



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0093: Establish compensation for wrongful conviction

Primary Sponsor: Kerri Seekins-Crowe 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)	\$1,393,900	\$1,420,300	\$1,433,425	\$1,446,747
State Special Revenue (02)	\$975,000	\$975,000	\$975,000	\$975,000
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$487,500	\$487,500	\$487,500	\$487,500
Net Impact	<u>(\$1,393,900)</u>	<u>(\$1,420,300)</u>	<u>(\$1,433,425)</u>	<u>(\$1,446,747)</u>
General Fund Balance				

Description of fiscal impact

HB 93 provides for compensation to individuals wrongly convicted of felony crimes. The Department of Justice would need to provide a defense for the state for claims filed' Related outside legal services and trial costs are estimated at \$250,000 per claim. The Department of Justice will provide for expungement and purging of conviction and arrest information. The Department of Administration (DOA) would be responsible for collecting half the compensation cost from local government and dispersing payments to the exonerees. DOA would be responsible for transferring the exoneree compensation from the general fund to the exoneree compensation fund. The impact to the general fund is estimated to be \$1.95 million over the next four fiscal years.

FISCAL ANALYSIS

Assumptions

Department of Corrections

1. The department assumes there will be one new wrongful conviction case per year.
2. For each wrongful conviction case, the department estimates a one-time transition assistance grant of \$5,000.
3. The bill does not define a maximum dollar amount or length of time for which rental assistance must be provided. The department is estimating that a rental voucher will be \$2,200 per month and will be paid for a period of two years.

Department of Administration

4. Estimated costs are projected to be \$3.9 million based on Innocence Project Data.

5. It is estimated that half the costs would be collected from local governments, while the other half would be taken from the general fund.
6. It is unknown when the claims will be presented for payment, but it is assumed that the \$3.9 million will be collected evenly over the next four fiscal years. This comes out to be an estimated \$975,000 per year of which \$487,500 would be transferred from the general fund to the state special revenue fund and \$487,500 would be invoiced to the applicable local government and deposited into the state special revenue exoneree compensation fund. [See Technical Notes] Claims would be paid from the exoneree compensation fund.
7. It is unknown how much in funds would be collected via grants and gifts, therefore these have been omitted from the calculation.
8. A fifty-fifty split between the state and local governments is assumed. However, the state could potentially pay more if the local governments successfully petition a claim under section 8 of the bill.
9. Exoneree claims would not be covered by insurance provided by DOA’s Risk Management and Tort Defense Division.

Department of Justice

1. The Department of Justice (DOJ) incurred costs of \$223,000 for a wrongful conviction case in 2024. It is assumed that the cost to defend the state for cases filed under HB 93 would be comparable, at \$250,000 per case.
2. Seven cases are expected per biennium, at \$250,000 per case the DOJ estimates a total cost of \$875,000 per fiscal year.
3. An inflationary increase of 1.5% is reflected in FY 2028 and FY 2029.
4. The DOJ has processes in place to purge conviction and arrest information from the criminal justice information network. It is anticipated that the processing of expungement orders for cases filed under HB 93 could be covered within existing resources.

Fiscal Analysis Table

Department of Administration				
	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Operating Expenses	\$975,000	\$975,000	\$975,000	\$975,000
Transfers	\$487,500	\$487,500	\$487,500	\$487,500
TOTAL Expenditures	\$1,462,500	\$1,462,500	\$1,462,500	\$1,462,500
<u>Funding of Expenditures</u>				
General Fund (01)	\$487,500	\$487,500	\$487,500	\$487,500
State Special Revenue (02)	\$975,000	\$975,000	\$975,000	\$975,000
TOTAL Funding of Expenditures	\$1,462,500	\$1,462,500	\$1,462,500	\$1,462,500
<u>Revenues</u>				
State Special Revenue (02)	\$487,500	\$487,500	\$487,500	\$487,500
TOTAL Revenues	\$487,500	\$487,500	\$487,500	\$487,500
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	(\$487,500)	(\$487,500)	(\$487,500)	(\$487,500)
State Special Revenue (02)	(\$487,500)	(\$487,500)	(\$487,500)	(\$487,500)

Department of Corrections

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
Fiscal Impact				
Expenditures				
Operating Expenses	\$31,400	\$57,800	\$57,800	\$57,800
TOTAL Expenditures	\$31,400	\$57,800	\$57,800	\$57,800
Funding of Expenditures				
General Fund (01)	\$31,400	\$57,800	\$57,800	\$57,800
TOTAL Funding of Expenditures	\$31,400	\$57,800	\$57,800	\$57,800
Revenues				
Net Impact to Fund Balance (Revenue minus Funding of Expenditures)				
General Fund (01)	(\$31,400)	(\$57,800)	(\$57,800)	(\$57,800)

Department of Justice

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
Fiscal Impact				
Expenditures				
Operating Expenses	\$875,000	\$875,000	\$888,125	\$901,447
TOTAL Expenditures	\$875,000	\$875,000	\$888,125	\$901,447
Funding of Expenditures				
General Fund (01)	\$875,000	\$875,000	\$888,125	\$901,447
TOTAL Funding of Expenditures	\$875,000	\$875,000	\$888,125	\$901,447
Revenues				
Net Impact to Fund Balance (Revenue minus Funding of Expenditures)				
General Fund (01)	(\$875,000)	(\$875,000)	(\$888,125)	(\$901,447)

STATEWIDE SUMMARY

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
Fiscal Impact				
TOTAL Fiscal Impact	0.00	0.00	0.00	0.00
Expenditures				
Operating Expenses	\$1,881,400	\$1,907,800	\$1,920,925	\$1,934,247
Transfers	\$487,500	\$487,500	\$487,500	\$487,500
TOTAL Expenditures	\$2,368,900	\$2,395,300	\$2,408,425	\$2,421,747
Funding of Expenditures				
General Fund (01)	\$1,393,900	\$1,420,300	\$1,433,425	\$1,446,747

Fiscal Note Request - As Introduced

(continued)

State Special Revenue (02)	\$975,000	\$975,000	\$975,000	\$975,000
TOTAL Funding of Expenditures	\$2,368,900	\$2,395,300	\$2,408,425	\$2,421,747
Revenues				
State Special Revenue (02)	\$487,500	\$487,500	\$487,500	\$487,500
TOTAL Revenues	\$487,500	\$487,500	\$487,500	\$487,500
Net Impact to Fund Balance (Revenue minus Funding of Expenditures)				
General Fund (01)	(\$1,393,900)	(\$1,420,300)	(\$1,433,425)	(\$1,446,747)
State Special Revenue (02)	(\$487,500)	(\$487,500)	(\$487,500)	(\$487,500)

Effect on County or Other Local Revenues or Expenditures

County Governments where the wrongful conviction occurred will be responsible for 50% of the exoneree compensation costs.

Technical Concerns

1. Section 8 of the bill requires 100% of the claim must be transferred from the general fund to the new state special revenue fund. Then the Department of Administration will invoice the local government for half of the cost of the claim. It is unclear if this is an annual transfer, based on annual payments or for the entire claim amount.
2. In addition, if the general fund transfers 100% of the cost of the claim and the local government reimburses for half the cost of the claim, there is not provision for 50% of the original general fund transfer to be returned to the general fund or to be accounted for or offset in future transfers.
3. The bill does not include an appropriation to spend the state special revenue. Either an appropriation must be included in HB 2 or the addition of a statutory appropriation may be considered.



1/8/2025

Sponsor's Initials

Date

Budget Director's Initials

Date



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Dedication of Revenue 2027 Biennium

17-1-507, MCA.

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

No

There is no tax, fee, or assessment.

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

Claims and payments to individual exonerees would be more easily tracked and 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

General fund revenue from the state and affected local government would provide the funding.

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

Yes

If there are eligible exonerees, the need still exists.

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

No

The legislature will be able to examine spending from the fund.

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

Yes

If the legislature wants to compensate exonerees, then 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