



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0327: Legislative referendum on state surplus revenue

Primary Sponsor: Caleb Hinkle 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 | \$0 | \$0 | \$0 |
| Revenues | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| Net Impact | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| General Fund Balance | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> |

Description of fiscal impact

HB 327 proposes to provide the Legislature the ability to establish a program to return excess revenue to resident income taxpayers. If passed, the Office of the Secretary of State would be required to provide the proposed act to qualified electors of Montana at the general election to be held in November 2026.

FISCAL ANALYSIS

Assumptions

Department of Revenue

1. HB 327 creates a legislative referendum on allowing the legislature to enact a program to provide income tax refunds for resident taxpayers when the state has excess revenue.
2. Passage of the referendum, and the subsequent legislation to enact the referendum would have a fiscal impact. However, HB 327 does not make any revenue or expenditure changes on its own, nor does it provide any information on how the refund of excess revenue would be determined. With no changes to expenditure or revenue, the proposed bill is expected to have no fiscal impact.

Secretary of State's Office

1. While there may be a minimal fiscal impact for processes related to proofing of ballots to ensure the referendum is properly included on the 2026 general election ballot, the Office of the Secretary of State will absorb the costs associated with implementing this bill within its existing operating budget.

Technical Concerns

Office of Budget and Program Planning

1. This bill proposes a legislative referendum on what is already in the current law powers of the Legislature, thereby making the intent of this legislation unclear.

CH

Sponsor's Initials

1/31/25

Date

RD

Budget Director's Initials

1/31/2025

Date