



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2027 Biennium

Bill#/Title: **HB0103: Creating a railroad track inspection program**

Primary Sponsor: Katie Zolnikov

Status: As Introduced

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

	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
<b>Expenditures</b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>Revenues</b>				
General Fund (01)	(\$315,000)	(\$324,000)	(\$338,000)	(\$352,000)
Montana Rail Inspection Special Revenue Account	\$315,000	\$324,000	\$338,000	\$352,000
Montana Rail Inspection Special Revenue Account	\$0	\$0	\$0	\$0
<b>Net Impact</b>	<u>(\$315,000)</u>	<u>(\$324,000)</u>	<u>(\$338,000)</u>	<u>(\$352,000)</u>
<b>General Fund Balance</b>				

### Description of fiscal impact

House Bill 103 creates a Montana Rail Program state special revenue fund and provides for a statutory appropriation. 8% of the revenue derived from the rail car tax will be diverted from the general fund to the Montana rail inspection account.

### FISCAL ANALYSIS

#### Assumptions

#### Department of Revenue

1. This bill is effective July 1, 2025.
2. The Montana Rail Inspection Program diverts 8% of the revenue collected from the rail car tax from the general fund to new Montana Rail Inspection Special Revenue Account, thus changing the distribution from 100% revenue to general fund to 92%.
3. House Joint Resolution 2 forecast was used to make fiscal year projections on the rail car tax's revenue from FY 2026 to FY 2029.
4. The official revenue forecast in HJR2 estimates total revenue from the rail car tax will be as shown in Table 1.1 below. 8 % of each FY's total rain car revenue will be the amount that goes to the Montana Rail Inspection Special Revenue Account.

FY	Growth	Total Rail Car Revenue
2026	0.28%	\$3,931,000
2027	3.13%	\$4,054,000
2028	4.13%	\$4,222,000
2029	4.24%	\$4,401,000

5. Under current law, these total rail car revenues in Table 1.1 will go to the general fund.
6. Under House Bill 103, the general fund would lose funds 8% of its funds to the new special account, shown in Table 1.2 below.

FY	92% to GF	8% to Montana Rail Inspection Special Revenue Account
2026	\$3,617,000	\$315,000
2027	\$3,730,000	\$324,000
2028	\$3,884,000	\$338,000
2029	\$4,049,000	\$352,000

7. The difference in funds diverted to the general fund from FY 2026 to 2029 is shown in Table 1.3 below.

FY	GF Difference: Current Law vs. HB 103
2026	\$315,000
2027	\$324,000
2028	\$338,000
2029	\$352,000


**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

<b>Department of Revenue</b>				
	<b>FY 2026 Difference</b>	<b>FY 2027 Difference</b>	<b>FY 2028 Difference</b>	<b>FY 2029 Difference</b>
<b>Fiscal Impact</b>				
<b>Expenditures</b>				
<b>Funding of Expenditures</b>				
<b>Revenues</b>				
General Fund (01)	(\$315,000)	(\$324,000)	(\$338,000)	(\$352,000)
State Special Revenue (02)	\$0	\$0	\$0	\$0
Montana Rail Inspection Special Revenue Account	\$315,000	\$324,000	\$338,000	\$352,000
<b>TOTAL Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</b>				
General Fund (01)	(\$315,000)	(\$324,000)	(\$338,000)	(\$352,000)
State Special Revenue (02)	\$0	\$0	\$0	\$0
Montana Rail Inspection Special Revenue Account	\$315,000	\$324,000	\$338,000	\$352,000

  
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 Sponsor's Initials

1/9/25  
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 Date

  
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 Budget Director's Initials

1/8/2025  
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 Date