



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2027 Biennium

Bill#/Title: SB0247.01: Modify tax classification of shooting ranges

Primary Sponsor: Willis Curdy

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>
<b>Expenditures</b>				
General Fund (01)	\$0	\$4,400	\$5,100	\$5,100
State Special Revenue (02)	\$0	\$0	\$0	\$0
<b>Revenues</b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
SEPTR	\$0	(\$4,100)	(\$4,500)	(\$4,500)
University	\$0	(\$300)	(\$300)	(\$300)
<b>Net Impact</b>	<u>\$0</u>	<u>(\$4,400)</u>	<u>(\$5,100)</u>	<u>(\$5,100)</u>
<b>General Fund Balance</b>				

### Description of fiscal impact

#### Department of Revenue

SB 247 provides that nonprofit shooting ranges are taxed at one half the normal rate for commercial property. This would reduce the taxable value of less than 50 properties by a total of \$43,600 in FY 2027 when the bill takes effect, slightly reducing revenue collected from state mills.

### FISCAL ANALYSIS

#### Assumptions

#### Department of Revenue

- Under current law, most property belonging to shooting ranges are classified as Class 4 commercial property and taxed at 1.89%. Some shooting ranges own Class 3 and Class 10 land that would be reclassified as Class 4 commercial tract land.
- SB 247 would halve the tax rate to 0.945% for shooting ranges that are operated by a nonprofit corporation exempt from taxation under 26 U.S.C. 501(c)(3) or 501(c)(4) of the Internal Revenue Code and incorporated or admitted under Title 35, chapter 2, MCA.
- There are 87 shooting ranges in Montana as identified by Montana Department of Fish, Wildlife, and Parks (FWP). The list is not comprehensive.
- Of the 87 shooting ranges identified by FWP, the property values of 17 were readily available from Department of Revenue records.
- The average market value of the 17 shooting ranges for which data is available was \$991,000 in TY 2024.

The average taxable value was \$18,500. SB 247 would cut that taxable value in half for shooting ranges operating as a nonprofit, to \$9,250.

6. Assuming the FWP list is comprehensive, the total taxable value of the 87 shooting ranges in Montana was \$1.609 million.
7. Assuming 5% of shooting ranges are nonprofit, the total taxable value of the shooting ranges under SB 247 would be \$1.569 million for a statewide taxable value reduction of \$40,000 in TY 2024.
8. The taxable value difference was grown by HJ 2 estimates for Class 4 commercial property. The reduction in taxable value would decrease revenue generated from the state 95 mills for school equalization, 6 university mills, and 1.5 vo-tech mills. The following table contains the estimated taxable value difference and impact to state mill accounts.

Fund	FY 2027	FY 2028	FY 2029
TV Difference	(\$43,600)	(\$47,200)	(\$47,200)
SEPTR	(\$4,100)	(\$4,500)	(\$4,500)
University	(\$300)	(\$300)	(\$300)
Vo-tech	\$0	\$0	\$0

9. An application process would be developed as there is currently no way to determine the nonprofit status of shooting ranges. Costs would be absorbed by the department.

#### Office of Public Instruction

10. Reductions to the state 95-mill account (SEPTR) are in the first instance offset from the general fund. Significant shifts in taxable value also generate Guaranteed Tax BASE-Aid expense. The changes to taxable value implied by SB 247 are not likely to generate any significant shift in state GTB payments or expense.

#### Fiscal Analysis Table

Department of Revenue				
	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<b><u>Fiscal Impact</u></b>				
<b><u>Expenditures</u></b>				
Transfers	\$0	\$0	\$0	\$0
OPI SEPTR Offset	\$0	\$4,100	\$4,800	\$4,800
University 6-mill	\$0	\$300	\$300	\$300
<b>TOTAL Expenditures</b>	<b>\$0</b>	<b>\$4,400</b>	<b>\$5,100</b>	<b>\$5,100</b>
<b><u>Funding of Expenditures</u></b>				
General Fund (01)	\$0	\$4,400	\$5,100	\$5,100
<b>TOTAL Funding of Expenditures</b>	<b>\$0</b>	<b>\$4,400</b>	<b>\$5,100</b>	<b>\$5,100</b>
<b><u>Revenues</u></b>				
State Special Revenue (02)	\$0	\$0	\$0	\$0
SEPTR	\$0	(\$4,100)	(\$4,500)	(\$4,500)
University	\$0	(\$300)	(\$300)	(\$300)
<b>TOTAL Revenues</b>	<b>\$0</b>	<b>(\$4,400)</b>	<b>(\$4,800)</b>	<b>(\$4,800)</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u></b>				
General Fund (01)	\$0	(\$4,400)	(\$5,100)	(\$5,100)
State Special Revenue (02)	\$0	\$0	\$0	\$0
SEPTR	\$0	(\$4,100)	(\$4,500)	(\$4,500)

University	<u>\$0</u>	<u>(\$300)</u>	<u>(\$300)</u>	<u>(\$300)</u>
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**Technical Concerns****Department of Revenue**

1. There is no definition in Title 15 on what constitutes a shooting range.
2. As written, the bill grants a tax rate reduction to property operated by a nonprofit shooting range, regardless of ownership. The land does not need to be owned by the shooting range to receive the lower tax rate.

ue  
Sponsor's Initials

2/11  
Date

RO  
Budget Director's Initials

2/10/2025  
Date