

**Agency Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	90,933,624	91,615,659	682,035	0.75 %
Operating Expenses	28,991,931	31,485,147	2,493,216	8.60 %
Equipment & Intangible Assets	1,761,876	351,339	(1,410,537)	(80.06)%
Capital Outlay	386,179	0	(386,179)	(100.00)%
Local Assistance	2,000,000	0	(2,000,000)	(100.00)%
Transfers	120,816	485,000	364,184	301.44 %
Debt Service	133,146	154,468	21,322	16.01 %
<b>Total Expenditures</b>	<b>\$124,327,572</b>	<b>\$124,091,613</b>	<b>(\$235,959)</b>	<b>(0.19)%</b>
General Fund	114,622,470	114,115,789	(506,681)	(0.44)%
State/Other Special Rev. Funds	1,979,898	1,987,252	7,354	0.37 %
Federal Spec. Rev. Funds	550,009	559,664	9,655	1.76 %
Proprietary Funds	7,175,195	7,428,908	253,713	3.54 %
<b>Total Funds</b>	<b>\$124,327,572</b>	<b>\$124,091,613</b>	<b>(\$235,959)</b>	<b>(0.19)%</b>
<b>Total Ongoing</b>	<b>\$124,077,572</b>	<b>\$124,577,975</b>	<b>\$500,403</b>	<b>0.40 %</b>
<b>Total OTO</b>	<b>\$250,000</b>	<b>(\$486,362)</b>	<b>(\$736,362)</b>	<b>(294.54)%</b>

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**Agency Highlights**

<b>Department of Revenue Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Department of Revenue's 2023 biennium budget is approximately \$236,000 or 0.2% less than the 2021 biennium budget. The legislature adopted budget includes:                             <ul style="list-style-type: none"> <li>◦ Adjustments due to the statewide present law adjustments for personal services, fixed costs, and inflation/deflation</li> <li>◦ An additional 1.0% vacancy savings reduction included in the Director's Office with language allowing the agency to allocate the reduction among its various programs</li> <li>◦ A one-time-only appropriation of \$250,000 for anticipated overtime and termination payout of personal services in the Alcoholic Beverage Control Division</li> <li>◦ In the Property Assessment Division, an increase in state special revenue for the property valuation improvement fund and an increase in general fund for a new proposed NRIS/ GIS usage fixed cost to be paid to the Montana State Library</li> </ul> </li> </ul>

**Agency Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	625.67	625.67	625.67	625.67
Personal Services	43,884,638	44,488,493	46,445,131	45,125,826	46,489,833
Operating Expenses	13,816,375	13,977,811	15,014,120	15,835,282	15,649,865
Equipment & Intangible Assets	1,731,317	1,731,322	30,554	135,256	216,083
Capital Outlay	384,459	386,179	0	0	0
Local Assistance	0	2,000,000	0	0	0
Transfers	117,816	119,316	1,500	483,500	1,500
Debt Service	50,714	55,899	77,247	77,239	77,229
<b>Total Expenditures</b>	<b>\$59,985,319</b>	<b>\$62,759,020</b>	<b>\$61,568,552</b>	<b>\$61,657,103</b>	<b>\$62,434,510</b>
General Fund	55,237,809	57,929,546	56,692,924	56,672,817	57,442,972
State/Other Special Rev. Funds	989,947	989,944	989,954	993,626	993,626
Federal Spec. Rev. Funds	275,085	275,086	274,923	279,825	279,839
Proprietary Funds	3,482,478	3,564,444	3,610,751	3,710,835	3,718,073
<b>Total Funds</b>	<b>\$59,985,319</b>	<b>\$62,759,020</b>	<b>\$61,568,552</b>	<b>\$61,657,103</b>	<b>\$62,434,510</b>
<b>Total Ongoing</b>	<b>\$59,918,709</b>	<b>\$62,634,020</b>	<b>\$61,443,552</b>	<b>\$62,268,465</b>	<b>\$62,309,510</b>
<b>Total OTO</b>	<b>\$66,610</b>	<b>\$125,000</b>	<b>\$125,000</b>	<b>(\$611,362)</b>	<b>\$125,000</b>

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### Executive Budget Comparison

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2021	Executive Budget Fiscal 2022	Legislative Budget Fiscal 2022	Leg — Exec. Difference Fiscal 2022	Executive Budget Fiscal 2023	Legislative Budget Fiscal 2023	Leg — Exec. Difference Fiscal 2023	Biennium Difference Fiscal 22-23
FTE	625.67	673.67	625.67	(48.00)	700.67	625.67	(75.00)	(75.00)
Personal Services	46,445,131	49,550,168	45,125,826	(4,424,342)	53,175,412	46,489,833	(6,685,579)	(11,109,921)
Operating Expenses	15,014,120	17,489,923	15,835,282	(1,654,641)	18,563,349	15,649,865	(2,913,484)	(4,568,125)
Equipment & Intangible Assets	30,554	3,135,256	135,256	(3,000,000)	216,083	216,083	0	(3,000,000)
Capital Outlay	0	0	0	0	0	0	0	0
Local Assistance	0	0	0	0	0	0	0	0
Transfers	1,500	1,500	483,500	482,000	1,500	1,500	0	482,000
Debt Service	77,247	77,239	77,239	0	77,229	77,229	0	0
<b>Total Costs</b>	<b>\$61,568,552</b>	<b>\$70,254,086</b>	<b>\$61,657,103</b>	<b>(\$8,596,983)</b>	<b>\$72,033,573</b>	<b>\$62,434,510</b>	<b>(\$9,599,063)</b>	<b>(\$18,196,046)</b>
General Fund	56,692,924	56,679,655	56,672,817	(6,838)	57,933,278	57,442,972	(490,306)	(497,144)
State/other Special Rev. Funds	989,954	9,583,076	993,626	(8,589,450)	10,101,688	993,626	(9,108,062)	(17,697,512)
Federal Spec. Rev. Funds	274,923	279,920	279,825	(95)	279,934	279,839	(95)	(190)
Other	3,610,751	3,711,435	3,710,835	(600)	3,718,673	3,718,073	(600)	(1,200)
<b>Total Funds</b>	<b>\$61,568,552</b>	<b>\$70,254,086</b>	<b>\$61,657,103</b>	<b>(\$8,596,983)</b>	<b>\$72,033,573</b>	<b>\$62,434,510</b>	<b>(\$9,599,063)</b>	<b>(\$18,196,046)</b>
<b>Total Ongoing</b>	<b>\$61,443,552</b>	<b>\$71,347,448</b>	<b>\$62,268,465</b>	<b>(\$9,078,983)</b>	<b>\$71,908,573</b>	<b>\$62,309,510</b>	<b>(\$9,599,063)</b>	<b>(\$18,678,046)</b>
<b>Total OTO</b>	<b>\$125,000</b>	<b>(\$1,093,362)</b>	<b>(\$611,362)</b>	<b>\$482,000</b>	<b>\$125,000</b>	<b>\$125,000</b>	<b>\$0</b>	<b>\$482,000</b>

The legislature adopted ongoing appropriations that are \$18.7 million lower than the proposed appropriations for the 2023 biennium. Significant changes include:

- Removal of DP 19001 for the recreational marijuana implementation. This reduced state special revenue appropriations by \$8.6 million in FY 2022 and \$9.1 million in FY 2023
- A reduction in fixed costs for warehouses, storage rooms, and information technology of approximately \$18,600 in FY 2022 and FY 2023
- Decreased personal services for an additional 1.0% vacancy savings
- The legislature adopted an increase in general fund appropriations for the entitlement share for counties with large amounts of state land

**Funding**

The following table shows adopted agency funding by source of authority.

Total Department of Revenue Funding by Source of Authority 2023 Biennium Budget Request - Department of Revenue						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	114,852,151	(736,362)	0	296,948,589	411,064,378	78.16 %
State Special Total	1,987,252	0	0	104,368,691	106,355,943	20.22 %
Federal Special Total	559,664	0	0	0	559,664	0.11 %
Proprietary Total	7,178,908	250,000	530,704	0	7,959,612	1.51 %
Other Total	0	0	0	0	0	0.00 %
<b>Total All Funds</b>	<b>\$124,577,975</b>	<b>(\$486,362)</b>	<b>\$530,704</b>	<b>\$401,317,280</b>	<b>\$525,939,597</b>	
<b>Percent - Total All Sources</b>	<b>23.69 %</b>	<b>(0.09) %</b>	<b>0.10 %</b>	<b>76.30 %</b>		

*HB 2 Authority*

The Department of Revenue is primarily funded with general fund, which is 78.2% of total funds in the 2023 biennium. Proprietary funds are 1.5% of total funds and support the operation of the Alcoholic Beverage Control Division and other divisions that support alcoholic beverage control functions or the staff of the Alcoholic Beverage Control Division.

State special revenue accounts for 20.2% of total funds and supports:

- Tobacco tax compliance activities under the Tobacco Master Settlement Agreement
- Appraisal, assessment, and taxation processes
- Administration of the unclaimed property program
- Administration of the medical marijuana tax

Federal special revenue accounts for 0.1% of total funds and supports federal mineral royalty audits.

*Statutory Authority*

Total funding for the agency also includes two large general fund statutory appropriations. The Director’s Office manages a pass-through general fund appropriation for the state entitlement shares and is responsible for the statutorily appropriated distributions of various tax revenues to local and tribal governments.

**Budget Summary by Category**

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the [glossary](#).

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	56,692,924	56,692,924	113,385,848	99.36 %	61,443,552	61,443,552	122,887,104	99.03 %
SWPL Adjustments	896,763	830,510	1,727,273	1.51 %	987,116	928,115	1,915,231	1.54 %
PL Adjustments	189,481	(185,724)	3,757	0.00 %	313,786	(61,419)	252,367	0.20 %
New Proposals	(1,106,351)	105,262	(1,001,089)	(0.88)%	(1,087,351)	124,262	(963,089)	(0.78)%
<b>Total Budget</b>	<b>\$56,672,817</b>	<b>\$57,442,972</b>	<b>\$114,115,789</b>		<b>\$61,657,103</b>	<b>\$62,434,510</b>	<b>\$124,091,613</b>	

**Language and Statutory Authority**

The Alcoholic Beverage Control Division is appropriated \$170 million in each year of the 2023 biennium from the liquor enterprise fund to maintain adequate inventories necessary to meet statutory requirements, to pay freight costs, and to transfer profits and taxes to appropriate accounts.

Up to \$2.0 million in general fund is appropriated to the Director's Office of the Department of Revenue for the biennium beginning July 1, 2021 to pay settlements required under 15-1-402(6)(i)(A).

The Director's Office Program includes a reduction in general fund of \$470,884 in FY 2022 and \$472,352 in FY 2023. The reduction is the equivalent of an additional 1% vacancy savings. The agency may allocate this reduction in funding among programs when developing 2023 biennium operating plans.

The Entitlement Share is contingent on the passage and approval of HB 678 with a section authorizing increased entitlement share base amounts for counties with large amounts of state-owned lands and adjusting the base entitlement share for the remaining counties and consolidated city-counties.

**Program Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	12,850,492	11,907,319	(943,173)	(7.34)%
Operating Expenses	3,973,795	4,675,838	702,043	17.67%
Capital Outlay	182,884	0	(182,884)	(100.00)%
Transfers	3,000	485,000	482,000	16,066.67%
Debt Service	18,363	20,826	2,463	13.41%
<b>Total Expenditures</b>	<b>\$17,028,534</b>	<b>\$17,088,983</b>	<b>\$60,449</b>	<b>0.35%</b>
General Fund	16,309,418	16,369,771	60,353	0.37%
State/Other Special Rev. Funds	408,199	408,308	109	0.03%
Proprietary Funds	310,917	310,904	(13)	0.00%
<b>Total Funds</b>	<b>\$17,028,534</b>	<b>\$17,088,983</b>	<b>\$60,449</b>	<b>0.35%</b>
<b>Total Ongoing</b>	<b>\$17,028,534</b>	<b>\$16,765,751</b>	<b>(\$262,783)</b>	<b>(1.54)%</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$323,232</b>	<b>\$323,232</b>	<b>100.00%</b>

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**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	73.19	73.19	73.19	73.19
Personal Services	6,238,005	6,316,513	6,533,979	5,862,652	6,044,667
Operating Expenses	1,782,862	1,884,853	2,088,942	2,445,213	2,230,625
Capital Outlay	182,884	182,884	0	0	0
Transfers	0	1,500	1,500	483,500	1,500
Debt Service	3,449	7,950	10,413	10,413	10,413
<b>Total Expenditures</b>	<b>\$8,207,200</b>	<b>\$8,393,700</b>	<b>\$8,634,834</b>	<b>\$8,801,778</b>	<b>\$8,287,205</b>
General Fund	7,847,650	8,034,150	8,275,268	8,442,172	7,927,599
State/Other Special Rev. Funds	204,085	204,085	204,114	204,154	204,154
Proprietary Funds	155,465	155,465	155,452	155,452	155,452
<b>Total Funds</b>	<b>\$8,207,200</b>	<b>\$8,393,700</b>	<b>\$8,634,834</b>	<b>\$8,801,778</b>	<b>\$8,287,205</b>
<b>Total Ongoing</b>	<b>\$8,207,200</b>	<b>\$8,393,700</b>	<b>\$8,634,834</b>	<b>\$8,478,546</b>	<b>\$8,287,205</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$323,232</b>	<b>\$0</b>

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**Funding**

*HB 2 Authority*

General Fund

Funding for the Director’s Office HB 2 budget comes primarily from the general fund.

State Special Revenue

State special revenue funds the unclaimed property fund, administrative funds, and the tobacco settlement fund, which supports the dedicated attorney that supports tobacco tax compliance activities. The Director’s Office is responsible for the statutorily appropriated distributions of various tax revenues to local and tribal governments. Further explanation for the unclaimed property fund is done in the Business and Income Taxes Division section of this document.

Proprietary Funding

Proprietary funding is from a direct appropriation of Alcoholic Beverage Control Division proprietary fund and is for the Alcoholic Beverage Control Division share of Director’s Office support costs. The allocation is calculated as a percentage of the program’s budget. Alcoholic Beverage Control Division proprietary funds are an indirect use of general fund since net liquor revenues are deposited in the general fund after operating costs are deducted.

*Other Funding*

Statutory Appropriations

Total funding for the Director’s Office also includes two general fund statutory appropriations. The largest of the statutory appropriations is a pass-through general fund appropriation for the state entitlement shares, as provided in 15-1-121, MCA. This distribution resulted from HB 124 in the 2001 Legislative Session, which reallocated revenue received by local governments, school districts, and some state special revenue accounts to the general fund and replaced foregone revenue with permanent state entitlement grants to counties and cities. A second general fund statutory appropriation included in the Director’s Office is a direct use by the department for out of state travel costs for tax audits and is provided for in 15-1-218, MCA.

**Program Budget Summary by Category**

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	8,275,268	8,275,268	16,550,536	101.10 %	8,634,834	8,634,834	17,269,668	101.06 %
SWPL Adjustments	213,500	30,376	243,876	1.49 %	213,540	30,416	243,956	1.43 %
PL Adjustments	9,700	(473,768)	(464,068)	(2.83)%	9,700	(473,768)	(464,068)	(2.72)%
New Proposals	(56,296)	95,723	39,427	0.24 %	(56,296)	95,723	39,427	0.23 %
<b>Total Budget</b>	<b>\$8,442,172</b>	<b>\$7,927,599</b>	<b>\$16,369,771</b>		<b>\$8,801,778</b>	<b>\$8,287,205</b>	<b>\$17,088,983</b>	

**Present Law Adjustments -**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(41,675)	0	0	(41,675)	0.00	(16,960)	0	0	(16,960)
DP 2 - Fixed Costs	0.00	255,789	40	0	255,829	0.00	47,721	40	0	47,761
DP 3 - Inflation Deflation	0.00	(614)	0	0	(614)	0.00	(385)	0	0	(385)
DP 50 - SWPLA Fixed Cost Reductions	0.00	(1,416)	0	0	(1,416)	0.00	(1,416)	0	0	(1,416)
DP 51 - Additional 1.0% Vacancy Savings	0.00	(470,884)	0	0	(470,884)	0.00	(472,352)	0	0	(472,352)
DP 102 - Entitlement Share (OTO)	0.00	482,000	0	0	482,000	0.00	0	0	0	0
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$223,200</b>	<b>\$40</b>	<b>\$0</b>	<b>\$223,240</b>	<b>0.00</b>	<b>(\$443,392)</b>	<b>\$40</b>	<b>\$0</b>	<b>(\$443,352)</b>

\*\*\*Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include the following: warrant writer, motor pool, etc.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms, and information technology.

DP 51 - Additional 1.0% Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings, which reduces general fund appropriations for personal services.

DP 102 - Entitlement Share (OTO) -

The legislature approved general fund appropriations of the entitlement share to counties with large amounts of state lands. The funding is contingent on the passage and approval of HB 678 containing a provision requiring increased entitlement share for counties with significant portions of state-owned lands and adjustment of the base entitlement share of the remaining counties and consolidated city-counties.

**New Proposals -**

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 101 - Tax Policy Implementation	0.00	102,472	0	0	102,472	0.00	95,723	0	0	95,723
DP 5555 - Reduce GF Budget for State Share Holiday (OTO)	0.00	(158,768)	0	0	(158,768)	0.00	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>(\$56,296)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$56,296)</b>	<b>0.00</b>	<b>\$95,723</b>	<b>\$0</b>	<b>\$0</b>	<b>\$95,723</b>

\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 101 - Tax Policy Implementation -

The legislature adopted an increase in general fund for a tax policy analyst to conduct the work necessary to implement tax related legislation.

DP 5555 - Reduce GF Budget for State Share Holiday (OTO) -

The legislature adopted an elimination of the state share contribution to the state employee group benefit plan for two months. This change package removes the general fund portion of the savings generated by the suspension of the contributions. Savings from other funding sources, if applicable, remain in agency personal services budgets. This decision is contingent on passage and approval of SB 110.

**Program Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	5,894,482	6,326,680	432,198	7.33 %
Operating Expenses	9,790,950	10,388,363	597,413	6.10 %
Equipment & Intangible Assets	1,673,385	290,231	(1,383,154)	(82.66)%
<b>Total Expenditures</b>	<b>\$17,358,817</b>	<b>\$17,005,274</b>	<b>(\$353,543)</b>	<b>(2.04)%</b>
General Fund	16,679,206	16,325,680	(353,526)	(2.12)%
State/Other Special Rev. Funds	167,714	167,710	(4)	0.00 %
Proprietary Funds	511,897	511,884	(13)	0.00 %
<b>Total Funds</b>	<b>\$17,358,817</b>	<b>\$17,005,274</b>	<b>(\$353,543)</b>	<b>(2.04)%</b>
<b>Total Ongoing</b>	<b>\$17,358,817</b>	<b>\$17,070,775</b>	<b>(\$288,042)</b>	<b>(1.66)%</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$65,501)</b>	<b>(\$65,501)</b>	<b>100.00 %</b>

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**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	33.00	33.00	33.00	33.00
Personal Services	2,914,928	2,917,082	2,977,400	3,125,580	3,201,100
Operating Expenses	4,717,905	4,749,205	5,041,745	5,193,632	5,194,731
Equipment & Intangible Assets	1,673,385	1,673,385	0	104,702	185,529
<b>Total Expenditures</b>	<b>\$9,306,218</b>	<b>\$9,339,672</b>	<b>\$8,019,145</b>	<b>\$8,423,914</b>	<b>\$8,581,360</b>
General Fund	8,966,404	8,999,858	7,679,348	8,084,117	8,241,563
State/Other Special Rev. Funds	83,859	83,859	83,855	83,855	83,855
Proprietary Funds	255,955	255,955	255,942	255,942	255,942
<b>Total Funds</b>	<b>\$9,306,218</b>	<b>\$9,339,672</b>	<b>\$8,019,145</b>	<b>\$8,423,914</b>	<b>\$8,581,360</b>
<b>Total Ongoing</b>	<b>\$9,306,218</b>	<b>\$9,339,672</b>	<b>\$8,019,145</b>	<b>\$8,489,415</b>	<b>\$8,581,360</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$65,501)</b>	<b>\$0</b>

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**Funding**

*HB 2 Authority*

The Technology Services Division is primarily funded from the general fund, which is used to support technology requirements and business operations.

State Special Revenue

The Technology Services Division receives state special revenue appropriations from the tobacco settlement funds for technology support provided to the Business Income Taxes Division.

Proprietary Funding

Appropriations from the liquor enterprise fund supports technology services for the Alcoholic Beverage Control division.

**Program Budget Summary by Category**

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	7,679,348	7,679,348	15,358,696	94.08 %	8,019,145	8,019,145	16,038,290	94.31 %
SWPL Adjustments	381,790	392,908	774,698	4.75 %	381,790	392,908	774,698	4.56 %
PL Adjustments	88,480	169,307	257,787	1.58 %	88,480	169,307	257,787	1.52 %
New Proposals	(65,501)	0	(65,501)	(0.40)%	(65,501)	0	(65,501)	(0.39)%
<b>Total Budget</b>	<b>\$8,084,117</b>	<b>\$8,241,563</b>	<b>\$16,325,680</b>		<b>\$8,423,914</b>	<b>\$8,581,360</b>	<b>\$17,005,274</b>	

**Present Law Adjustments -**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	213,681	0	0	213,681	0.00	223,700	0	0	223,700
DP 2 - Fixed Costs	0.00	168,109	0	0	168,109	0.00	169,208	0	0	169,208
DP 50 - SWPLA Fixed Cost Reductions	0.00	(7,198)	0	0	(7,198)	0.00	(7,198)	0	0	(7,198)
DP 201 - IT contract increase (FAST/GenTax)	0.00	50,000	0	0	50,000	0.00	100,000	0	0	100,000
DP 202 - IT contract increase (Orion)	0.00	54,702	0	0	54,702	0.00	85,529	0	0	85,529
DP 203 - ServiceNow Reduction	0.00	(9,024)	0	0	(9,024)	0.00	(9,024)	0	0	(9,024)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$470,270</b>	<b>\$0</b>	<b>\$0</b>	<b>\$470,270</b>	<b>0.00</b>	<b>\$562,215</b>	<b>\$0</b>	<b>\$0</b>	<b>\$562,215</b>

\*\*\*Total Funds\*\* amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include the following: warrant writer, motor pool, etc.

DP 50 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms, and information technology.

DP 201 - IT contract increase (FAST/GenTax) -

The legislature adopted an increase in the general fund for a maintenance contract increase for the Department of Revenue’s (DOR) integrated tax system called GenTax®. Through the system, DOR manages 91 taxes, licenses, and fees.

DP 202 - IT contract increase (Orion) -

The legislature adopted an additional general fund appropriation for an increase in maintenance costs for the Orion property valuation system.

DP 203 - ServiceNow Reduction -

The legislature adopted a decrease in funding because of the purchase of ServiceNow licenses and programs for the 2023 biennium. The executive is anticipating operating efficiencies and other savings by using ServiceNow.

**New Proposals -**

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5555 - Reduce GF Budget for State Share Holiday (OTO)	0.00	(65,501)	0	0	(65,501)	0.00	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>(\$65,501)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$65,501)</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 5555 - Reduce GF Budget for State Share Holiday (OTO) -

The legislature adopted an elimination of the state share contribution to the state employee group benefit plan for two months. This change package removes the general fund portion of the savings generated by the suspension of the contributions. Savings from other funding sources, if applicable, remain in agency personal services budgets. This decision is contingent on passage and approval of SB 110.

**Program Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	5,013,689	5,281,685	267,996	5.35 %
Operating Expenses	1,036,143	1,159,521	123,378	11.91 %
Equipment & Intangible Assets	82,491	61,108	(21,383)	(25.92)%
Transfers	117,816	0	(117,816)	(100.00)%
Debt Service	68,998	70,560	1,562	2.26 %
<b>Total Expenditures</b>	<b>\$6,319,137</b>	<b>\$6,572,874</b>	<b>\$253,737</b>	<b>4.02 %</b>
Proprietary Funds	6,319,137	6,572,874	253,737	4.02 %
<b>Total Funds</b>	<b>\$6,319,137</b>	<b>\$6,572,874</b>	<b>\$253,737</b>	<b>4.02 %</b>
<b>Total Ongoing</b>	<b>\$6,069,137</b>	<b>\$6,322,874</b>	<b>\$253,737</b>	<b>4.18 %</b>
<b>Total OTO</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$0</b>	<b>0.00 %</b>

**Page Reference**

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**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	31.75	31.75	31.75	31.75
Personal Services	2,387,729	2,446,619	2,567,070	2,636,852	2,644,833
Operating Expenses	463,545	486,326	549,817	580,127	579,394
Equipment & Intangible Assets	51,937	51,937	30,554	30,554	30,554
Transfers	117,816	117,816	0	0	0
Debt Service	33,410	33,705	35,293	35,285	35,275
<b>Total Expenditures</b>	<b>\$3,054,437</b>	<b>\$3,136,403</b>	<b>\$3,182,734</b>	<b>\$3,282,818</b>	<b>\$3,290,056</b>
Proprietary Funds	3,054,437	3,136,403	3,182,734	3,282,818	3,290,056
<b>Total Funds</b>	<b>\$3,054,437</b>	<b>\$3,136,403</b>	<b>\$3,182,734</b>	<b>\$3,282,818</b>	<b>\$3,290,056</b>
<b>Total Ongoing</b>	<b>\$2,987,827</b>	<b>\$3,011,403</b>	<b>\$3,057,734</b>	<b>\$3,157,818</b>	<b>\$3,165,056</b>
<b>Total OTO</b>	<b>\$66,610</b>	<b>\$125,000</b>	<b>\$125,000</b>	<b>\$125,000</b>	<b>\$125,000</b>

**Page Reference**

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**Funding**

*HB 2 Authority*

Proprietary Funding

The division is funded with a direct appropriation of Alcoholic Beverage Control Division proprietary funds. Net revenues from liquor sales are transferred to the general fund after operating costs are deducted from gross revenues. Consequently, any proposals funded through this program are an indirect use of state general fund. The HB 2 one-time-only (OTO) funding is for DP 307 and DP 308 for anticipated termination payouts and overtime funding.

**Program Budget Summary by Category**

Budget Summary by Category									
Budget Item	-----General Fund-----				-----Total Funds-----				
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	
2021 Base Budget	0	0	0	0.00 %	3,057,734	3,057,734	6,115,468	93.04 %	
SWPL Adjustments	0	0	0	0.00 %	84,684	91,922	176,606	2.69 %	
PL Adjustments	0	0	0	0.00 %	124,400	124,400	248,800	3.79 %	
New Proposals	0	0	0	0.00 %	16,000	16,000	32,000	0.49 %	
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$3,282,818</b>	<b>\$3,290,056</b>	<b>\$6,572,874</b>		

**Present Law Adjustments -**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	69,782	0.00	0	0	0	77,763
DP 2 - Fixed Costs	0.00	0	0	0	16,425	0.00	0	0	0	15,114
DP 3 - Inflation Deflation	0.00	0	0	0	(1,523)	0.00	0	0	0	(955)
DP 50 - SWPLA Fixed Cost Reductions	0.00	0	0	0	(600)	0.00	0	0	0	(600)
DP 307 - ABCD Overtime of Personal Services (OTO)	0.00	0	0	0	65,000	0.00	0	0	0	65,000
DP 308 - ABCD Termination Payout of Personal Services (OTO)	0.00	0	0	0	60,000	0.00	0	0	0	60,000
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$209,084</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$216,322</b>

\*\*\*Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include the following: warrant writer, motor pool, etc.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms, and information technology.

DP 307 - ABCD Overtime of Personal Services (OTO) -

The legislature adopted an additional proprietary fund appropriation to pay for overtime and temporary staff to meet the increase in demand for liquor products especially during peaks periods, holiday weeks, and to back fill personnel while out on vacation or sick leave.

DP 308 - ABCD Termination Payout of Personal Services (OTO) -

The legislature adopted an additional proprietary fund appropriation to provide funds to pay out accrued leave balances for employee’s retiring and/or leaving the department.

**New Proposals -**

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 18001 - ABCD Liquor Warehouse O&M	0.00	0	0	0	16,000	0.00	0	0	0	16,000
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,000</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,000</b>

\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 18001 - ABCD Liquor Warehouse O&M -

The legislature adopted an increase in proprietary funds for operation and maintenance costs for the liquor warehouse expansion, pursuant to 17-7-210, MCA. This new proposal is contingent on passage and approval of HB 14, including an appropriation for construction of the liquor warehouse expansion.

**Program Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	8,504,394	9,218,719	714,325	8.40 %
Operating Expenses	3,805,075	4,035,349	230,274	6.05 %
Capital Outlay	150,426	0	(150,426)	(100.00)%
Local Assistance	2,000,000	0	(2,000,000)	(100.00)%
Debt Service	5,924	7,482	1,558	26.30 %
<b>Total Expenditures</b>	<b>\$14,465,819</b>	<b>\$13,261,550</b>	<b>(\$1,204,269)</b>	<b>(8.32)%</b>
General Fund	14,325,615	13,121,330	(1,204,285)	(8.41)%
State/Other Special Rev. Funds	106,960	106,974	14	0.01 %
Proprietary Funds	33,244	33,246	2	0.01 %
<b>Total Funds</b>	<b>\$14,465,819</b>	<b>\$13,261,550</b>	<b>(\$1,204,269)</b>	<b>(8.32)%</b>
<b>Total Ongoing</b>	<b>\$14,465,819</b>	<b>\$13,396,722</b>	<b>(\$1,069,097)</b>	<b>(7.39)%</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$135,172)</b>	<b>(\$135,172)</b>	<b>100.00 %</b>

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**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	71.95	71.95	71.95	71.95
Personal Services	3,885,920	4,067,397	4,436,997	4,535,687	4,683,032
Operating Expenses	1,839,792	1,840,324	1,964,751	2,013,264	2,022,085
Capital Outlay	149,456	150,426	0	0	0
Local Assistance	0	2,000,000	0	0	0
Debt Service	2,181	2,183	3,741	3,741	3,741
<b>Total Expenditures</b>	<b>\$5,877,349</b>	<b>\$8,060,330</b>	<b>\$6,405,489</b>	<b>\$6,552,692</b>	<b>\$6,708,858</b>
General Fund	5,807,254	7,990,236	6,335,379	6,482,582	6,638,748
State/Other Special Rev. Funds	53,474	53,473	53,487	53,487	53,487
Proprietary Funds	16,621	16,621	16,623	16,623	16,623
<b>Total Funds</b>	<b>\$5,877,349</b>	<b>\$8,060,330</b>	<b>\$6,405,489</b>	<b>\$6,552,692</b>	<b>\$6,708,858</b>
<b>Total Ongoing</b>	<b>\$5,877,349</b>	<b>\$8,060,330</b>	<b>\$6,405,489</b>	<b>\$6,687,864</b>	<b>\$6,708,858</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$135,172)</b>	<b>\$0</b>

**Page Reference**

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**Funding**

HB 2 Authority

General Funding

The Information Management and Collections Division is funded primarily by the general fund.

State Special Revenue Funding

State special revenue funds the division’s administration of the livestock per capita fee and medical marijuana tax, and for support of the unclaimed property program. Further explanation for the unclaimed property fund is done in the Business and Income Taxes Division.

Proprietary Funding

The finances of the bad debt collection services are funded with proprietary funds.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	6,335,379	6,335,379	12,670,758	96.57 %	6,405,489	6,405,489	12,810,978	96.60 %
SWPL Adjustments	275,422	287,710	563,132	4.29 %	275,422	287,710	563,132	4.25 %
PL Adjustments	6,953	15,659	22,612	0.17 %	6,953	15,659	22,612	0.17 %
New Proposals	(135,172)	0	(135,172)	(1.03)%	(135,172)	0	(135,172)	(1.02)%
<b>Total Budget</b>	<b>\$6,482,582</b>	<b>\$6,638,748</b>	<b>\$13,121,330</b>		<b>\$6,552,692</b>	<b>\$6,708,858</b>	<b>\$13,261,550</b>	

Present Law Adjustments -

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	233,862	0	0	233,862	0.00	246,035	0	0	246,035
DP 2 - Fixed Costs	0.00	41,564	0	0	41,564	0.00	41,678	0	0	41,678
DP 3 - Inflation Deflation	0.00	(4)	0	0	(4)	0.00	(3)	0	0	(3)
DP 50 - SWPLA Fixed Cost Reductions	0.00	(1,564)	0	0	(1,564)	0.00	(1,564)	0	0	(1,564)
DP 504 - IMCD Rent (Non-DOA) Increase	0.00	7,508	0	0	7,508	0.00	15,165	0	0	15,165
DP 506 - Parking Increase (50% of Donovan Parking)	0.00	1,009	0	0	1,009	0.00	2,058	0	0	2,058
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$282,375</b>	<b>\$0</b>	<b>\$0</b>	<b>\$282,375</b>	<b>0.00</b>	<b>\$303,369</b>	<b>\$0</b>	<b>\$0</b>	<b>\$303,369</b>

\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include the following: warrant writer, motor pool, etc.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms, and information technology.

DP 504 - IMCD Rent (Non-DOA) Increase -

The legislature adopted an increase in general fund for the Information Management and Collections Division for the 2023 biennium to pay for contractual rent increases for existing lease obligations at the Donovan Building.

DP 506 - Parking Increase (50% of Donovan Parking) -

The legislature adopted an increase in general fund for the Information Management and Collections Division for the 2023 biennium to pay for increases in rates for downtown parking in Helena.

**New Proposals -**

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5555 - Reduce GF Budget for State Share Holiday (OTO)	0.00	(135,172)	0	0	(135,172)	0.00	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>(\$135,172)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$135,172)</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*\*Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 5555 - Reduce GF Budget for State Share Holiday (OTO) -

The legislature adopted an elimination of the state share contribution to the state employee group benefit plan for two months. This change package removes the general fund portion of the savings generated by the suspension of the contributions. Savings from other funding sources, if applicable, remain in agency personal services budgets. This decision is contingent on passage and approval of SB 110.

**Other Issues -**

**Proprietary Rates**

**Fund 06554 – Collection Services Program**

*Proprietary Program Description*

Montana law authorizes the Department of Revenue to assist other agencies in the collection of delinquent accounts. The department retains a percentage of these collections for the costs of assistance in conjunction with 17-4-103 (3)(a), MCA. The department established the Collections Services Program, which includes 3.50 FTE, to administer its statutory responsibilities under Title 17, chapter 4, MCA. These responsibilities include providing collection services for the purpose of centralizing debt collection for the State of Montana.

*Proprietary Program Narrative*

Expenses

The Department of Revenue is currently authorized to charge a commission rate up to 5.0% for its collection services, excluding the collection of overpaid child support payments made to custodial parents and collection of delinquent child support payments from noncustodial parents. The commissions collected are used to pay the expenses of the Collection Services Program. On average, approximately 74.0% of the expenditures are paid in salaries and benefits with the remaining expenditures representing operating expenses of the program.

Revenues

Administration of this program has required a minimum of a 9-month working capital balance due to the timing of program collections through offset of other state monies, as the program collects the largest amount of revenues on delinquent accounts during the income tax season and the hunting permitting season.

*Proprietary Rates*

For the 2023 biennium, the legislature adopted the following rates.

<b>Requested Rates for Internal Service or Enterprise Funds</b>				
<b>Fee/Rate Information</b>				
	<b>Actual FY 20</b>	<b>Estimated FY 21</b>	<b>Proposed FY 22</b>	<b>Proposed FY 23</b>
Fee Description:	4.5%	3.0%	4.5%	4.3%

The legislature adopted a commission rate of 4.5% in FY 2022 and 4.3% in FY 2023. Based on the rates above, net position will be reduced by approximately \$2,800 in FY 2023. This will provide the department with approximately nine months' worth of working capital. It is necessary to maintain a nine-month working capital balance to pay expenses as they are incurred as most of commission revenue is not collected until the income tax filing season each year, some six to nine months after the start of the fiscal year. The department will continue to evaluate the commission rate as actual revenues and expenditures are received and incurred to maintain the working capital balance at the appropriate level.

Exemptions from this rate is collection of overpaid child support payments made to custodial parents or collection of delinquent child support payments from noncustodial parents. Commissions associated with child support payments are charged against a separate general fund appropriation designated by the legislature in a prior legislative session.

**Program Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	20,233,456	20,834,495	601,039	2.97 %
Operating Expenses	3,160,542	3,538,950	378,408	11.97 %
Debt Service	13,095	15,116	2,021	15.43 %
<b>Total Expenditures</b>	<b>\$23,407,093</b>	<b>\$24,388,561</b>	<b>\$981,468</b>	<b>4.19 %</b>
General Fund	21,588,622	22,559,189	970,567	4.50 %
State/Other Special Rev. Funds	1,268,462	1,269,708	1,246	0.10 %
Federal Spec. Rev. Funds	550,009	559,664	9,655	1.76 %
<b>Total Funds</b>	<b>\$23,407,093</b>	<b>\$24,388,561</b>	<b>\$981,468</b>	<b>4.19 %</b>
<b>Total Ongoing</b>	<b>\$23,407,093</b>	<b>\$24,657,327</b>	<b>\$1,250,234</b>	<b>5.34 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$268,766)</b>	<b>(\$268,766)</b>	<b>100.00 %</b>

**Page Reference**

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**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	138.86	138.86	138.86	138.86
Personal Services	9,805,836	9,911,814	10,321,642	10,268,157	10,566,338
Operating Expenses	1,473,342	1,473,856	1,686,686	1,776,421	1,762,529
Debt Service	5,536	5,537	7,558	7,558	7,558
<b>Total Expenditures</b>	<b>\$11,284,714</b>	<b>\$11,391,207</b>	<b>\$12,015,886</b>	<b>\$12,052,136</b>	<b>\$12,336,425</b>
General Fund	10,375,387	10,481,881	11,106,741	11,137,457	11,421,732
State/Other Special Rev. Funds	634,242	634,240	634,222	634,854	634,854
Federal Spec. Rev. Funds	275,085	275,086	274,923	279,825	279,839
<b>Total Funds</b>	<b>\$11,284,714</b>	<b>\$11,391,207</b>	<b>\$12,015,886</b>	<b>\$12,052,136</b>	<b>\$12,336,425</b>
<b>Total Ongoing</b>	<b>\$11,284,714</b>	<b>\$11,391,207</b>	<b>\$12,015,886</b>	<b>\$12,320,902</b>	<b>\$12,336,425</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$268,766)</b>	<b>\$0</b>

**Page Reference**

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**Funding**

The Business and Income Taxes Division is primarily funded with general fund, with some state special revenue and

federal special revenue. State special revenue comes from the unclaimed property fund for program support, tobacco tax compliance activities, and the accommodations tax which funds expenses for administering that tax. Federal special revenue comes from reimbursements for performing mineral royalty audits.

**Program Budget Summary by Category**

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	11,106,741	11,106,741	22,213,482	98.47 %	12,015,886	12,015,886	24,031,772	98.54 %
SWPL Adjustments	302,024	317,533	619,557	2.75 %	307,653	323,176	630,829	2.59 %
PL Adjustments	(2,542)	(2,542)	(5,084)	(0.02)%	(2,637)	(2,637)	(5,274)	(0.02)%
New Proposals	(268,766)	0	(268,766)	(1.19)%	(268,766)	0	(268,766)	(1.10)%
<b>Total Budget</b>	<b>\$11,137,457</b>	<b>\$11,421,732</b>	<b>\$22,559,189</b>		<b>\$12,052,136</b>	<b>\$12,336,425</b>	<b>\$24,388,561</b>	

**Present Law Adjustments -**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	215,281	0	0	215,281	0.00	244,696	0	0	244,696
DP 2 - Fixed Costs	0.00	88,636	632	4,997	94,265	0.00	74,024	632	5,011	79,667
DP 3 - Inflation Deflation	0.00	(1,893)	0	0	(1,893)	0.00	(1,187)	0	0	(1,187)
DP 50 - SWPLA Fixed Cost Reductions	0.00	(2,542)	0	(95)	(2,637)	0.00	(2,542)	0	(95)	(2,637)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$299,482</b>	<b>\$632</b>	<b>\$4,902</b>	<b>\$305,016</b>	<b>0.00</b>	<b>\$314,991</b>	<b>\$632</b>	<b>\$4,916</b>	<b>\$320,539</b>

\*\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include the following: warrant writer, motor pool, etc.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms, and information technology.

**New Proposals -**

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5555 - Reduce GF Budget for State Share Holiday (OTO)	0.00	(268,766)	0	0	(268,766)	0.00	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>(\$268,766)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$268,766)</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 5555 - Reduce GF Budget for State Share Holiday (OTO) -

The legislature adopted an elimination of the state share contribution to the state employee group benefit plan for two months. This change package removes the general fund portion of the savings generated by the suspension of the contributions. Savings from other funding sources, if applicable, remain in agency personal services budgets. This decision is contingent on passage and approval of SB 110.

**Program Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	38,437,111	38,046,761	(390,350)	(1.02)%
Operating Expenses	7,225,426	7,687,126	461,700	6.39%
Equipment & Intangible Assets	6,000	0	(6,000)	(100.00)%
Capital Outlay	52,869	0	(52,869)	(100.00)%
Debt Service	26,766	40,484	13,718	51.25%
<b>Total Expenditures</b>	<b>\$45,748,172</b>	<b>\$45,774,371</b>	<b>\$26,199</b>	<b>0.06%</b>
General Fund	45,719,609	45,739,819	20,210	0.04%
State/Other Special Rev. Funds	28,563	34,552	5,989	20.97%
<b>Total Funds</b>	<b>\$45,748,172</b>	<b>\$45,774,371</b>	<b>\$26,199</b>	<b>0.06%</b>
<b>Total Ongoing</b>	<b>\$45,748,172</b>	<b>\$46,364,526</b>	<b>\$616,354</b>	<b>1.35%</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$590,155)</b>	<b>(\$590,155)</b>	<b>100.00%</b>

**Page Reference**

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**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	276.92	276.92	276.92	276.92
Personal Services	18,652,220	18,829,068	19,608,043	18,696,898	19,349,863
Operating Expenses	3,538,929	3,543,247	3,682,179	3,826,625	3,860,501
Equipment & Intangible Assets	5,995	6,000	0	0	0
Capital Outlay	52,119	52,869	0	0	0
Debt Service	6,138	6,524	20,242	20,242	20,242
<b>Total Expenditures</b>	<b>\$22,255,401</b>	<b>\$22,437,708</b>	<b>\$23,310,464</b>	<b>\$22,543,765</b>	<b>\$23,230,606</b>
General Fund	22,241,114	22,423,421	23,296,188	22,526,489	23,213,330
State/Other Special Rev. Funds	14,287	14,287	14,276	17,276	17,276
<b>Total Funds</b>	<b>\$22,255,401</b>	<b>\$22,437,708</b>	<b>\$23,310,464</b>	<b>\$22,543,765</b>	<b>\$23,230,606</b>
<b>Total Ongoing</b>	<b>\$22,255,401</b>	<b>\$22,437,708</b>	<b>\$23,310,464</b>	<b>\$23,133,920</b>	<b>\$23,230,606</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$590,155)</b>	<b>\$0</b>

**Page Reference**

LFD Budget Analysis A-127

**Funding**

Funding for the Property Assessment Division is almost entirely from the general fund. State special revenue is for the administration of the livestock per capita fee.

**Program Budget Summary by Category**

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	23,296,188	23,296,188	46,592,376	101.86 %	23,310,464	23,310,464	46,620,928	101.85 %
SWPL Adjustments	(275,973)	(198,017)	(473,990)	(1.04)%	(275,973)	(198,017)	(473,990)	(1.04)%
PL Adjustments	86,890	105,620	192,510	0.42 %	86,890	105,620	192,510	0.42 %
New Proposals	(580,616)	9,539	(571,077)	(1.25)%	(577,616)	12,539	(565,077)	(1.23)%
<b>Total Budget</b>	<b>\$22,526,489</b>	<b>\$23,213,330</b>	<b>\$45,739,819</b>		<b>\$22,543,765</b>	<b>\$23,230,606</b>	<b>\$45,774,371</b>	

**Present Law Adjustments -**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(320,990)	0	0	(320,990)	0.00	(258,180)	0	0	(258,180)
DP 2 - Fixed Costs	0.00	92,619	0	0	92,619	0.00	90,017	0	0	90,017
DP 3 - Inflation Deflation	0.00	(47,602)	0	0	(47,602)	0.00	(29,854)	0	0	(29,854)
DP 50 - SWPLA Fixed Cost Reductions	0.00	(5,234)	0	0	(5,234)	0.00	(5,234)	0	0	(5,234)
DP 803 - PAD Rent (Non-DOA) Increase	0.00	89,420	0	0	89,420	0.00	106,568	0	0	106,568
DP 805 - PAD Parking Increase (50% Donovan + other county)	0.00	2,704	0	0	2,704	0.00	4,286	0	0	4,286
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$189,083)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$189,083)</b>	<b>0.00</b>	<b>(\$92,397)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$92,397)</b>

\*\*Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include the following: warrant writer, motor pool, etc.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms, and information technology.

DP 803 - PAD Rent (Non-DOA) Increase -

The legislature adopted an increase in general fund appropriation for the 2023 biennium to pay for contractual rent increases for space currently occupied by Property Assessment Division staff throughout the state. Many county leases follow the General Services Division rent rate increase. Those that do not were estimated at a 2.0% increase. The private lease contracts are negotiated each time the contract is up for renewal.

DP 805 - PAD Parking Increase (50% Donovan + other county) -

The legislature adopted an increase in general fund appropriation for the 2023 biennium to pay for increases in rates for downtown parking in Great Falls, Billings, and Helena.

**New Proposals -**

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 806 - Establish Authority for Property Valuation Improvement Fund	0.00	0	3,000	0	3,000	0.00	0	3,000	0	3,000
DP 807 - NRIS/GIS Fixed Costs	0.00	9,539	0	0	9,539	0.00	9,539	0	0	9,539
DP 5555 - Reduce GF Budget for State Share Holiday (OTO)	0.00	(590,155)	0	0	(590,155)	0.00	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>(\$580,616)</b>	<b>\$3,000</b>	<b>\$0</b>	<b>(\$577,616)</b>	<b>0.00</b>	<b>\$9,539</b>	<b>\$3,000</b>	<b>\$0</b>	<b>\$12,539</b>

\*\*\*Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 806 - Establish Authority for Property Valuation Improvement Fund -

The legislature adopted an increase in state special revenue appropriation for the 2023 biennium. The property valuation improvement fund established in 15-1-521, MCA, is a state special revenue fund to be used to increase the efficiency of the property appraisal, assessment and taxation process through improvements in technology and administration. Any fees the department collects from entities who request information from the property valuation and assessment database are deposited into the fund. (2-6-1007, MCA)

DP 807 - NRIS/GIS Fixed Costs -

The legislature adopted an increase in general fund each year of the 2023 biennium for a new proposed NRIS/GIS usage fixed cost to be paid to the Montana State Library. This action is in line with the Legislative Finance Committee proposal to include these costs in the statewide fixed cost adjustments.

DP 5555 - Reduce GF Budget for State Share Holiday (OTO) -

The legislature adopted an elimination of the state share contribution to the state employee group benefit plan for two months. This change package removes the general fund portion of the savings generated by the suspension of the contributions. Savings from other funding sources, if applicable, remain in agency personal services budgets. This decision is contingent on passage and approval of SB 110.