



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0308.02 (001): Maintain the county distribution level of metal mines license tax

Primary Sponsor: Sherry Essmann

Status: As Amended in House Committee

☐ 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)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Revenues				
General Fund (01)	\$0	\$0	(\$1,516,000)	(\$1,565,000)
State Special Revenue (02)	\$0	\$0	\$0	\$0
County Governments	\$0	\$0	\$1,516,000	\$1,565,000
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>(\$1,516,000)</u>	<u>(\$1,565,000)</u>
General Fund Balance				

Description of fiscal impact

HB 308, as amended in the House Appropriations Committee, extends the distribution and statutory appropriation for metal mines license tax collections to counties to June 30, 2035. Under current law, the distribution to the general fund would change from 47% to 57% at the beginning of FY 2028. If HB 308 passes, it would reduce general fund revenue by \$1.5 million per year in FY 2028 through FY 2035. The amendment reduced extension of the sunset from ten years to eight years.

FISCAL ANALYSIS

Assumptions

Department of Revenue

- Under current law, the metal mines license tax is set to increase the state general fund share of total metal mines tax collections from 47% to 57% starting in FY 2028. The distribution mental mine producing counties would drop from 35% to 25%.
- HJ 2 forecasts were used to estimate the revenue that would stay at the county level and otherwise not be distributed to the general fund. The amendment to HB 308 in the House Appropriations Committee reduced the extension of the sunset from ten years to eight years. The tables below show the shares distributed the general fund and county governments in millions of dollars, and the difference in fund balances between current law and HB.308.

	FY	Growth	Total Receipts			General Fund	County Governments
Current Law	2026	-6.01%	\$14.755488	GF (47%)	CG (35%)	\$6.935079	\$5.164421
	2027	0.48%	\$14.825697	GF (47%)	CG (35%)	\$6.968077	\$5.188994
	2028	2.25%	\$15.159919	GF (57%)	CG (25%)	\$8.641154	\$3.789980
	2029	3.26%	\$15.654077	GF (57%)	CG (25%)	\$8.922824	\$3.913519
HB 308	2026	-6.01%	\$14.755488	GF (47%)	CG (35%)	\$6.935079	\$5.164421
	2027	0.48%	\$14.825697	GF (47%)	CG (35%)	\$6.968077	\$5.188994
	2028	2.25%	\$15.159919	GF (47%)	CG (35%)	\$7.125162	\$5.305972
	2029	3.26%	\$15.654077	GF (47%)	CG (35%)	\$7.357416	\$5.478927

FY	General Fund Difference: Current Law vs. HB 308
2026	\$0.00
2027	\$0.00
2028	-\$1.515992
2029	-\$1.565408

3. The general fund reduction would be \$1,515,992 in FY 2028 and \$1,565,408 in FY 2029.
4. There is no additional cost to the department to implement this change.

Fiscal Analysis Table


Department of Revenue

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
Fiscal Impact				
Expenditures				
Funding of Expenditures				
Revenues				
General Fund (01)	\$0	\$0	(\$1,516,000)	(\$1,565,000)
State Special Revenue (02)	\$0	\$0	\$0	\$0
County Governments	\$0	\$0	\$1,516,000	\$1,565,000
TOTAL Revenues	\$0	\$0	\$0	\$0
Net Impact to Fund Balance (Revenue minus Funding of Expenditures)				
General Fund (01)	\$0	\$0	(\$1,516,000)	(\$1,565,000)
State Special Revenue (02)	\$0	\$0	\$0	\$0
County Governments	\$0	\$0	\$1,516,000	\$1,565,000

Effect on County or Other Local Revenues or Expenditures

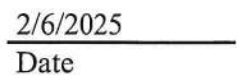
Montana Association of Counties

1. HB 308 as amended in the House Appropriations Committee proposes to extend the distribution of metalliferous mines license tax collections to counties and includes amendments to previous laws regarding the termination dates of these provisions. The amendments continue distribution of approximately \$1.5 million per year for eight years beyond FY 2027.


Sponsor's Initials


Date


Budget Director's Initials


Date