



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0932.01: Generally revise conservation financing laws**

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 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
General Fund (01)	\$0	\$100	\$0	\$0
State Special Revenue (02)	\$0	\$136,422	\$136,522	\$138,270
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Net Impact	<u>\$0</u>	<u>(\$100)</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance				

Description of fiscal impact

HB 932 revises the distribution of the marijuana state special revenue account to distribute 20% to the newly created habitat legacy account instead of directly to habitat Montana. The habitat legacy account will be administered by the Department of Fish, Wildlife, and Parks (FWP). This bill will not impact the other distributions out of the marijuana account but has some fiscal impacts to FWP.

FISCAL ANALYSIS

Assumptions

Department of Fish, Wildlife, and Parks (FWP)

1. HB 932 revises the distribution of the marijuana state special revenue account to distribute 20% to the newly created habitat legacy account instead of directly to habitat Montana, which results in no net change in revenue to FWP.
2. HB 932 establishes the Habitat Legacy account and establishes state special revenue accounts for wildlife habitat conservation, wildlife improvement projects, and wildlife crossings. 20% of the distributable marijuana tax funds collected per 16-12-111(4)(b), MCA, will be deposited in the Habitat Legacy account.
3. Up to 75% of the funds collected each year will be transferred from the Habitat Legacy account to the Land and Wildlife Stewardship account until that account contains \$50 million of UNOBLIGATED authority (Sec. 1(3) – page 1, line 26-28). This is separate from Habitat Montana but must be spent in the same way as Habitat Montana.
4. 20% is deposited in the Wildlife Habitat Improvement Program account.
5. 5% goes into the Big Game and Wildlife Crossings account.
6. Revenue is received at the end of each fiscal year. Revenue collected for these new purposes would not be available to spend until fiscal year 2027.

7. Once the Land and Wildlife Stewardship account reaches \$50 million in unobligated funds, 80% of any remaining funds collected per 16-12-111(4)(b), MCA, will be deposited in the Wildlife Habitat Improvement Program (WHIP) account and 20% will be deposited in the Big Game and Wildlife Crossings account.
8. The \$50 million cap will increase annually based on the CPI.
9. Funds in the Wildlife Habitat Improvement Program Account can only be used for Habitat Conservation projects per 87-5-806, MCA.
10. The changes to current 87-5-806, MCA, greatly expands the WHIP program to allow for a multitude of aquatic and terrestrial habitat improvement projects. WHIP would no longer be focused ONLY on landscape scale noxious weed treatments that benefit wildlife. Grantees would be responsible for completing any necessary MEPA or NEPA requirements.
11. HB 932 will require 1.00 FTE for a Legacy Program Manager with expertise in habitat management and restoration is required to evaluate, development, monitor and implement all projects approved by council. A 0.50 FTE administrative assistant is necessary to directly assist with coordination of the council, project evaluations, and legislature reports. The projected costs for personal services are \$116,522 for FY 2027, \$118,270 for FY 2028 and \$120,044 for FY 2029.
12. HB 932, Section 10 adds in the responsibility to the advisory council to rank projects associated with wildlife habitat improvement project proposals. The agency assumes to meet the need it will require the council to meet two times per year for 3 days per meeting. Annual costs, including travel, per diem, and stipends) are estimated at \$20,000.
13. Wildlife Habitat Improvement Program projects would be through grants or contracts to state, tribal, and federal agencies, as well as conservation districts, irrigation districts, grazing associations, county weed boards, and 501(c)(3) organizations (see technical note 1).
14. Administrative costs can not exceed 15% of the total amount of the grant or contract distributed under Habitat Legacy account.
15. HB 932, section 12, gives appropriation of \$100 from the general fund to the department of Fish, Wildlife, and Parks for the biennium beginning July 1, 2025, for the purposes of implementing this act. As FWP does not plan on any expenditures in FY 2027, the \$100 general fund appropriation offsets a small portion of operating costs in FY 2027.

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>				
Personal Services	\$0	\$116,522	\$116,522	\$118,270
Operating Expenses	\$0	\$20,000	\$20,000	\$20,000
TOTAL Expenditures	\$0	\$136,522	\$136,522	\$138,270
<u>Funding of Expenditures</u>				
General Fund (01)	\$0	\$100	\$0	\$0
State Special Revenue (02)	\$0	\$136,422	\$136,522	\$138,270
TOTAL Funding of Expenditures	\$0	\$136,522	\$136,522	\$138,270
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	\$0	(\$100)	\$0	\$0
State Special Revenue (02)	\$0	(\$136,422)	(\$136,522)	(\$138,270)

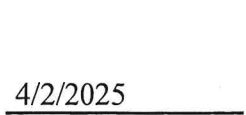
Technical Concerns

1. Section 10 strikes the language "communities, noxious weed management districts, conservation districts, nonprofit organizations exempt from taxation under 26 U.S.C. 501 (c)(3), or other entities that it considers appropriate for wildlife habitat improvement projects". This removes FWP's ability to grant these funds directly to landowners.
2. HB 932 provides no appropriation for the new programs so it will require FWP to request it for next session.


Sponsor's Initials


Date


Budget Director's Initials


Date