



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

SB0080 - Authorize investment authority for retained interest (Fox, Mike)

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$8,962	\$7,161	\$5,837	\$5,685
Revenue:				
General Fund	(\$8,962)	(\$7,161)	(\$5,837)	(\$5,685)
State Special Revenue	\$8,962	\$7,161	\$5,837	\$5,685
Net Impact-General Fund Balance:	<u>(\$8,962)</u>	<u>(\$7,161)</u>	<u>(\$5,837)</u>	<u>(\$5,685)</u>

Description of fiscal impact: SB 80 authorizes the Department of Commerce to retain interest earned on funds deposited in the GAP financing program state special revenue account.

FISCAL ANALYSIS

Assumptions:

- Short term investment rates as provided in HJ 2 for FY 24 through FY 27 are as follows, respectively: 4.13%, 3.3%, 2.69%, 2.62%. The Montana Board of Investments has yield rates for the past five years that have averaged 1.184% annually.
- The balance of GAP state special revenue funds available to invest in STIP over past five years has averaged \$217,000.
- The estimated average interest earnings based on the projected interest rates and five-year average balance area as follows: FY 24 \$8,962.10, FY 25 \$7,161, FY 26 \$5,837.30 and FY 27 \$5,685.40.
- Interest earned from STIP would be deposited into a revolving loan pool to be lent to eligible program participants rather than to the general fund as they are under current law.
- The funds would then contribute toward additional GAP financing projects.

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	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Personal Services	\$0	\$0	\$0	\$0
Operating Expenses	\$8,962	\$7,161	\$5,837	\$5,685
TOTAL Expenditures	\$8,962	\$7,161	\$5,837	\$5,685
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$8,962	\$7,161	\$5,837	\$5,685
TOTAL Funding of Exp.	\$8,962	\$7,161	\$5,837	\$5,685
<u>Revenues:</u>				
General Fund (01)	(\$8,962)	(\$7,161)	(\$5,837)	(\$5,685)
State Special Revenue (02)	\$8,962	\$7,161	\$5,837	\$5,685
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$8,962)	(\$7,161)	(\$5,837)	(\$5,685)
State Special Revenue (02)	\$0	\$0	\$0	\$0



 Sponsor's Initials

1-4-2023

 Date



 Budget Director's Initials

1-2-23

 Date