Department of Revenue.

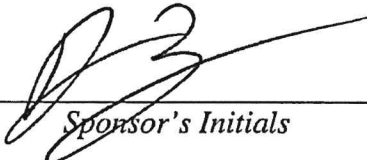
Department of Commerce (Commerce)

4. Per 15-65-121, MCA, the lodging facility use tax funds allocated to the Commerce are statutory appropriated. For the purposes of this fiscal note, it is assumed that all revenue allocated will be expended.
5. Under current law the Commerce receives 60.3% of the 4% lodging facilities use tax for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials. Beginning July 1, 2027, Commerce will receive 63% of the tax.
6. Under the proposed legislation the department would receive 60.2% of the lodging facilities use tax for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials. Beginning July 1, 2027, Commerce would receive 62.9% of the tax.
7. Based on HJ 2 revenue estimates, the reduction in allocation would result in Commerce reducing the Tourism Grants program by an estimated \$75,505 in FY 2024, \$81,258 in FY 2025, \$84,506 in FY 2026, and \$86,922 in FY 2027.

Department of Justice

8. Department of Justice will have no additional costs related to SB 522.

	<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>				
Grants (DPHHS)	\$75,505	\$81,258	\$84,506	\$86,922
Grants (Commerce)	(\$75,505)	(\$81,258)	(\$84,506)	(\$86,922)
Transfers	\$0	\$0	\$0	\$0
TOTAL Expenditures	\$0	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
SSR (02) - Commerce	(\$75,505)	(\$81,258)	(\$84,506)	(\$86,922)
SSR (02) - New DPHHS	\$75,505	\$81,258	\$84,506	\$86,922
TOTAL Funding of Exp.	\$0	\$0	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
SSR (02) - Commerce	(\$75,505)	(\$81,258)	(\$84,506)	(\$86,922)
SSR (02) - New DPHHS	\$75,505	\$81,258	\$84,506	\$86,922
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
SSR (02) - Commerce	\$0	\$0	\$0	\$0
SSR (02) - New DPHHS	(\$0)	\$0	\$0	\$0



 Sponsor's Initials

4.11.23

 Date



 Budget Director's Initials

4-11-23

 Date