



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: SB0223: Allow interest earned on workforce housing appropriations to be retained

Primary Sponsor: John Esp 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>
Expenditures				
State Special Revenue (02)	\$1,045,398	\$30,240	\$30,240	\$30,240
Revenues				
State Special Revenue (02)	\$1,045,398	\$296,722	\$304,716	\$312,950
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance				

Description of fiscal impact

The act allows workforce housing funds previously established in at the Board of Investments to keep any interest and income. This income will primarily be in the form of rents and city fees charged to tenants.

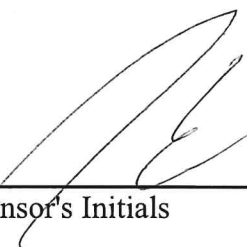
FISCAL ANALYSIS

Assumptions

- SB 223 allows BOI to retain income from authorized workforce housing projects. There is one current workforce housing project, the Pintler Meadows Townhomes, located in Deer Lodge that will be completed by the end of FY 2025.
- The rent for the Pintler Meadows Townhomes is \$770 per month with an escalator of 3% each fiscal year. There are 28 units. Tenants will need to deposit one month's rent as a security deposit prior to occupancy. Based on these assumptions, income in FY 2026 is \$280,280, FY 2027 is \$266,482, FY 2028 is \$274,476 and FY 2029 is \$282,710.
- City fees are \$90 per month per unit. These operating costs total \$30,240 each year.
- Rent payments will be kept in the Short-Term Investment Pool (STIP) until used for ongoing maintenance and repairs.
- STIP net earnings are \$446,440.44 for FY 2024 and \$288,437.14 for FY 2025 YTD. This amount will be transferred from the Debt and Liability Free Account to the workforce housing account.
- Rental incomes and any investment income would have been credited to the general fund under current law.

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>
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Operating Expenses	\$30,240	\$30,240	\$30,240	\$30,240
Transfers	\$1,015,158	\$0	\$0	\$0
TOTAL Expenditures	\$1,045,398	\$30,240	\$30,240	\$30,240
<u>Funding of Expenditures</u>				
State Special Revenue (02)	\$1,045,398	\$30,240	\$30,240	\$30,240
TOTAL Funding of Expenditures	\$1,045,398	\$30,240	\$30,240	\$30,240
<u>Revenues</u>				
State Special Revenue (02)	\$1,045,398	\$296,722	\$304,716	\$312,950
TOTAL Revenues	\$1,045,398	\$296,722	\$304,716	\$312,950
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
State Special Revenue (02)	\$0	\$266,482	\$274,476	\$282,710



 Sponsor's Initials

2/3/25

 Date



 Budget Director's Initials

2/3/2025

 Date