



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0308: Maintain the county distribution level of metal mines license tax

Primary Sponsor: Sherry Essmann 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>
Expenditures				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$1,515,992	\$1,565,408
Revenues				
General Fund (01)	\$0	\$0	(\$1,515,992)	(\$1,565,408)
State Special Revenue (02)	\$0	\$0	\$1,515,992	\$1,565,408
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>(\$1,515,992)</u>	<u>(\$1,565,408)</u>
General Fund Balance				

Description of fiscal impact

HB 308 extends the distribution and statutory appropriation for metal mines license tax collections to counties to June 30, 2037. Under current law, the distribution to the general fund would change from 47% to 57% at the beginning of FY 2028. If HB 308 passes, it would reduce general fund revenue by \$1.5 million per year in FY 2028 through FY 2037.

FISCAL ANALYSIS

Assumptions

Department of Revenue

- Under current law, the metal mines license tax is set to increase the state general fund share of total metal mines tax collections from 47% to 57% starting in FY 2028. The distribution mental mine producing counties would drop from 35% to 25%.
- HJ 2 forecasts were used to estimate the revenue that would stay at the county levels and otherwise not be distributed to the general fund. The tables below show the shares distributed to the general fund and county governments in millions of dollars, and the difference in fund balances between current law and HB 308.

	FY	Growth	Total Receipts			General Fund	County Governments
Current Law	2026	-6.01%	\$14.755488	GF (47%)	CG (35%)	\$6.935079	\$5.164421
	2027	0.48%	\$14.825697	GF (47%)	CG (35%)	\$6.968077	\$5.188994
	2028	2.25%	\$15.159919	GF (57%)	CG (25%)	\$8.641154	\$3.789980
	2029	3.26%	\$15.654077	GF (57%)	CG (25%)	\$8.922824	\$3.913519
HB 308	2026	-6.01%	\$14.755488	GF (47%)	CG (35%)	\$6.935079	\$5.164421
	2027	0.48%	\$14.825697	GF (47%)	CG (35%)	\$6.968077	\$5.188994
	2028	2.25%	\$15.159919	GF (47%)	CG (35%)	\$7.125162	\$5.305972
	2029	3.26%	\$15.654077	GF (47%)	CG (35%)	\$7.357416	\$5.478927

FY	General Fund Difference: Current Law vs. HB 308
2026	\$0.00
2027	\$0.00
2028	-\$1,515,992
2029	-\$1,565,408

- The general fund reduction would be \$1,515,992 in FY 2028 and \$1,565,408 in FY 2029.
- There is no additional cost to the department to implement this change.

Fiscal Analysis Table

Department of Revenue				
	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
Fiscal Impact				
Expenditures				
Local Assistance	\$0	\$0	\$1,515,992	\$1,565,408
TOTAL Expenditures	\$0	\$0	\$1,515,992	\$1,565,408
Funding of Expenditures				
State Special Revenue (02)	\$0	\$0	\$1,515,992	\$1,565,408
TOTAL Funding of Expenditures	\$0	\$0	\$1,515,992	\$1,565,408
Revenues				
General Fund (01)	\$0	\$0	(\$1,515,992)	(\$1,565,408)
State Special Revenue (02)	\$0	\$0	\$1,515,992	\$1,565,408
TOTAL Revenues	\$0	\$0	\$0	\$0
County Governments	\$0	\$0	\$0	\$0
Net Impact to Fund Balance (Revenue minus Funding of Expenditures)				
State Special Revenue (02)	\$0	\$0	\$0	\$0
General Fund (01)	\$0	\$0	(\$1,515,992)	(\$1,565,408)
County Governments	\$0	\$0	\$0	\$0


Effect on County or Other Local Revenues or Expenditures

Montana Association of Counties

1. The bill proposes to extend the distribution of metalliferous mines license tax collections to counties and includes amendments to previous laws regarding the termination dates of these provisions. The amendments continue distribution of approximately \$1.5 million per year for ten years beyond FY 2027.



Sponsor's Initials



Date



Budget Director's Initials

1/29/2025

Date

