



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2027 Biennium

Bill#/Title: **HB0060: Generally revise state auditor laws**

Primary Sponsor: **Ed Buttrey**

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**

	<b><u>FY 2026</u></b> <b><u>Difference</u></b>	<b><u>FY 2027</u></b> <b><u>Difference</u></b>	<b><u>FY 2028</u></b> <b><u>Difference</u></b>	<b><u>FY 2029</u></b> <b><u>Difference</u></b>
<b>Expenditures</b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>Revenues</b>				
General Fund (01)	\$32,110	\$66,485	\$100,860	\$126,641
<b>Net Impact</b>	<u>\$32,110</u>	<u>\$66,485</u>	<u>\$100,860</u>	<u>\$126,641</u>
<b>General Fund Balance</b>				

### **Description of fiscal impact**

HB 60 generally revises laws impacting the State Auditor's Office, and there are two sections with fiscal impact. Section 4 eliminates the \$50 exemption fee for notice filing of charitable offerings; Section 9 allows surplus lines insurers domiciled in Montana to write premium in Montana, which will then be subject to annual premium taxes.

### **FISCAL ANALYSIS**

#### **Assumptions**

##### **State Auditor's Office**

1. HB 60 section 4 eliminates a \$50 fee for an exemption to notice filing of a charitable offering. The State Auditor's Office (SAO) received 55 exemption requests in FY 2023 and 50 exemption requests in FY 2024. The SAO received a total of \$5,520 for the two-year period (105 exemption requests x \$50 per request = \$5,250). The average total fees collected per fiscal year for the two-year period was \$2,265 (\$5,250 / 2 = \$2,265).
2. The filing fees received by the SAO for the Securities Program are deposited to the general fund. The SAO estimates a reduction of \$2,265 per year of revenue to the general fund.
3. HB 60 section 9 allows surplus lines insurers domiciled in Montana to write premium in Montana. There is currently one surplus lines insurer domiciled in Montana. This insurer provided the SAO with an estimate of premiums it expects to write in Montana in the first three years. The surplus lines premium tax rate is 2.75%.

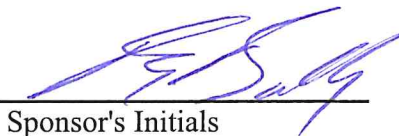
	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>
Estimated Premium Written	1,250,000	2,500,000	3,750,000	4,687,500
Premium Tax Rate	2.75%	2.75%	2.75%	2.75%
<b>Estimated Total Premium Tax</b>	<b>34,375</b>	<b>68,750</b>	<b>103,125</b>	<b>128,906</b>

4. The surplus lines premium taxes are deposited to the General Fund.  
 5. In summary, the total revenue impact for FY 2026 - FY 2029 is shown below:

	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>
Estimated Revenue Reduction Section 4 Securities Filing Fee	(2,265)	(2,265)	(2,265)	(2,265)
Estimated Premium Tax Revenue Section 9 Surplus Lines	34,375.00	68,750.00	103,125.00	128,906.00
<b>Total Revenue Impact</b>	<b>32,110</b>	<b>66,485</b>	<b>100,860</b>	<b>126,641</b>

## Fiscal Analysis Table

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<b><u>Fiscal Impact</u></b>				
<b><u>Expenditures</u></b>				
<b><u>Funding of Expenditures</u></b>				
<b><u>Revenues</u></b>				
General Fund (01)	\$32,110	\$66,485	\$100,860	\$126,641
<b>TOTAL Revenues</b>	<b>\$32,110</b>	<b>\$66,485</b>	<b>\$100,860</b>	<b>\$126,641</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u></b>				
General Fund (01)	\$32,110	\$66,485	\$100,860	\$126,641

  
 Sponsor's Initials

1/7/25  
 Date

  
 Budget Director's Initials

1/2/2025  
 Date