



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2027 Biennium

Bill#/Title: HB0119: Establish the Montana Cattle Committee

Primary Sponsor: Brandon Ler 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 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<b>Expenditures</b>				
State Special Revenue (02)	\$50,000	\$1,750,000	\$1,750,000	\$1,750,000
<b>Revenues</b>				
State Special Revenue (02)	\$50,000	\$1,750,000	\$1,750,000	\$1,750,000
<b>Net Impact</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>General Fund Balance</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### Description of fiscal impact

The purposed legislation 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 \$50,000 based on 2023 third-party quotes.
5. Subsequent years' expenses are based on a similarly structured attached agency board within the department including one employee and associated office space.
6. Livestock will charge a three percent administrative fee per dollar collected of approximately \$50,000 to administer the initial referendum and then as the ongoing indirect costs annually to the department in addition to all direct expenses incurred by the attached agency.

7. The balance of funds remaining after operational expenditures are accounted for are assigned here to the grants account. These funds represent what are available to the committee for their purposes beyond administrative support of the program. Any other staff, operations, or other administrative costs the committee authorizes will be transferred from the grants level account balance.

Department of Commerce, Board of Investments

1. 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**

	<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><u>Fiscal Impact</u></b>				
FTE	0.00	1.00	1.00	1.00
<b>TOTAL Fiscal Impact</b>	<b>0.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b><u>Expenditures</u></b>				
Personal Services	\$0	\$119,190	\$120,978	\$122,792
Operating Expenses	\$50,000	\$70,318	\$70,622	\$70,932
Grants	\$0	\$1,560,492	\$1,558,400	\$1,556,276
<b>TOTAL Expenditures</b>	<b>\$50,000</b>	<b>\$1,750,000</b>	<b>\$1,750,000</b>	<b>\$1,750,000</b>
<b><u>Funding of Expenditures</u></b>				
State Special Revenue (02)	\$50,000	\$1,750,000	\$1,750,000	\$1,750,000
<b>TOTAL Funding of Expenditures</b>	<b>\$50,000</b>	<b>\$1,750,000</b>	<b>\$1,750,000</b>	<b>\$1,750,000</b>
<b><u>Revenues</u></b>				
State Special Revenue (02)	\$50,000	\$1,750,000	\$1,750,000	\$1,750,000
<b>TOTAL Revenues</b>	<b>\$50,000</b>	<b>\$1,750,000</b>	<b>\$1,750,000</b>	<b>\$1,750,000</b>

**Net Impact to Fund Balance (Revenue minus Funding of Expenditures)**

**Fiscal Note Request - As Introduced**

*(continued)*

State Special Revenue (02)                                      \$0                                 \$0                                 \$0                                 \$0                

---

**Technical Concerns**

1. There is no FTEs requested in the bill and it explicitly calls for an executive director position and then may "retain additional staff to discharge the duties..."
2. The bill is missing language establishing what is the appropriation amount being proposed.

  
\_\_\_\_\_  
Sponsor's Initials

1-10-2025  
Date

  
\_\_\_\_\_  
Budget Director's Initials

1/10/2025  
Date