

Section E Joint Subcommittee

Work Session – Office of Public Instruction

January 16th, 2023

Marijuana Revenue and Guaranteed Tax Base Aid

Per 20-9-366, MCA, some marijuana revenue is directed towards state Guaranteed Tax Base (GTB) aid to schools. For FY 2024 through FY 2031, if the revenue transferred to the state general fund from the marijuana state special revenue account in the prior fiscal year is at least \$1.0 million more than the revenue transferred in the fiscal year two years prior, then there will be an impact to GTB.

For both the executive and HJ 2 estimates, the step-by-step process for the calculation is shown below:

Executive						
FY	GF Rev	GF Increase (Prior Yr over 2 Yrs Prior)	Greater than \$1 million?	25% GF Increase	GTB Adj Calc	Multiplier per HB 663
2022	14,238,426					250%
2023	37,793,157					254%
2024	50,069,803	23,554,731	Yes	5,888,683	12	266%
2025	56,360,932	12,276,646	Yes	3,069,161	6	272%

HJ 2						
FY	GF Rev	GF Increase (Prior Yr over 2 Yrs Prior)	Greater than \$1 million?	25% GF Increase	GTB Adj Calc	Multiplier per HB 663
2022	14,238,426					250%
2023	27,675,514					254%
2024	28,201,302	13,437,088	Yes	3,359,272	7	261%
2025	29,285,747	525,788	No		0	261%

And the resulting impact to K-12 BASE aid is shown below:

	FY 2024	FY 2025
Executive Budget	6,361,805	9,446,939
GTB multiplier	266%	272%
HJ 2	3,782,590	3,816,111
GTB multiplier	261%	261%
Difference	(2,579,215)	(5,630,828)