



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0103: Creating a railroad track inspection program

Primary Sponsor: Katie Zolnikov

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				
General Fund (01)	\$0	\$0	\$0	\$0
Revenues				
General Fund (01)	(\$315,000)	(\$324,000)	(\$338,000)	(\$352,000)
Montana Rail Inspection Special Revenue Account	\$315,000	\$324,000	\$338,000	\$352,000
Montana Rail Inspection Special Revenue Account	\$0	\$0	\$0	\$0
Net Impact	<u>(\$315,000)</u>	<u>(\$324,000)</u>	<u>(\$338,000)</u>	<u>(\$352,000)</u>
General Fund Balance				

Description of fiscal impact

House Bill 103 creates a Montana Rail Program state special revenue fund and provides for a statutory appropriation. 8% of the revenue derived from the rail car tax will be diverted from the general fund to the Montana rail inspection account.

FISCAL ANALYSIS

Assumptions

Department of Revenue

1. This bill is effective July 1, 2025.
2. The Montana Rail Inspection Program diverts 8% of the revenue collected from the rail car tax from the general fund to new Montana Rail Inspection Special Revenue Account, thus changing the distribution from 100% revenue to general fund to 92%.
3. House Joint Resolution 2 forecast was used to make fiscal year projections on the rail car tax's revenue from FY 2026 to FY 2029.
4. The official revenue forecast in HJR2 estimates total revenue from the rail car tax will be as shown in Table 1.1 below. 8 % of each FY's total rain car revenue will be the amount that goes to the Montana Rail Inspection Special Revenue Account.

FY	Growth	Total Rail Car Revenue
2026	0.28%	\$3,931,000
2027	3.13%	\$4,054,000
2028	4.13%	\$4,222,000
2029	4.24%	\$4,401,000

5. Under current law, these total rail car revenues in Table 1.1 will go to the general fund.
6. Under House Bill 103, the general fund would lose funds 8% of its funds to the new special account, shown in Table 1.2 below.

FY	92% to GF	8% to Montana Rail Inspection Special Revenue Account
2026	\$3,617,000	\$315,000
2027	\$3,730,000	\$324,000
2028	\$3,884,000	\$338,000
2029	\$4,049,000	\$352,000

7. The difference in funds diverted to the general fund from FY 2026 to 2029 is shown in Table 1.3 below.

FY	GF Difference: Current Law vs. HB 103
2026	\$315,000
2027	\$324,000
2028	\$338,000
2029	\$352,000


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 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


Department of Revenue				
	<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>				
<u>Funding of Expenditures</u>				
<u>Revenues</u>				
General Fund (01)	(\$315,000)	(\$324,000)	(\$338,000)	(\$352,000)
State Special Revenue (02)	\$0	\$0	\$0	\$0
Montana Rail Inspection Special Revenue Account	\$315,000	\$324,000	\$338,000	\$352,000
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	(\$315,000)	(\$324,000)	(\$338,000)	(\$352,000)
State Special Revenue (02)	\$0	\$0	\$0	\$0
Montana Rail Inspection Special Revenue Account	\$315,000	\$324,000	\$338,000	\$352,000



Sponsor's Initials



Date



Budget Director's Initials

1/8/2025
Date