

Fiscal Note 2027 Biennium

(\$1,516,000)

Bill#/Title:	HB0308.02 (00	1): Maintain the cou	ınty distributior	level of metal mine	s license tax	
Primary Sponsor:	Sherry Essmann	n	Status:	s: As Amended in House Commi		
☐ Included in the Executive Budget		☐ Needs to be included in HB 2		☑ Significant Local Gov Impact		
☐ Significant Long-	Term Impacts	☐ Technical Concerns	S	☐ Dedicated Revenue	Form Attached	
		FISCAL S	UMMARY			
		FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference	
Expenditures						
General Fund (0)	1)	\$0	\$	0 \$0	\$0	
State Special Rev	venue (02)	\$0	\$	0 \$0	\$0	
Revenues						
General Fund (0)	1)	\$0	\$	0 (\$1,516,000)	(\$1,565,000)	
State Special Rev	venue (02)	\$0	\$	180 10 100 150	\$0	
County Govern	ments	\$0	\$	0 \$1,516,000	\$1,565,000	

Description of fiscal impact

General Fund Balance

HB 308, as amended in the House Appropriations Committee, extends the distribution and statutory appropriation for metal mines license tax collections to counties to June 30, 2035. 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 2035. The amendment reduced extension of the sunset from ten years to eight years.

\$0

FISCAL ANALYSIS

Assumptions

Net Impact

Department of Revenue

- 1. 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%.
- 2. HJ 2 forecasts were used to estimate the revenue that would stay at the county level and otherwise not be distributed to the general fund. The amendment to HB 308 in the House Appropriations Committee reduced the extension of the sunset from ten years to eight years. The tables below show the shares distributed the general fund and county governments in millions of dollars, and the difference in fund balances between current law and HB 308.

(\$1,565,000)

Fiscal Note Request - As Amended in House Committee

(continued)

	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

ΕY	General Fund Difference: Current Law vs. HB 308
2026	\$0.00
2027	\$0.00
2028	-\$1.515992
2029	-\$1.565408

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

Fiscal Analysis Table

FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
\$0	\$0	(\$1,516,000)	(\$1,565,000)
\$0	\$0	\$0	\$0
\$0	\$0	\$1,516,000	\$1,565,000
\$0	\$0	\$0	\$0
venue minus Funding	g of Expenditures)		
\$0	\$0	(\$1,516,000)	(\$1,565,000)
\$0	\$0	\$0	\$0
<u>\$0</u>	\$0	\$1,516,000	\$1,565,000
	\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$	Difference Difference \$0	Difference Difference Difference \$0 \$0 (\$1,516,000) \$0 \$0 \$0 \$0 \$0 \$1,516,000 \$0 \$0 \$0 venue minus Funding of Expenditures) \$0 \$0 \$0 \$0 (\$1,516,000) \$0 \$0 \$0

Fiscal Note Request - As Amended in House Committee

(continued)

Effect on County or Other Local Revenues or Expenditures

Montana Association of Counties

1. HB 308 as amended in the House Appropriations Committee 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 eight years beyond FY 2027.

Sponsor's Initials

Date

Budget Director's Initials

2/6/2025 Date