



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0845 - Provide electronic Montana code annotated to state employees at cost (Karlen, Jonathan)

Status: As Introduced

- 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
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	(\$11,693)	\$0	(\$11,693)	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 845 changes the pricing structure for digital versions of the Montana Code Annotated to legislators and state employees. The fiscal impact to the Legislative Branch is (\$11,693) in fiscal years 2024 and 2026.

FISCAL ANALYSIS

Assumptions:**Legislative Branch**

- Section 5-11-209, MCA, requires the Legislative Branch to produce printed and electronic versions of the most recent versions of Montana Code Annotated (MCA) and specifies costs.
- MCAs are available for purchase in the even-numbered fiscal year following the prior legislative session. Thus, revenue collection is shown in the even-numbered fiscal year.
- HB 845 changes the price charged for electronic versions of MCA as follows:
 - Legislators = \$0 (one copy)
 - State employees = \$1.00 (royalty fee paid by Legislative Branch to a third-party vendor)

4. The Legislative Branch is required to pay the third-party vendor royalty fees on gross revenue from each transaction. The third-party contract requires a \$1.00 royalty fee for each electronic copy provided for no charge or sold for less than \$20.
5. Costs for providing MCA must be paid out of the state special revenue fund, so there is no impact to the state general fund.
6. In FY 2022, 300 digital copies of MCA were downloaded for use by state employees and legislators.
 - a. The Legislative Branch received \$12,150 for digital downloads and paid a 5% royalty fee of \$608 for a total revenue of \$11,543.
7. The royalty fee charged to the Legislative Branch for providing legislators one digital copy free of charge is \$1 for each legislator. This equals a fiscal impact of \$150.
8. The total fiscal impact for each biennium is (\$11,693).
9. The costs of producing the MCA does not decrease with the decrease in revenue. However, it is assumed that production costs will be paid by the revenue collected for printed copies. It is also assumed that the \$11,693 revenue loss will not affect the Legislative Branch.
10. HB 845 has an effective date of July 1, 2023.

	<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	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Personal Services	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$11,693)	\$0	(\$11,693)	\$0
TOTAL Revenues	<u>(\$11,693)</u>	<u>\$0</u>	<u>(\$11,693)</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$11,693)	\$0	(\$11,693)	\$0



 Sponsor's Initials

3/24/23

 Date



 Budget Director's Initials

3-23-23

 Date