



# Fiscal Note 2027 Biennium

Bill#/Title: SB0556.01: Create board of passenger ropeway safety

Primary Sponsor: Willis Curdy 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</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
<b>Expenditures</b>				
General Fund (01)	\$475,000	\$0	\$0	\$0
State Special Revenue (02)	\$219,996	\$217,196	\$220,404	\$223,660
<b>Revenues</b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$306,100	\$314,100	\$321,100	\$332,100
<b>Net Impact</b>	<u>(\$475,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>General Fund Balance</b>				

### Description of fiscal impact

SB 556 creates the Board of Passenger Ropeway Safety and attaches it to the Department of Commerce for administrative purposes. The bill creates a 0.25% fee on the gross receipts of all passenger ropeways operating in Montana. The bill also establishes an annual fee based on type of ski passenger transportation at each ski resort.

## FISCAL ANALYSIS

### Assumptions

#### Department of Revenue

- Under current law, there is no fee on passenger ropeways.
- To provide an estimate on how much revenue this would provide, multiple sources were utilized. According to previously published research, it is estimated that lift ticket sales account for 40-50% of gross receipts for ski resorts.
- Using data on collections and HJ 2 growth forecasts, and the 40-50% of total receipts coming from lift ticket sales, estimated gross receipts on passenger ropeways and the estimated fee revenue were obtained, as shown below:
- If SB 556 becomes law, the Department of Revenue would collect approximately \$282,000 in FY 2026, \$290,000 in FY 2027, \$297,000 in FY 2028, and \$308,000 in FY 2029 for the state special account.
- It would cost the department \$475,000 to develop a new tax type in FY 2026 to contract the service to implement this fee.

#### Department of Commerce

- Section 2 of the bill creates a seven-member board and allocates it the department for administrative

- purposes. Board members would be paid \$100 for each day the member is engaged in the performance of board duties and would be entitled to reimbursement of travel expenses.
7. Sections 4 through 6 of the bill stipulate that passenger ropeways may not be operated unless registered with the board. Applications for registration must be submitted annually by October 1<sup>st</sup>. Ropeways installed in the interim may submit a supplemental application. The board shall issue annual registration certificates for each passenger ropeway.
  8. Sections 9 through 13 of bill describe the powers and duties of the board. The board must adopt rules and supply them to the ropeway operators. The board may hold hearings, take evidence, approve, deny, revoke, and renew registrations.
  9. Section 10 of the bill allows the board to conduct inspections to determine if violations of board rules or conditions deemed unsafe exist. It is assumed the board would hire a qualified engineer to conduct inspections and that two inspections a year would be conducted on average. According to industry members an inspection costs between \$25,000 and \$50,000. Annual inspection costs would then be \$75,000.
  10. To carry out their responsibilities it is assumed the board would meet four times each year. Estimated travel costs would be \$17,000 a year, plus per diem of \$2,800 per year.
  11. Web hosting costs of \$9,000 annually would be required to track and maintain annual registrations, applications, and supporting documents.
  12. To administer the board, collect annual applications and fees, and other duties prescribed by the board in section 9 the department would require 1.00 FTE program specialist. Additional operating costs would include equipment, supplies, and overhead.
  13. Total estimated costs of the board would be \$219,996 in FY 2026, \$217,196 in FY 2027, \$220,404 in FY 2028, and \$223,659 in FY 2029.
  14. Section 7 of the bill requires ropeway operators to submit a fee with their annual registration application. The fees may not exceed the following: \$100 for each rope tow, \$200 for each chair lift, and \$300 for each aerial tramway. Fees must be deposited in a state special revenue account to support operations of the board. There are currently 40 rope lifts, 99 chair lifts, and one aerial tramway in the state. That would result in \$24,100 in annual application fee revenue.
  15. Section 8 of the bill imposes a 0.25% assessment on gross receipts from the operation of all passenger ropeways in the state. The Department of Revenue estimates this would result in revenue of \$282,000 in FY 2026, \$290,000 in FY 2027, \$297,000 in FY 2028, and \$308,000 in FY 2029.
  16. Total revenue for the board would be \$306,100 in FY 2026, \$314,100 in FY 2027, \$321,100 in FY 2028, and \$332,100 in FY 2029.

**Fiscal Analysis Table**

<b>Department of Commerce</b>				
	<b>FY 2026 Difference</b>	<b>FY 2027 Difference</b>	<b>FY 2028 Difference</b>	<b>FY 2029 Difference</b>
<b><u>Fiscal Impact</u></b>				
FTE	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
<b>TOTAL Fiscal Impact</b>	<b><u>1.00</u></b>	<b><u>1.00</u></b>	<b><u>1.00</u></b>	<b><u>1.00</u></b>
<b><u>Expenditures</u></b>				
Personal Services	\$96,752	\$96,752	\$98,161	\$99,592
Operating Expenses	<u>\$123,244</u>	<u>\$120,444</u>	<u>\$122,243</u>	<u>\$124,068</u>
<b>TOTAL Expenditures</b>	<b><u>\$219,996</u></b>	<b><u>\$217,196</u></b>	<b><u>\$220,404</u></b>	<b><u>\$223,660</u></b>

**Funding of Expenditures**

State Special Revenue (02)	\$219,996	\$217,196	\$220,404	\$223,660
<b>TOTAL Funding of Expenditures</b>	<b>\$219,996</b>	<b>\$217,196</b>	<b>\$220,404</b>	<b>\$223,660</b>

**Revenues**

State Special Revenue (02)	\$24,100	\$24,100	\$24,100	\$24,100
<b>TOTAL Revenues</b>	<b>\$24,100</b>	<b>\$24,100</b>	<b>\$24,100</b>	<b>\$24,100</b>

**Net Impact to Fund Balance (Revenue minus Funding of Expenditures)**

State Special Revenue (02)	(\$195,896)	(\$193,096)	(\$196,304)	(\$199,560)
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**Department of Revenue**

	<b>FY 2026 Difference</b>	<b>FY 2027 Difference</b>	<b>FY 2028 Difference</b>	<b>FY 2029 Difference</b>
<b>Fiscal Impact</b>				
<b>Expenditures</b>				
Operating Expenses	\$475,000	\$0	\$0	\$0
<b>TOTAL Expenditures</b>	<b>\$475,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Funding of Expenditures</b>				
General Fund (01)	\$475,000	\$0	\$0	\$0
<b>TOTAL Funding of Expenditures</b>	<b>\$475,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenues</b>				
State Special Revenue (02)	\$282,000	\$290,000	\$297,000	\$308,000
<b>TOTAL Revenues</b>	<b>\$282,000</b>	<b>\$290,000</b>	<b>\$297,000</b>	<b>\$308,000</b>
<b>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</b>				
General Fund (01)	(\$475,000)	\$0	\$0	\$0
State Special Revenue (02)	\$282,000	\$290,000	\$297,000	\$308,000

**STATEWIDE SUMMARY**

	<b>FY 2026 Difference</b>	<b>FY 2027 Difference</b>	<b>FY 2028 Difference</b>	<b>FY 2029 Difference</b>
<b>Fiscal Impact</b>				
FTE	1.00	1.00	1.00	1.00
<b>TOTAL Fiscal Impact</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b>Expenditures</b>				
Personal Services	\$96,752	\$96,752	\$98,161	\$99,592
Operating Expenses	\$598,244	\$120,444	\$122,243	\$124,068

**Fiscal Note Request - As Introduced**

(continued)

<b>TOTAL Expenditures</b>	<b>\$694,996</b>	<b>\$217,196</b>	<b>\$220,404</b>	<b>\$223,660</b>
<b>Funding of Expenditures</b>				
General Fund (01)	\$475,000	\$0	\$0	\$0
State Special Revenue (02)	\$219,996	\$217,196	\$220,404	\$223,660
<b>TOTAL Funding of Expenditures</b>	<b>\$694,996</b>	<b>\$217,196</b>	<b>\$220,404</b>	<b>\$223,660</b>
<b>Revenues</b>				
State Special Revenue (02)	\$306,100	\$314,100	\$321,100	\$332,100
<b>TOTAL Revenues</b>	<b>\$306,100</b>	<b>\$314,100</b>	<b>\$321,100</b>	<b>\$332,100</b>
<b>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</b>				
General Fund (01)	(\$475,000)	\$0	\$0	\$0
State Special Revenue (02)	\$86,104	\$96,904	\$100,696	\$108,440

**Technical Concerns**

**Department of Commerce**

1. Section 7 and section 8 of the bill state that revenue from application fees and assessments be deposited in the state special revenue fund. However, the bill does not create a dedicated state special revenue fund for this purpose.
2. The bill does not contain an appropriation.

**Department of Revenue**

3. The bill does not include any mechanism for enforcement of the "assessment" proposed in Section 8. That would allow for no penalty if an entity were to file but not pay.
4. Section 7 does not state who is to collect those fees. Therefore, the Department of Revenue will only provide estimates for the ropeway fee in Section 8.

**NO SPONSOR SIGNATURE**

Sponsor's Initials

Date

4/9

Budget Director's Initials

Date



4/7/2025