

Fiscal Note 2027 Biennium

Bill informa	ation:				
SB0232 - R	evise state procurement laws i	elated to entitles that are e	xempt from the RFP F	rocess (Regier, Matt)	
Status:	As Introduced		26		
				S & MODIF	
□Significa	ant Local Gov Impact	☐Needs to be included	in HB 2		
□Included	I in the Executive Budget	☐Significant Long-Terr	m Impacts □Dec	dicated Revenue Form	Attached
		FY 2024	FY 2025	FY 2026	FY 2027
		Difference	Difference	Difference	Difference
Expenditu	res:	-	51		
General Fund		\$0	\$0	\$0	\$0
State Spe	cial Revenue	\$0	\$0	\$0 \$0 \$0	
Federal S	pecial Revenue	\$0	\$0	\$0 \$0 \$0	
Other - P	roprietary	Unable to Determine	nine Unable to Determine Unable to Determine Unable to De		Unable to Determine
Revenue:					
General Fund		\$0	\$0	\$0	\$0
State Special Revenue		\$0	\$0	\$0	\$0
Federal S	pecial Revenue	\$0	\$0	\$0	\$0
Other - P	roprietary	Unable to Determine	Unable to Determine	Unable to Determine	Unable to Determine
Net Impac	t-General Fund Balance:	\$0	\$0	\$0	\$0

Description of fiscal impact: SB 232 modifies procurement laws to specifically apply them to the Board of Investments, while providing an exception for the purchase of securities. The bill also removes an exemption to the Montana University System (MUS). The fiscal impact of the bill cannot be determined with any degree of accuracy at this time.

FISCAL ANALYSIS

Assumptions:

Board of Investments

1. The fiscal impacts of SB 232 cannot be determined with any level of certainty on the assets of the Board of Investments. Current assets under management as of 2/19/2025 are \$29,355,555,636.36. Changes to current management practices cannot be accurately determined given the significant number of variables present in a

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(continued)

mature investment portfolio (ie liquidity, reinvestment, horizon, market, concentration, credit, inflation, and longevity risks, etc).

- 2. For example, impacts caused by new processes which require administrative processes above prudent investment practices with non-exempted purchases or sales of 1% could cause a loss in excess of \$293 million.

 Department of Administration
- 3. This bill modifies exemptions that under the Montana Procurement Act. This would not fiscally impact the Department of Administration, State Procurement Services Division (SPSD).

Office of the Commissioner of Higher Education

4. SB 232 could have a minimal fiscal impact on the MUS. The MUS is unable to quantify the volume of expenditures of the associated student organizations since historically they have not been required to follow the Montana Procurement Act.

NO SPONSOR SIGNATURE	2/27		
Sponsor's Initials	Date	Budget Director's Initials	Date