



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

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|-------------------------|-----------------------|----------------|---|
| Bill # | SB 176 | Title: | Providing for nondiscrimination related to firearms possession or activity |
| Primary Sponsor: | Kenneth Bogner | Status: | As Introduced |

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

| | <u>FY 2026</u> | <u>FY 2027</u> | <u>FY 2028</u> | <u>FY 2029</u> |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | <u>Difference</u> | <u>Difference</u> | <u>Difference</u> | <u>Difference</u> |
| Expenditures: | | | | |
| General Fund | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue | Unable to Determine | Unable to Determine | Unable to Determine | Unable to Determine |
| Federal Special Revenue | \$0 | \$0 | \$0 | \$0 |
| Other | \$0 | \$0 | \$0 | \$0 |
| Revenue: | | | | |
| General Fund | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue | Unable to Determine | Unable to Determine | Unable to Determine | Unable to Determine |
| Federal Special Revenue | \$0 | \$0 | \$0 | \$0 |
| Other | \$0 | \$0 | \$0 | \$0 |
| Net Impact-General Fund Balance: | \$0 | \$0 | \$0 | \$0 |

Description of fiscal impact: SB 176 prohibits discrimination concerning firearms in insurance and financial matters. The fiscal impact to the state cannot be determined.

FISCAL ANALYSIS

Assumptions:

Department of Administration

1. The Department of Administration's State Procurement Services Division (SPSD) already has a declaration and verification of nondiscrimination against firearms entities/trade association built into the contracting software for formal RFP's.
2. This proposed legislation will not change anything with the Department of Administration's vendor for their banking contracts. No fiscal impact is anticipated.

Department of Commerce

3. The Department of Commerce currently includes language in all service contracts over \$100,000 prohibiting discrimination related to firearms. The department will add the language to all new grant and loan contracts and amendments. There will be no additional expense to the department.

Department of Justice

4. SB 176 does not apply to cases handled by the Department of Justice's Legal Services Division. No fiscal impact is anticipated.

State Auditor's Office

5. As written, SB 176 is unclear as to what activities are considered "discrimination against individuals, groups, associations, or businesses in matters concerning firearms" (See Technical Concerns). For purposes of this fiscal note, it is being interpreted by the State Auditor's Office (SAO) that this bill will require licensed insurers in Montana to offer coverage for firearms or firearm accessories.
6. There are over 2,700 licensed insurers in Montana. Some of these insurers do not currently, nor have they ever, offered coverage for firearms or firearm accessories. Approximately 900 of these insurers are currently licensed to sell property and casualty insurance.
7. The insurers that do offer property and casualty coverage have underwriting guidelines. Those guidelines may include not offering coverage for repeated claims.
8. Not offering coverage for firearms or firearms accessories, either because of repeated claims, or due to not having a license to sell property and casualty insurance, could be considered discrimination. Insurers that do not provide coverage for firearms or firearms accessories may discontinue offering insurance in the state of Montana.
9. Insurers pay an annual licensing fee of \$1,900 and a 2.75% premium tax. The \$1,900 license fee goes to state special revenue and is used to fund the operations of the SAO. The 2.75% tax gets deposited to the general fund and the Healthy Montana Kids state special revenue at the Department of Public Health and Human Services.
10. It is unknown how many insurers may withdraw from selling insurance in the state of Montana and, therefore, how much revenue would be lost.

Technical Concerns:

1. As written, SB 176 is unclear as to what activities are considered "discrimination against individuals, groups, associations, or businesses in matters concerning firearms".

NO SPONSOR SIGNATURE

Sponsor's Initials

Date

Budget Director's Initials

Date