



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0281: Provide statutory appropriation of reinsurance program assessments

Primary Sponsor: Ken Walsh

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				
Revenues				
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact

HB 281 provides a statutory appropriation within the state special revenue fund for the 1.2% premium assessments collected from the reinsurance association members under 33-22-1313, MCA.

FISCAL ANALYSIS

Assumptions

State Auditor's Office

1. The State Auditor's Office (SAO) oversees the Montana Reinsurance Association Act within Title 33, Chapter 22, part 13, MCA.
2. 33-22-1313, MCA, requires the SAO assess each reinsurance association member insurer 1.2% of its total premium volume covering Montana residents from the prior calendar year.
3. While SAO utilizes assumptions from a qualified actuary, the association member assessment revenue and eligible claims can fluctuate.
4. The SAO currently receives appropriation authority for the use of these funds through HB 2. In FY 2024, the required claims payments were greater than the HB 2 state special revenue appropriation authority. This required the SAO to request a fiscal transfer from FY 2025 to FY 2024 for \$2.4 million, which reduced the office's FY 2025 appropriation authority. The office has submitted a HB 3 supplemental appropriation request to obtain additional budget authority needed to pay FY 2025 reinsurance claims.
5. HB 281 provides a statutory appropriation for the reinsurance association member assessments collected. The appropriation authority would no longer be needed in HB 2.
6. There is no fiscal impact to the state.

Statutory Appropriation

17-1-508, MCA, requires analysis of the statutory appropriation relative to the guidance in 17-1-508(3), MCA, to be published in the fiscal note. In reviewing and establishing statutory appropriations, the legislature shall

Fiscal Note Request - As Introduced

(continued)

consider the following guidelines. Answer yes or no to each of the following guidelines regarding the statutory appropriation:

	Yes	No
a. The money is from a continuing, reliable, and estimable source.		X
b. The use of the appropriation or the expenditure occurrence is predictable and reliable.	X	
c. The authority exists elsewhere.	X	
d. An alternative appropriation method is available, practical, or effective.		X
e. It appropriates state general fund money for purposes other than paying for emergency services.		X
f. The money is used for general purposes.		X
g. The legislature wishes to review expenditure and appropriation levels each biennium.		X
h. An expenditure cap and sunset date are excluded.	X	

Fiscal Analysis Table

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
<u>Funding of Expenditures</u>				
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
	\$0	\$0	\$0	\$0

Herman M. Wenz
Sponsor's Initials

2/28/2025
Date

RD
Budget Director's Initials

1/26/2025
Date

