



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0260 - Revise laws regarding legislative special counsel (Regier, Matt)

Status: As Amended in House Committee

- 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 2023</u> <u>Difference</u>	<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	\$15,000	\$135,000	\$15,000	\$135,000
Revenue:					
General Fund	\$0	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>\$0</u>	<u>(\$15,000)</u>	<u>(\$135,000)</u>	<u>(\$15,000)</u>	<u>(\$135,000)</u>

Description of fiscal impact: HB 260 creates four additional personal staff to serve as exempt legal staff; provides a funding allocation for the personal staff; makes the special counsel permanent; and provides an immediate effective date and a retroactive applicability date.

FISCAL ANALYSIS

Assumptions:

Legislative Branch

1. HB 260 creates four additional personal staff to serve as exempt legal staff.
2. HB 260 provides a funding allocation between the minority and majority party for the personal staff.
3. HB 260 makes the special counsel permanent.
4. The additional legal staff are hired on an as-needed contract basis and must be licensed to practice law in the State of Montana.
5. HB 260 requires the funding allocated to the minority party is equal to one-third of the funding allocated to the majority party.
6. HB 260 is subject to appropriation.
7. The Legislative Fiscal Division (LSD) assumes the rate for contracted special counsel is \$150 per hour.

8. For the purposes of this fiscal note, it is assumed during the 2025 biennium, special counsel will work 1,000 hours divided as follows:
 - a. Majority party - 750 hours (split equally between House and Senate): (75 hours – FY 2024; 675 hours – FY 2025)
 - b. Minority party - 250 hours (split equally between House and Senate): (25 hours – FY 2024; 225 hours – FY 2025)
9. The fiscal impact for the 2025 biennium is \$150,000.
10. HB 260 is effective on passage and approval and applies retroactively for costs incurred during the 68th Legislative session.
11. The 67th Legislature appropriated \$150,000 in HB 483 for special counsel for the 2023 biennium. This appropriation was designated restricted/biennial/one-time only.
 - a. As of pay-period ending 1/13/2023, the balance of the appropriation was approximately \$135,000.
 - b. The President of the Senate hired special counsel for the 68th Legislative Session per 5-5-110, MCA.
 - i. The projected cost for this position is approximately \$90,000 which includes salary and employer-paid taxes.
 - c. The projected balance of this appropriation is approximately \$45,000 and is distributed as follows:
 - i. Majority party approximately \$11,000 (74 hours).
 - ii. Minority party approximately \$34,000 (226 hours).
 - d. Since these funds are already appropriated, they are not included in the fiscal impact for HB 260.
12. In addition, the 67th Legislature appropriated approximately \$35,000 in HB 483 for the Committee on Judicial Accountability (committee). This appropriation was designated restricted/biennial/one-time only.
 - a. For the purposes of this fiscal note, it is assumed the Committee will have no additional meetings for the remainder of FY 23.
 - b. The projected balance of this appropriation is approximately \$32,000 and could be used to fund FY 2023 special counsel.
13. HB 2 includes a request for an appropriation for \$150,000 general fund for the special counsel. If HB 2 is passed and approved without this appropriation, these funds would need to be appropriated elsewhere.
14. For the 2027 biennium, it is assumed expenses would occur at the same rate and in the same ratios as the 2025 biennium. It is assumed these costs would be incorporated into HB 1 presented to the 2025 Legislature.

	<u>FY 2023</u> <u>Difference</u>	<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	0.00
<u>Expenditures:</u>					
Operating Expenses	\$0	\$15,000	\$135,000	\$15,000	\$135,000
TOTAL Expenditures	\$0	\$15,000	\$135,000	\$15,000	\$135,000
<u>Funding of Expenditures:</u>					
General Fund (01)	\$0	\$15,000	\$135,000	\$15,000	\$135,000
TOTAL Funding of Exp.	\$0	\$15,000	\$135,000	\$15,000	\$135,000
<u>Revenues:</u>					
General Fund (01)	\$0	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>					
General Fund (01)	\$0	(\$15,000)	(\$135,000)	(\$15,000)	(\$135,000)

Technical Notes:

1. 2-18-104(4), MCA, will conflict if HB 260 and SB 157 both are passed and approved and will need "Coordination Instruction."
 - a. HB 260 doesn't amend 2-18-104(4) which allows (not to exceed) one personal staff for leadership:
 - (a) one personal staff for the speaker of the house of representatives;
 - (b) one personal staff for the minority leader of the house of representatives;
 - (c) one personal staff for the president of the senate;
 - (d) one personal staff for the minority leader of the senate;.
 - b. SB 157 amends (a) and (b) above to allow for two personal staff.
2. If the legislature anticipates it will require resources above \$150,000 per biennium, it would need to appropriate additional resources.

NOT SIGNED BY SPONSOR

Sponsor's Initials

Date

Budget Director's Initials

Date