



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0038 - Generally revise theft laws to enumerate theft of a light vehicle (Oblander, Greg)

Status: As Introduced - Revised

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

	<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 - DoC	\$145,231	\$570,848	\$869,116	\$882,153
General Fund - OPD	\$19,135	\$19,135	\$19,422	\$19,713
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$430,000	\$430,000	\$430,000	\$430,000
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	\$265,634	(\$159,983)	(\$458,538)	(\$471,866)

Description of fiscal impact: HB 38 increases the fine amount for light vehicle theft from \$10,000 to \$50,000. This increased fine would increase revenue for the state general fund and the counties. This bill also creates a new felony, thus increasing the chance of increased populations at the Department of Corrections and increased attorney time for the Office of Public Defender.

FISCAL ANALYSIS

Assumptions:

Department of Justice (DoJ)

1. The Montana Highway Patrol (MHP) wrote citations for 43 stolen vehicles in 2022.
2. MHP assumes that 50% of those stolen vehicles were in the light vehicle category (21.5).
3. 50% of revenue received from citations is deposited into the state general fund and 50% goes to the county in which the citation was written.
4. 21.5 citations written x \$40,000 additional fine= \$860,000 / 2= \$430,000.

Department of Corrections (DOC)

5. This bill makes theft of a light vehicle a felony crime, punishable by a fine not to exceed \$50,000 or be imprisoned in a state prison for not more than 10 years.
6. Using a 3-year average (2019, 2020, and 2022), the typical prison term for property crimes is 4.3 years, and the typical probation term is 2.5 years. During these years, there were approximately 1,354 annual convictions for property crimes. These averages exclude 2021, as that year was an outlier for all crimes due to the impacts of the COVID-19 pandemic.
7. For purposes of this fiscal note, the department assumes that an additional 14 convictions per year. This is the equivalent of 1% of the annual amount of property crime convictions.
8. The department assumes that 50% of those offenders will serve the average prison sentence, and 50% will serve the average probation sentence. The department assumes that those sentences will begin 6 months after the start of the fiscal year, on January 1, 2024.
9. The average annual cost of a secure placement bed is \$40,055 per offender.
10. The incremental cost of an additional probation and parole placement is estimated at \$62 per offender per year. This covers the cost of mileage for home visits and urinalysis test kits.
11. The average caseload of a probation & parole officer is approximately 63 offenders. Based on this, the DoC anticipates that an additional 0.10 FTE in FY 2024, 0.20 FTE in FY 2025, and 0.30 FTE in FY 2026 and FY 2027 would be required to support this bill. The average annual salary of a P&P Officer is \$39,354.
12. The department assumes a 1.5% inflationary multiplier in FY 2026 and FY 2027.

Office of Public Defender (OPD)

13. OPD's current case weights predict that an average felony theft takes 13 more attorney hours to defend than an average misdemeanor theft. This increased defense attorney time costs an average of an additional \$890 per case.
14. Under HB 38, alleged thefts of certain light vehicles that are currently prosecuted as misdemeanor thefts will instead be prosecuted as felony thefts.
15. Each such case HB 38 causes to be prosecuted as a felony theft, instead of misdemeanor a theft, would cost OPD an average of \$890 per case.
16. OPD cannot quantify how many such new felony vehicle theft prosecutions HB 38 would produce because OPD does not track theft cases by the specific type of property alleged to have been stolen and, thus, does not know how many current misdemeanor theft prosecutions involve applicable light vehicles and as such cannot quantify the impact except on a case weight basis.
17. Based on these estimates and DoJ's estimates, this could cost the OPD \$19,135 (21.5 * \$890).
18. There is a 1.5% inflation factor applied to FY 2026 and FY 2027.

	<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 - DoC	0.10	0.20	0.30	0.30
<u>Expenditures:</u>				
Personal Services - DoC	\$4,604	\$9,209	\$14,020	\$14,231
Operating Expenses - DoC	\$140,627	\$561,639	\$855,096	\$867,922
Operating Expenses - OPD	\$19,135	\$19,135	\$19,422	\$19,713
TOTAL Expenditures	\$164,366	\$589,983	\$888,538	\$901,866
<u>Funding of Expenditures:</u>				
General Fund (01)	\$164,366	\$589,983	\$888,538	\$901,866
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	\$164,366	\$589,983	\$888,538	\$901,866
<u>Revenues:</u>				
General Fund (01)	\$430,000	\$430,000	\$430,000	\$430,000
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$430,000	\$430,000	\$430,000	\$430,000
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$265,634	(\$159,983)	(\$458,538)	(\$471,866)
State Special Revenue (02)	\$0	\$0	\$0	\$0

Effect on County or Other Local Revenues or Expenditures:

- Half of the fine revenue goes to the county in which the citation was written. As a result, the local governments would potentially see an increase of \$430,000 in revenue.

Technical Notes:

- Currently stolen vehicle citations are difficult to track due to how the law is written. The amount of revenue received could be significantly higher due to this.

NOT SIGNED BY SPONSOR

Sponsor's Initials

Date


 Budget Director's Initials

 3-21-23
 Date