



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: SB0052: Create Montana Court of Chancery

Primary Sponsor: Tom McGillvray 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				
General Fund (01)	\$2,776,123	\$1,204,135	\$1,222,196	\$1,240,530
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>(\$2,776,123)</u>	<u>(\$1,204,135)</u>	<u>(\$1,222,196)</u>	<u>(\$1,240,530)</u>
General Fund Balance				

Description of fiscal impact

SB 52 establishes a Montana Court of Chancery made up of three judges with staggered terms appointed by the Governor and associated staff appointed. The court will be supervised by the Supreme Court and the bill directs the court to be paid for by the Governor's Office.

FISCAL ANALYSIS

Assumptions

- The Chancery Court would include 8.00 FTE including three judges, one judicial assistant, one court reporter, and three law clerks. Estimated personal services would be \$1,121,832 in FY 2026 and FY 2027. A 1.5% inflation factor is added for FY 2028 and FY 2029.
- One-time operating expenses to start up the court are estimated to be \$86,988.
- Ongoing operating expenses for the court are estimated to be \$67,303 per year. A 1.5% inflation factor has been added for FY 2028 and FY 2029.
- Per Section 6 (1) of SB 52, the governor shall pay the expenses of the Chancery Court judges and the salaries and expenditures of the judges' staff from appropriations made for that purpose.
- Per Section 5 (2) the Chancery Court shall utilize electronic filing.
- The Chancery Court will be a separate court with a separate clerk of court (county employee). It is assumed the chancery court will have its own case management and electronic filing systems.
- A case management system, including electronic filing, is estimated (based on a recent implementation for the Office of Public Defender) to be \$1.5 million. Ongoing costs are estimated at \$15,000 per year.
- Per Section 6 of the bill, the Supreme Court shall supervise the Chancery Court. This will have no fiscal impact.

9. In addition, Section 6 states that the Governor's Office shall pay the expenses of the Chancery Court. The Governor's Office of Budget and Program Planning anticipates transferring appropriated funds to the Judicial Branch to allow personal service and operating expenditures to process properly on the state's accounting system.

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>				
FTE	8.00	8.00	8.00	8.00
TOTAL Fiscal Impact	8.00	8.00	8.00	8.00
<u>Expenditures</u>				
Personal Services	\$1,121,832	\$1,121,832	\$1,138,659	\$1,155,739
Operating Expenses	\$1,654,291	\$82,303	\$83,537	\$84,791
TOTAL Expenditures	\$2,776,123	\$1,204,135	\$1,222,196	\$1,240,530
<u>Funding of Expenditures</u>				
General Fund (01)	\$2,776,123	\$1,204,135	\$1,222,196	\$1,240,530
TOTAL Funding of Expenditures	\$2,776,123	\$1,204,135	\$1,222,196	\$1,240,530
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	(\$2,776,123)	(\$1,204,135)	(\$1,222,196)	(\$1,240,530)

Effect on County or Other Local Revenues or Expenditures

The Clerk of Court would be a local government employee and would need to be paid for by the local government.

NO SPONSOR SIGNATURE

Sponsor's Initials

Date

1/10/25



Budget Director's Initials

1/7/2025

Date