



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0082 - Create Montana national guard enlistment incentive program (Nikolakakos, George)

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	\$125,000	\$125,000	\$125,000	\$125,000
State Special Revenue	\$0	\$50,000	\$50,000	\$50,000
Federal Special Revenue	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$50,000	\$50,000	\$50,000	\$50,000
Federal Special Revenue	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$125,000)</u>	<u>(\$125,000)</u>	<u>(\$125,000)</u>	<u>(\$125,000)</u>

Description of fiscal impact: HB 82 establishes a state special revenue statutory appropriation for the Montana National Guard Enlistment Incentive Program within the Department of Military Affairs (DMA). The fiscal impact of this bill includes an appropriation from the general fund and creates a new state special revenue account.

FISCAL ANALYSIS

Assumptions:**Department of Military Affairs**

- HB 82 creates a Montana National Guard Enlistment Incentive Program. The program provides an incentive payment up to \$500 to current members of the Montana National Guard within approved pay grades.

2. To fund a portion of the incentive payment, HB 82 creates a voluntary checkoff for the program on Montana state individual income tax returns and provides \$250,000 in appropriation authority from the general fund for the biennium starting in FY 2024.
3. Each enlistment program incentive payment is authorized up to \$500 to current members of Montana National Guard.
4. The Montana National Guard is currently short approximately 500 service members.
5. DMA anticipates 250 incentives payments will be made in FY 2024 and 250 incentive payments would be made in FY 2025. If state special revenues from the tax checkoff are received at the rate of \$50,000 per year (see assumptions 10 and 11), and additional 100 incentive payments would be available to service members beginning in FY 2025.
6. Administrative rules will need to be drafted for the incentive program. Administrative Rules changes cost \$60 per page, \$121 for legal services review. It is estimated there will be 10 pages of rules and 40 hours legal review as a result of this bill for a total one-time only cost of \$5,440. The agency will absorb this cost within existing resources.
7. 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.

	<u>YES</u>	<u>NO</u>
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	

Department of Revenue

8. HB 82 creates a voluntary checkoff for the program on Montana state individual income tax returns.
9. In TY 2020 and TY 2021, approximately \$45,000 and \$40,000, respectively, was voluntarily provided by taxpayers for current Montana Military Relief Fund Voluntary Checkoff Program.
10. It is assumed that total voluntary donations to the National Guard Enlistment Incentive Program will be \$50,000 each tax year, starting TY 2023.
11. The \$50,000 in voluntary donations will be received by the Department of Military Affairs (DMA) in the year following the tax year when taxpayers file their income tax returns.
12. The creation of the new checkoff program will require the department to modify its income tax return forms starting TY 2023. The form changes can be made during the annual forms process and will not require any additional expenditures by the department.

