



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0119.02 R (001): Establish the Montana Cattle Committee**

Primary Sponsor: **Brandon Ler** Status: **As Amended in House Committee - Revised**

☐ Included in the Executive Budget ☒ Needs to be included in HB 2 ☐ Significant Local Gov Impact
☐ Significant Long-Term Impacts ☐ Technical Concerns ☒ Dedicated Revenue Form Attached

FISCAL SUMMARY

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
Expenditures				
State Special Revenue (02)	\$0	\$0	\$0	\$0
HB 2 SSR	\$100,000	\$189,508	\$191,600	\$193,724
Stat Approp SSR	\$0	\$1,560,492	\$1,558,400	\$1,556,276
Revenues				
State Special Revenue (02)	\$100,000	\$1,750,000	\$1,750,000	\$1,750,000
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Description of fiscal impact

HB 119 creates a new attached agency, the Montana Cattle Committee, within the Department of Livestock with its own citizen led board. The committee is funded through a new cattle change of ownership fee proposed at one dollar per head. This new fee along with startup private donations will fund all related operational expenses of the department.

FISCAL ANALYSIS

Assumptions

Department of Livestock

1. The number of referendum voters is estimated at 9,700 based on cattle producers reported to the Department of Revenue in calendar year 2024.
2. Cattle numbers charged the one dollar per head assessment are estimated at 1,750,000 based on department livestock inspection records and Montana Beef Council financial filings.
3. Execution and successful passage of the bill's cattle assessment referendum is assumed to be achieved in the first year of the biennium. All expenses incurred during this period are pre-funded through private donations into the state special revenue account established in the bill.
4. First-year startup and referendum expenses are estimated at \$100,000 based on 2023 third-party quotes and livestock seller verification research of non-per capita fee registered voter applicants. This amount will also ensure that an independent referendum administrator would be funded should that be determined.
5. Subsequent years' expenses are based on a similarly structured attached agency board within the department including one employee and associated office space.

6. The Department of Livestock will need approximately \$100,000 to administer the initial referendum and then \$50,000 as the ongoing indirect costs annually to the department in addition to all direct expenses incurred by the attached agency.
7. New Section. Section 7 allows the department to charge the committee expenses related to personal services, operating costs, office and office equipment costs, and other administrative costs. Beginning in FY 2027, the department will need 1.00 FTE. Personal Services and Operating Costs will be \$189,508 in FY 2027, \$191,600 in FY 2028, and \$193,724 in FY 2029.
8. Per Section 10 (4), administrative costs must be appropriated in HB 2 or another appropriation bill.
9. The balance of funds remaining after operational expenditures would be expended as grants. Grant expenditures are statutorily appropriated in the bill.

Department of Commerce, Board of Investments

10. Section 10(5) of the bill allows the department to direct the Board of Investments to invest funds from the account pursuant to the provisions of the unified investment program for state funds and credit the income from the investments to the cattle special revenue account. This is within the board's usual scope and places no additional burden on the board.

Statutory Appropriation

17-1-508, MCA, requires analysis of the statutory appropriation relative to the guidance in 17-1-508(3), MCA, to be published in the fiscal note. In reviewing and establishing statutory appropriations, the legislature shall consider the following guidelines. Answer yes or no to each of the following guidelines regarding the statutory appropriation:

	Yes	No
a. The money is from a continuing, reliable, and estimable source.	X	
b. The use of the appropriation or the expenditure occurrence is predictable and reliable.	X	
c. The authority exists elsewhere.		X
d. An alternative appropriation method is available, practical, or effective.	X	
e. It appropriates state general fund money for purposes other than paying for emergency services.		X
f. The money is used for general purposes.		X
g. The legislature wishes to review expenditure and appropriation levels each biennium.		X
h. An expenditure cap and sunset date are excluded.	X	

Fiscal Analysis Table

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
<u>Fiscal Impact</u>				
FTE	0.00	1.00	1.00	1.00
TOTAL Fiscal Impact	0.00	1.00	1.00	1.00
<u>Expenditures</u>				
Personal Services	\$0	\$119,190	\$120,978	\$122,792
Operating Expenses	\$100,000	\$70,318	\$70,622	\$70,932
Grants	\$0	\$1,560,492	\$1,558,400	\$1,556,276
TOTAL Expenditures	\$100,000	\$1,750,000	\$1,750,000	\$1,750,000
<u>Funding of Expenditures</u>				
State Special Revenue (02)	\$0	\$0	\$0	\$0
HB 2 SSR	\$100,000	\$189,508	\$191,600	\$193,724
Stat Approp SSR	\$0	\$1,560,492	\$1,558,400	\$1,556,276
TOTAL Funding of Expenditures	\$100,000	\$1,750,000	\$1,750,000	\$1,750,000
<u>Revenues</u>				
State Special Revenue (02)	\$100,000	\$1,750,000	\$1,750,000	\$1,750,000
TOTAL Revenues	\$100,000	\$1,750,000	\$1,750,000	\$1,750,000
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
State Special Revenue (02)	\$100,000	\$1,750,000	\$1,750,000	\$1,750,000
HB 2 SSR	(\$100,000)	(\$189,508)	(\$191,600)	(\$193,724)
Stat Approp SSR	\$0	(\$1,560,492)	(\$1,558,400)	(\$1,556,276)

NOT SIGNED BY SPONSOR 3/21

Sponsor's Initials

Date



Budget Director's Initials

3/20/2025

Date



Dedication of Revenue 2027 Biennium

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17-1-507, MCA.

1. Are there persons or entities that benefit from this dedicated revenue that do not pay?

No

2. What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?

Yes

It is more transparent in a state special revenue fund.

3. Is the source of revenue relevant to current use of the funds and adequate to fund the program activity that is intended?

Yes

Yes.

4. Does the need for this state special revenue provision still exist?

Yes

If HB 119 is passed, yes.

5. Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending?

No

6. Does the dedicated revenue fulfill a continuing, legislatively recognized need?

Yes

If HB 119 is passed, yes.

- 7. How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? Also, if the program/activity were general funded, could you adequately account for the program/activity?**

Yes

The activities could be accounted for in the general fund, but there is a risk that the funds could be diverted for another purpose.