



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0857.01: Establishing a surcharge for hunters and anglers who lease land**

Primary Sponsor: **Tom France**

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>
Expenditures				
State Special Revenue (02)	\$20,000	\$4,000	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
Revenues				
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	(\$37,000,000)	(\$37,000,000)	\$0	\$0
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance				

Description of fiscal impact

HB 857 establishes a 10% surcharge on the annual lease payment paid by hunters and fishers leasing private lands to hunt and fish on. This new revenue creates a diversion and loss of \$37 million dollars in federal funds.

FISCAL ANALYSIS

Assumptions

Department of Fish, Wildlife, and Parks

1. Upon purchasing a conservation license, HB 857 adds that an applicant must also provide if they are leasing or plan to lease land for hunting or fishing during the period the license is valid. If they are leasing, their application must also state the total annual amount paid for the lease, the duration of the lease, and whether the lease is done in partnership with others or through a corporation.
2. HB 857 imposes a 10% surcharge of the annual lease payment an applicant is paying for leasing land in addition to the conservation license fee.
3. If the land is leased by more than one person, that person pays 10% of their portion owed for the leased land.
4. HB 857 would require development work to integrate the questions and surcharge payments into the Automated Licensing System (ALS).
5. Fish, Wildlife and Park's Technical Service Division (TSD) estimates the cost for analysis, development, and testing this integrated solution will cost \$24,000.
6. HB 857 adds a penalty of revocation for failure to comply with the lease disclosure requirements. If a person is non-compliant, they could lose their hunting/fishing privileges for up to 5 years. (See Technical Note 3)

7. The reporting and payment of the 10% surcharge would have to be reliant on the "Honor System."
8. Collecting data or information relating to private land leases for hunting/fishing purposes is inaccessible. FWP does not have the statutory authority to collect or maintain data or information relating to Montana private landowners, nor is there a publicly available data source to pull from. Licensed outfitters are required as part of their operations plan to submit attendant to licensing that provides a description of the private land, but this plan is confidential as a matter of law (ARM 24.171.408).
9. FWP cannot determine a revenue estimate because of assumptions 7 and 8.
10. HB 857 states the revenues received from the 10% surcharge will go to the block management program.
11. This new revenue from license funds creates a new earmark constituting a loss of control relative to the use of license funding, resulting in a diversion of funds under 50 CFR 80.11.
12. The diversion would create a loss of \$37 million dollars annually in federal funds from the Wildlife Sports Fish Restoration Program.
13. FWP will have to reduce the agency by 23% primarily in the Fish and Wildlife divisions, this includes FTE (PB) as well as operations.

Fiscal Analysis Table

Department of Fish, Wildlife, and Parks

	<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	\$0	\$0	\$0	\$0
State Special Revenue (02409)	\$20,000	\$4,000	\$0	\$0
TOTAL Expenditures	\$20,000	\$4,000	\$0	\$0
<u>Funding of Expenditures</u>				
State Special Revenue (02)	\$20,000	\$4,000	\$0	\$0
TOTAL Funding of Expenditures	\$20,000	\$4,000	\$0	\$0
<u>Revenues</u>				
Federal Special Revenue (03)	(\$37,000,000)	(\$37,000,000)	\$0	\$0
TOTAL Revenues	(\$37,000,000)	(\$37,000,000)	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
State Special Revenue (02)	(\$20,000)	(\$4,000)	\$0	\$0
Federal Special Revenue (03)	(\$37,000,000)	(\$37,000,000)	\$0	\$0

Significant Long-Term Impacts

Department of Fish, Wildlife, and Parks

1. This new revenue from license funds creates a new earmark constituting a loss of control relative to the use of license funding, resulting in a diversion of funds.
2. The diversion creates a loss of \$37 million dollars annually in federal funds from the Wildlife Sports Fish Restoration Program.
3. FWP will have to reduce the agency by 23% primarily in the Fish and Wildlife divisions, this includes FTE (PB) as well as operations.

Technical Concerns

Department of Fish, Wildlife, and Parks

1. HB 857 does not take into account the Outfitters who lease the lands for their customers but do not hunt or fish, thus bypassing the 10% surcharge.

2. HB 857 does not take into account the applicants entering a lease agreement after already purchasing a conservation license for the year, thus bypassing the 10% surcharge.
3. The current statute 87-6-302(1)(a), MCA, exists to hold a person(s) accountable for falsifying a statement on an application or license by making the license void, but offers no incentive for a person to comply, since the Enforcement division has no way to verify the validity of information given to them on whether a person(s) did indeed lease lands to hunt/fish on without paying the 10% surcharge. The penalty of revocation and the loss of hunt/fish privileges provided with HB 857 would be inconsequential.

NOT SIGNED BY SPONSOR
Sponsor's Initials _____ Date _____


Budget Director's Initials _____

3/27/2025
Date _____