



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0952.01: Authorizing governor to enter into agreements with tribal governments relating to marijuana**

Primary Sponsor: Frank Smith 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)	\$1,000	\$0	\$0	\$0
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>(\$1,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance				

Description of fiscal impact

HB 952 authorizes the governor to enter into agreements with tribal governments relating to the regulation of marijuana and appropriates \$1,000 for FY 2026 from the general fund to the Governor's Office of Indian Affairs (OIA). The OIA will utilize the appropriation to support costs associated with traveling to the tribes.

FISCAL ANALYSIS

Assumptions

Governor's Office

- HB 952 authorizes the governor to enter into agreements with tribal governments relating to the regulation of marijuana. The bill appropriates \$1,000 for FY 2026 from the general fund to the Office of Indian affairs.
- This bill does not directly impact the Department of Revenue's regulation of marijuana or create any additional costs to the department, however there could be some impacts depending on future agreements between the governor and the tribes.
- The bill states that agreements could include sales and transfers of marijuana into and out of the current regulated/licensed market. The seed-to-sale tracking system that the state uses would not be able to track products once they leave the licensed market or add new products once they enter it. If this were to occur through an agreement, then the seed-to-sale tracking system would need to be updated to accommodate this.

Secretary of State

- HB 952 requires the Office of the Secretary of State to notify each federally recognized tribal government in Montana. While there may be a minimal fiscal impact, the Office of the Secretary of State will absorb the costs associated with implementing this bill within its existing operating budget.

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>				
<u>Expenditures</u>				
Operating Expenses	\$1,000	\$0	\$0	\$0
TOTAL Expenditures	\$1,000	\$0	\$0	\$0
<u>Funding of Expenditures</u>				
General Fund (01)	\$1,000	\$0	\$0	\$0
TOTAL Funding of Expenditures	\$1,000	\$0	\$0	\$0
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	(\$1,000)	\$0	\$0	\$0

Technical Concerns

Department of Revenue

1. The State and Confederated and Salish Kootenai Tribes have entered into a cooperative agreement under the State-Tribal Cooperative Agreements Act relating to the taxation and regulation of marijuana. This bill is unclear whether this existing agreement will be required to be updated to meet the requirements in the bill.
2. Tribal government jurisdiction is not defined and is likely subject to interpretation under federal law. Jurisdiction will likely need to be negotiated and agreed upon in the agreement.

Frank Smith
Sponsor's Initials

4/5/2025
Date

RD
Budget Director's Initials

4/5/2025
Date