

1 HOUSE BILL NO. 29

2 INTRODUCED BY HARPER

3 BY REQUEST OF THE DEPARTMENT OF COMMERCE

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE DEPARTMENT OF COMMERCE TO DEPOSIT
6 16 PERCENT OF PUBLIC CONTRACTOR FEES IN A SPECIAL REVENUE ACCOUNT FOR ADMINISTRATION
7 OF TITLE 37, CHAPTER 71; AMENDING SECTION 37-71-105, MCA; AND PROVIDING AN IMMEDIATE
8 EFFECTIVE DATE."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11
12 **Section 1.** Section 37-71-105, MCA, is amended to read:

13 **"37-71-105. Disposal of fees.** Sixteen percent of each fee collected under this chapter must be
14 deposited in an account in the state special revenue fund and must be used by the department for
15 administration of this chapter. All moneys remaining money collected hereunder shall under this chapter
16 must be deposited by the department with the state treasurer, who shall credit them the money to the state
17 general fund of the state."

18
19 **NEW SECTION. Section 2. Effective date.** [This act] is effective on passage and approval.

20 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0029, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act allowing the Department of Commerce to deposit 16 percent of public contractors fees in a special revenue account for administration of public contractor's license act.

ASSUMPTIONS:

1. Sixteen percent of estimated revenues (\$266,200) is projected to be \$42,592 in each year of the biennium for the administration of the public contractor's license act.

FISCAL IMPACT:

Revenues:

	<u>FY96</u>	<u>FY97</u>
Professional Licensing Bureau:	<u>Difference</u>	<u>Difference</u>
Public Contractors General Fund	(42,592)	(42,592)
Public Contractors Licensing SSR	<u>42,592</u>	<u>42,592</u>
Total	0	0

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Fiscal impact in future biennia is not anticipated to be markedly different.

TECHNICAL NOTES:

The effective date of this bill is upon passage and approval. However, this fiscal note is for the 1997 biennium only.

DEDICATION OF REVENUE:

- a) Are there persons or entities that benefit from this dedicated revenue that do not pay? (Please explain)
The general public is assured that those contractors working on public projects are listed and licensed. Regulation provides a forum for response from the public.
- b) What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?
Problems which arise in regard to public contractors will be addressed by resources directly funded by a portion of the fees collected from public contractors.
- c) Is the source of revenue relevant to current use of the funds and adequate to fund the program/activity that is intended? Yes No (if no, explain)
- d) Does the need for this state special revenue provision still exist? Yes No (Explain)
This bill establishes a state special revenue account which is necessary to provide for the administration of the program which licenses and regulates public contractors.
- e) Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please explain)
No. The dedicated revenue does not diminish the legislature's ability to control expenditures or establish priorities.
- f) Does the dedicated revenue fulfill a continuing, legislatively recognized need?
Yes, provided the legislature continues to mandate the regulation and licensing of public contractors.

(continued)

David Lewis 1-5-95
 DAVID LEWIS, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

Hal Harper
 HAL HARPER, PRIMARY SPONSOR DATE
 Fiscal Note for HB0029, as introduced

(continued)

g) How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?)

The POL bureau, in which this state special revenue account would be established, currently administers 35 separate state special revenue accounts for numerous regulatory and licensing boards. The efficiencies in dealing with these accounts will cross the spectrum in the licensing program for public contractors. If this proposal were to be funded by general fund, it would be inconsistent with current funding mechanisms of the POL Bureau.