

# OTHER GENERAL FUND REVENUE



All Other Revenue  
Highway Patrol Fines  
Nursing Facilities Fee  
Public Institution Reimbursements  
Tobacco Settlement



**All Other Revenue****Revenue Description**

There are a variety of sources of taxes, fees, or fines that historically have generated less than \$2.5 million each in annual general fund revenue.

**Statutory Reference:** Various

**Applicable Tax Rates:** Various

**Collection Frequency:** Monthly

**Distribution:** All proceeds are deposited into the general fund.

**Forecast Risks**

- Investment license revenue and expenditures
- Liquor license revenue and expenditures
- Number of vehicles registered under the single state registration system
- Fixed costs appropriated for SWCAP/SFCAP
- District court fees
- Revenue and expenditures in the DPHHS cigarette account
- Civil fines
- State Street banking fees
- MSU-EMC debt service payments

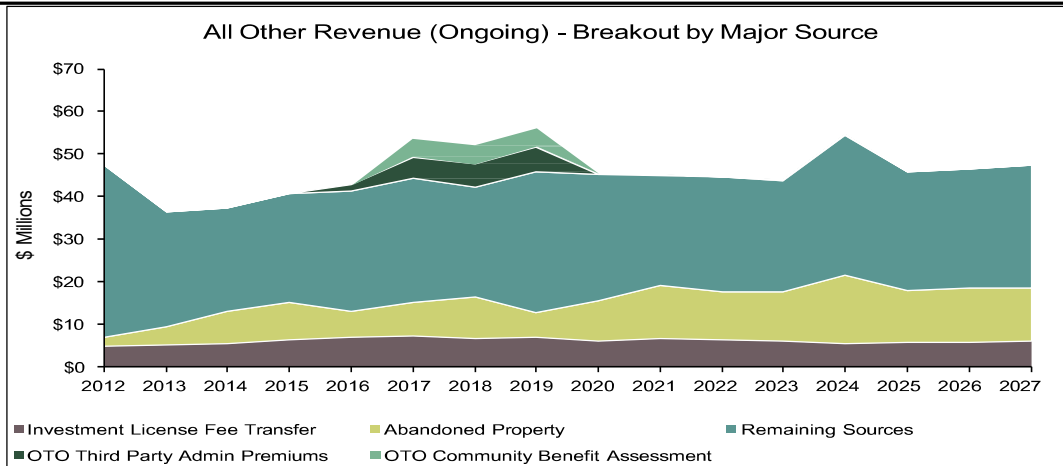
**Revenue Estimate Methodology**Data

Numerous data sources are consulted for each of the applicable fifteen revenue sources that are estimated individually.

Analysis

1. Abandoned property is estimated using a nine-year moving average.
2. District court fees are estimated using a five-year average.
3. Investment license fee transfer is the net between non-general fund investment fee revenue collected by the State Auditor and its expenses. These amounts are determined in the "Investment License Fee" revenue source.
4. Statewide Cost Allocation Plan: these amounts are estimated using a five-year moving average.
5. Court surcharge is estimated using a three-year moving average.
6. Veteran's cigarette account transfer: money in the account at the end of a fiscal year in excess of \$2.0 million is transferred to the general fund. To estimate the excess amounts, distributions of cigarette tax revenue to the account (as determined in the "Cigarette Tax" revenue source) is reduced by budgeted present law amounts from the account for each fiscal year. Included are expenditure estimates from long range building appropriations. The \$2.0 million limit is then subtracted from the net revenue.
7. Banking charges are estimated to grow by 1% per year.
8. The remainder of "All Other" revenue, after the seven revenue sources have been estimated individually, is estimated using a three-year moving average.

The chart below illustrates the major sources of all other revenue. Note that legislatively authorized transfers were a key component of all other revenue in the 2019 biennium.

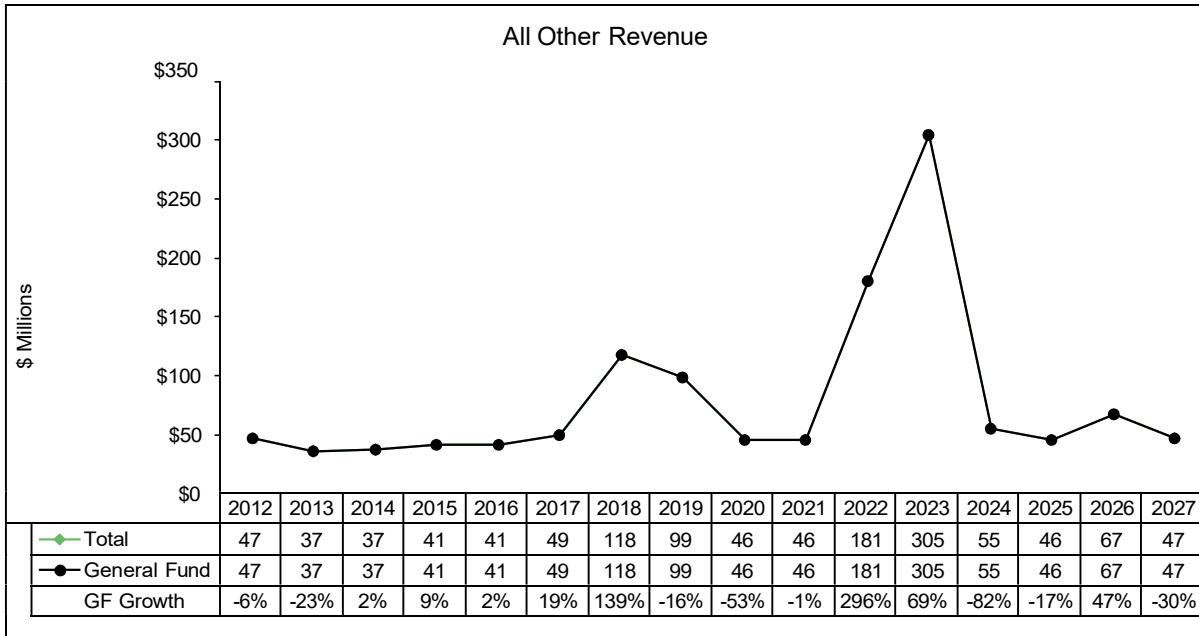


**Revenue Estimate Assumptions**

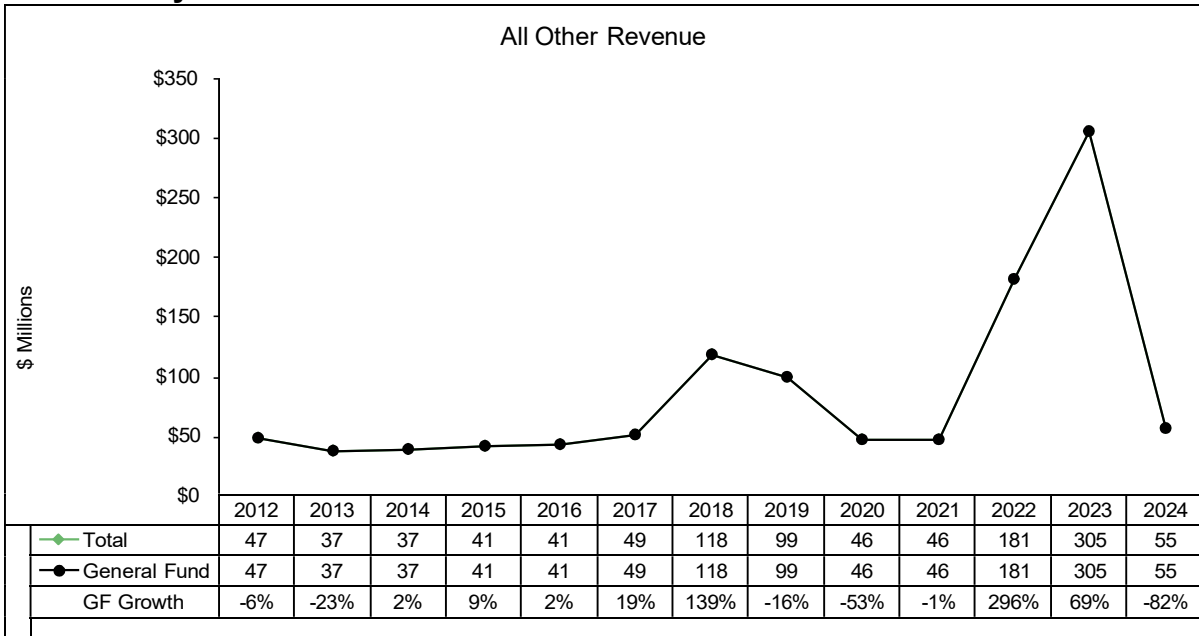
This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2.

FY	Total Tax \$ Millions	GF Tax \$ Millions	Investment Transfer \$ Millions	SWCAP SFCAP \$ Millions	District Court \$ Millions	Bank Charges \$ Millions	Vets. Account Transfer \$ Millions
A 2014	\$37.320	\$37.320	\$5.499	\$2.879	\$3.275	\$1.614	\$4.157
A 2015	40.822	40.822	6.526	2.907	3.203	1.636	3.215
A 2016	41.443	41.443	7.078	2.971	3.425	1.688	3.562
A 2017	49.294	49.294	7.315	2.384	3.325	1.695	3.154
A 2018	117.645	117.645	6.890	2.864	3.375	1.680	2.924
A 2019	98.800	98.800	6.938	2.864	3.705	1.688	2.462
A 2020	46.062	46.062	6.261	4.000	3.709	1.641	2.451
A 2021	45.607	45.607	6.885	4.000	3.828	1.705	3.500
A 2022	180.512	180.512	6.499	4.000	3.927	-	3.500
A 2023	304.813	304.813	6.190	4.000	3.757	-	3.500
A 2024	54.615	54.615	5.633	4.500	3.912	-	3.500
F 2025	45.569	45.569	5.854	4.000	3.068	-	4.500
F 2026	67.199	67.199	5.918	4.000	3.154	-	4.500
F 2027	46.901	46.901	6.085	4.000	3.255	-	4.500
F 2028	47.772	47.772	6.324	4.000	3.335	-	4.500
F 2029	48.946	48.946	6.660	4.000	3.456	-	4.500

FY	Abandoned Property \$ Millions	Court Surcharge \$ Millions	Third Party Premiums \$ Millions	Remaining Sources \$ Millions	OTO Transfers
A 2014	\$7.745	\$1.449		\$10.701	
A 2015	8.723	1.425		13.186	
A 2016	5.952	1.389	1.357	15.378	
A 2017	8.025	1.392	4.990	17.013	
A 2018	9.485	1.254	5.232	14.220	\$65.670
A 2019	5.927	1.255	5.838	21.325	42.747
A 2020	9.254	1.229	-	17.068	0.750
A 2021	12.153	1.142	(0.274)	12.217	0.750
A 2022	11.093	1.122	-	14.458	135.914
A 2023	11.425	1.101	0.130	13.920	260.789
A 2024	16.091	1.194	0.130	19.655	-
F 2025	12.003	1.139	-	15.464	-
F 2026	12.553	1.145	-	15.143	21.246
F 2027	12.633	1.159	-	15.728	-
F 2028	12.941	1.148	-	15.982	-
F 2029	13.244	1.151	-	16.394	-



**Revenue History**



## Highway Patrol Fines

### Revenue Description

The Montana Highway Patrol issues citations for speeding, driving under the influence of alcohol or drugs, and other misdemeanors. The fines and forfeitures associated with these citations are collected by various state and local courts.

### Statutory Reference

Tax Rate – General fines: [61-3-601, MCA](#); [61-5-307, MCA](#); [61-7-118, MCA](#); [61-8-711, MCA](#); [61-9-511, MCA](#); multiple others

Tax Distribution – [3-10-601, MCA](#) (fines collected in justice court are included in “All Other Revenue”); [61-10-148, MCA](#) (violations of vehicle size, weight & load); [61-12-701, MCA](#) (fines by Highway Patrol)

Date Due – Upon conviction

**Applicable Tax Rates:** Variable

**Collection Frequency:** Monthly

**Distribution:** All Highway Patrol fines and forfeitures on all offenses that result from citations issued by the Highway Patrol, except those paid to a justices’ court, and received by the state are deposited in the general fund.

### Forecast Risks

- Significant changes in historical driving patterns

### Revenue Estimate Methodology

#### Data

SABHRS data provide a history of highway patrol fine revenue.

#### Analysis

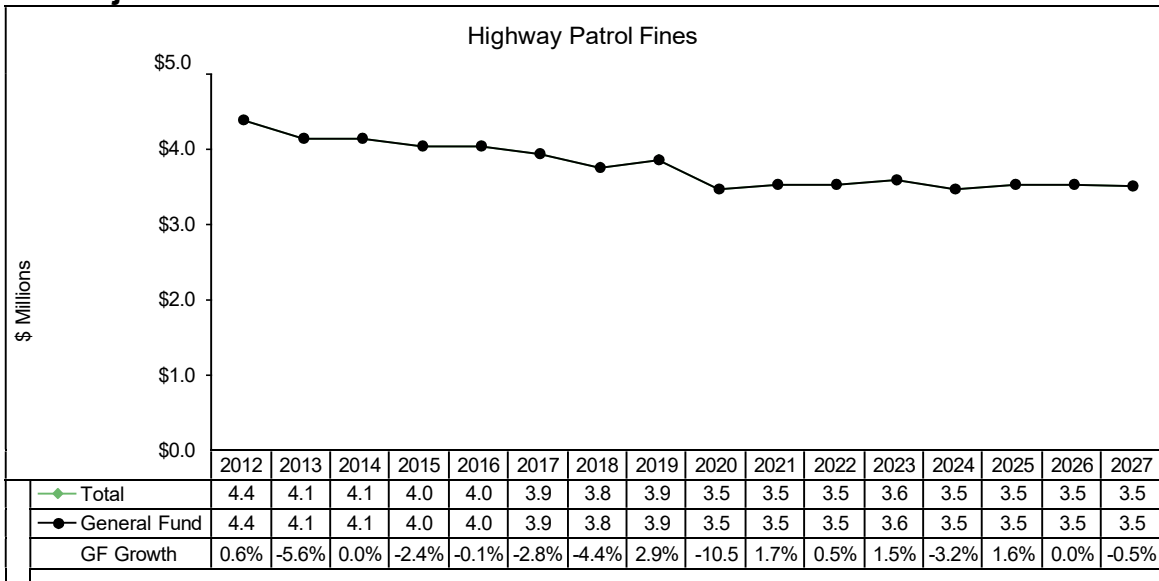
Highway patrol fine revenue is forecast using an autoregressive moving average time series model.

### Revenue Estimate Assumptions

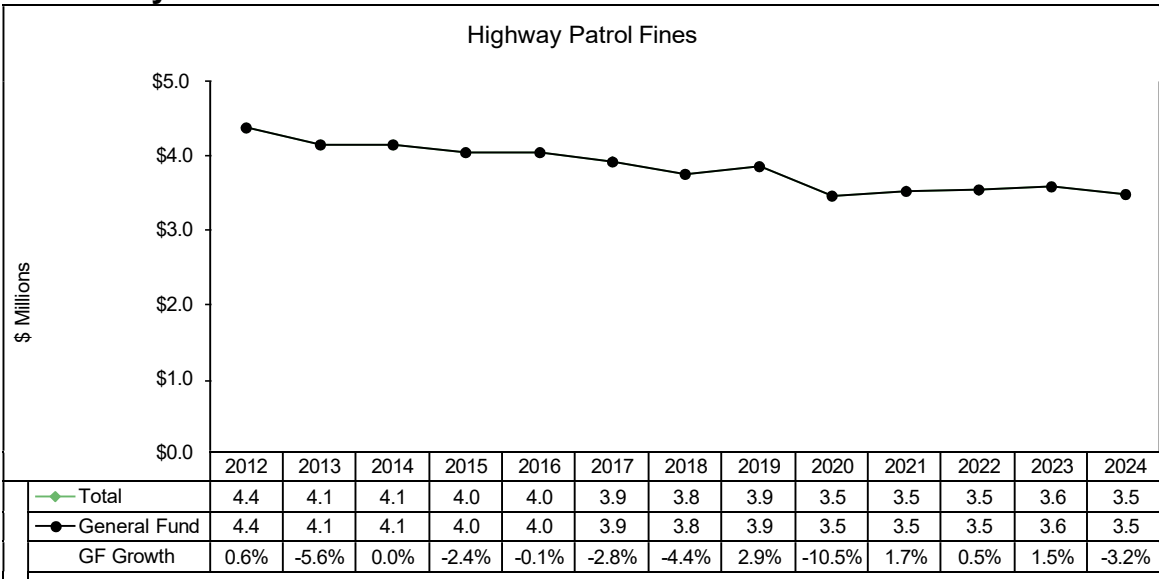
This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2.

**Other General Fund Sources  
Revenue Projection**

**Highway Patrol Fines**



**Revenue History**



**Nursing Facilities Fee**

**Revenue Description**

Utilization fees are assessed on nursing facilities and intermediate care facilities in Montana. Nursing facilities are health care facilities licensed by the Department of Public Health and Human Services (DPHHS) and include those operated for profit or non-profit, freestanding or part of another health facility, and may be either publicly or privately owned. Nursing facilities do not include adult foster homes, retirement homes, and other alternative living arrangements.

**Statutory Reference**

Tax Rate – Nursing facility utilization fee: [15-60-102, MCA](#); intermediate care facility utilization fee: [15-67-102\(2\), MCA](#)

Tax Distribution – Nursing facility utilization fee: [15-60-102, MCA](#) & [15-60-210, MCA](#); intermediate care facility utilization fee: [15-67-102\(3\), MCA](#)

Date Due – Nursing facility utilization fee due the last day of the month following the close of the calendar quarter ([15-60-201, MCA](#)); intermediate care facility utilization fee due the month following the close of the calendar quarter ([15-67-201\(1\), MCA](#))

**Applicable Tax Rates**

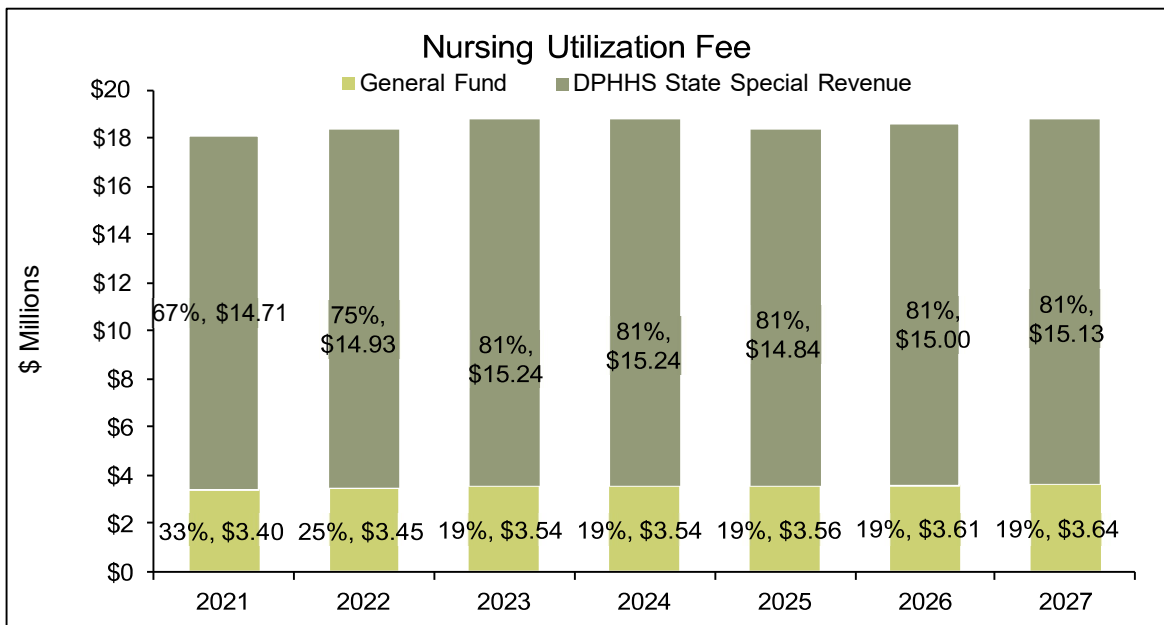
Nursing facility utilization fee: \$8.30 per bed day through end of FY 2017. With the passage of [HB 618 \(2017 Session\)](#) the fee increased to \$11.30 per day through FY 2018, and \$15.30 per day after July 31, 2018. Intermediate care facility utilization fee: 6% of a facility’s quarterly revenue divided by quarterly bed days.

Bed days are defined as a 24-hour period in which a resident of a nursing facility is present in the facility or in which a bed is held for a resident while on temporary leave.

**Collection Frequency:** Quarterly

**Distribution**

Nursing facility fee revenue is distributed between the general fund and the DPHHS state special revenue prevention and stabilization fund. The following chart shows the changing distribution of nursing facility fee revenue.



**Forecast Risks**

- Change in rate of facility utilization

**Revenue Estimate Methodology**

Data

SABHRS data provide a history of nursing facilities fee revenue.

Analysis

Proxy bed days for nursing facilities are determined by dividing the difference between total nursing utilization fees and interim care fees by the nursing facilities fee daily rate per bed day. Future bed days are based on a time trend of the proxy bed days, which are then multiplied by the applicable fee rate of to obtain an estimate of future nursing facilities fees.

**Revenue Estimate Assumptions**

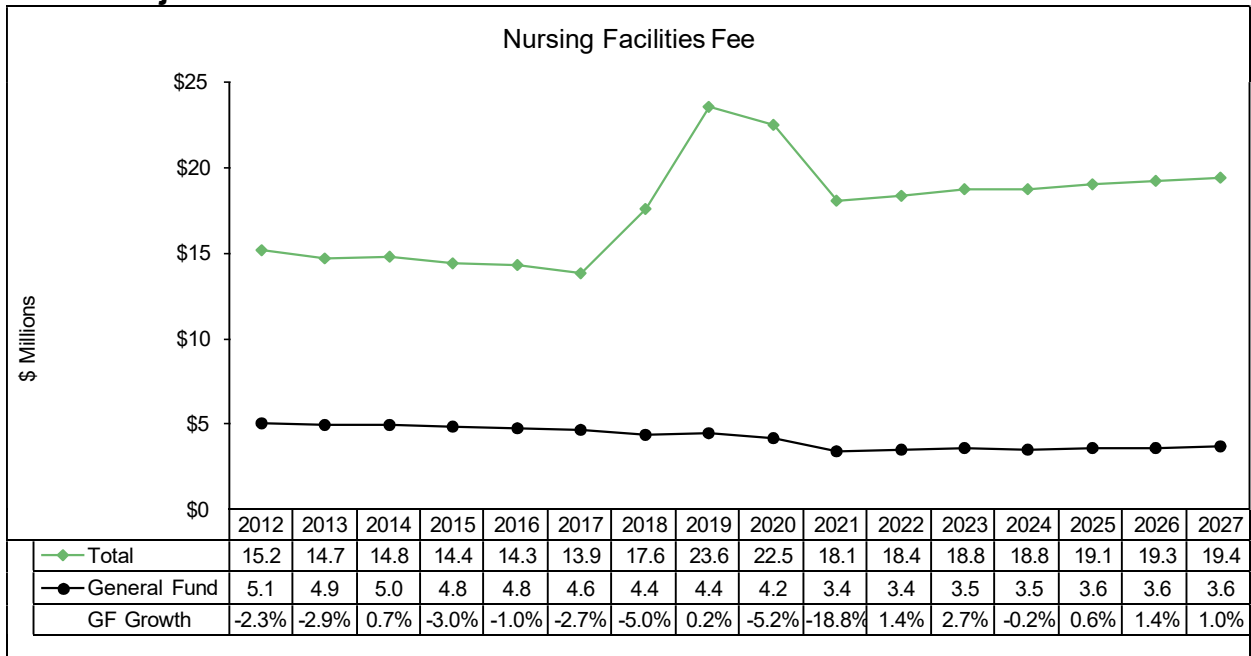
This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2.

FY	Total Tax \$ Millions	GF Tax \$ Millions	Nursing Home Bed Days (Millions)	MDC Revenue (Millions)
A 2014	\$14.836	\$4.961	1.678	\$15.104
A 2015	14.391	4.810	1.625	15.103
A 2016	14.270	4.764	1.594	17.283
A 2017	13.853	4.635	1.579	12.394
A 2018	17.574	4.405	1.501	10.237
A 2019	23.627	4.416	1.519	6.624
A 2020	22.498	4.188	1.451	5.388
A 2021	18.113	3.400	1.170	5.198
A 2022	18.375	3.447	1.181	5.223
A 2023	18.778	3.542	1.193	8.795
A 2024	18.773	3.535	1.195	8.210
F 2025	19.057	3.558	1.206	-
F 2026	19.280	3.609	1.215	-
F 2027	19.450	3.644	1.224	-
F 2028	19.682	3.699	1.232	-
F 2029	19.878	3.742	1.241	-

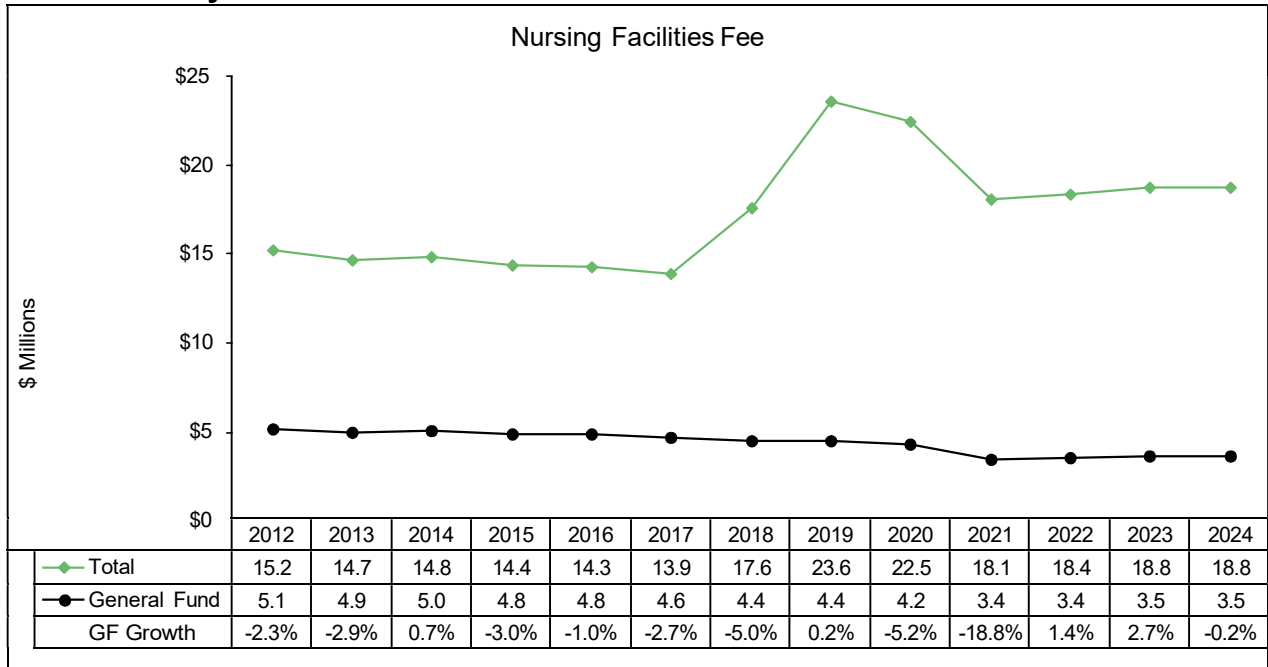


**Other General Fund Sources  
Revenue Projection**

**Nursing Facilities Fee**



**Revenue History**



**Public Institution Reimbursements****Revenue Description**

The Department of Public Health and Human Services (DPHHS) receives reimbursement for the cost of sheltering and treating residents at the Montana Developmental Center (MDC), the Montana Mental Health Nursing Care Center (MMHNCC), Montana State Hospital (MSH), Montana Chemical Dependency Treatment Center (MCDC), and the Montana Veterans' Home (MVH).

Reimbursement comes from four sources: state and federally matched Medicaid monies, federal Medicare funds, insurance payments if available, and private payments by residents or persons legally responsible for them.

**Statutory Reference**

Tax Rate – [53-1-402, MCA](#) (requirement to pay)

Tax Distribution – [53-1-413, MCA](#)

Date Due – Monthly ([53-1-405\(3\), MCA](#))

**Applicable Tax Rates:** Three variables determine the level of Medicaid nursing home payments: the number of patient days eligible for Medicaid reimbursement, the reimbursement rate per patient day, and the private resources of Medicaid patients.

**Collection Frequency:** Monthly

**Distribution**

Institutional reimbursements for MDC, MMHNCC, and MSH are first used for debt service with the remainder distributed to the general fund. Reimbursements for MCDC and MVH are distributed to a DPHHS state special revenue fund to be appropriated to those facilities.

**Forecast Risks**

- Changes in insurance, Medicaid, Medicare eligibility and payment levels
- Values of state and local medical spending
- Changing Montana per capita income
- Certification of state facilities by the Center for Medicare and Medicaid Services (CMS)

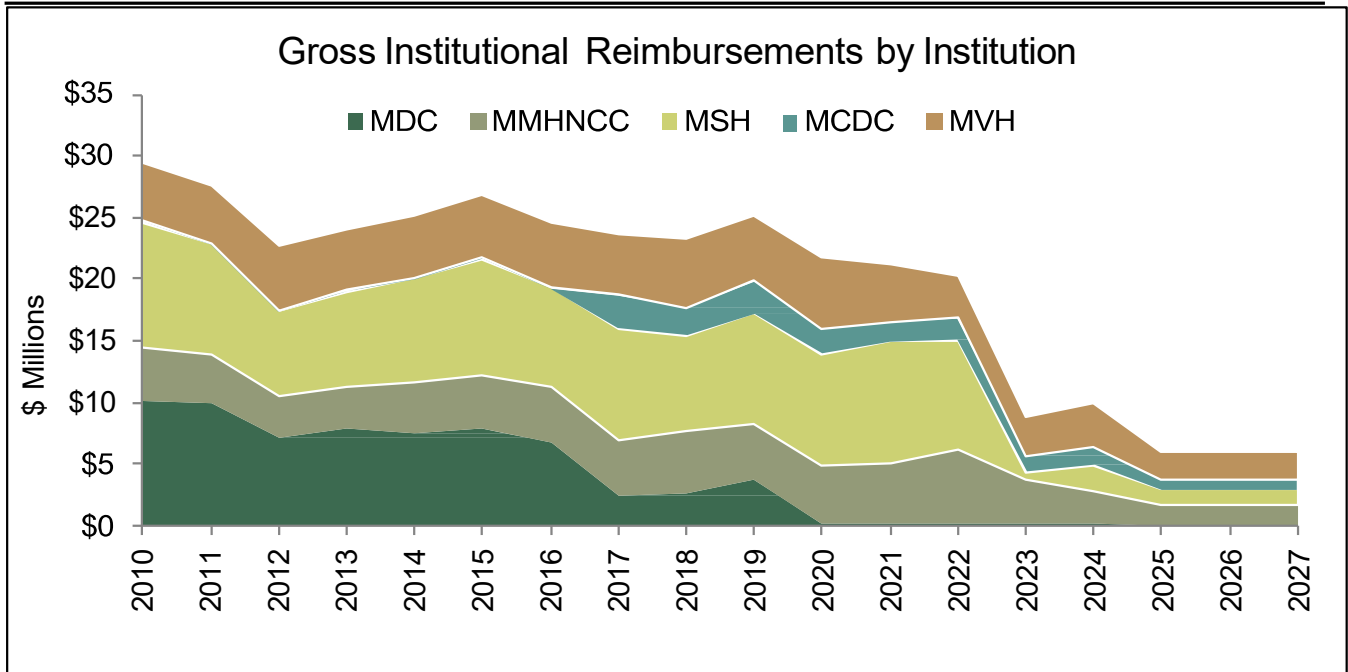
**Revenue Estimate Methodology**Data

The public institution reimbursement estimate is based on data obtained from SABHRS and the Kaiser Family Foundation number of Montana nursing home residents.

Analysis

Future nursing home residents are based on a time trend of total nursing home residents from the Kaiser Family Foundation. Total reimbursements are modeled on the number of nursing facility residents, with future modeled growth applied to the last year of actual collections. Debt service for MSH is subtracted from the total to produce anticipated general fund collections.

Late in FY 2021 MSH lost \$7.0-9.0 million in annual federal reimbursements after CMS terminated its provider agreement with the hospital due to a lack of compliance with federal requirements. MMHNCC and MVH are also significant contributors, while reimbursements from MCDC makes up a very small portion of total collections.



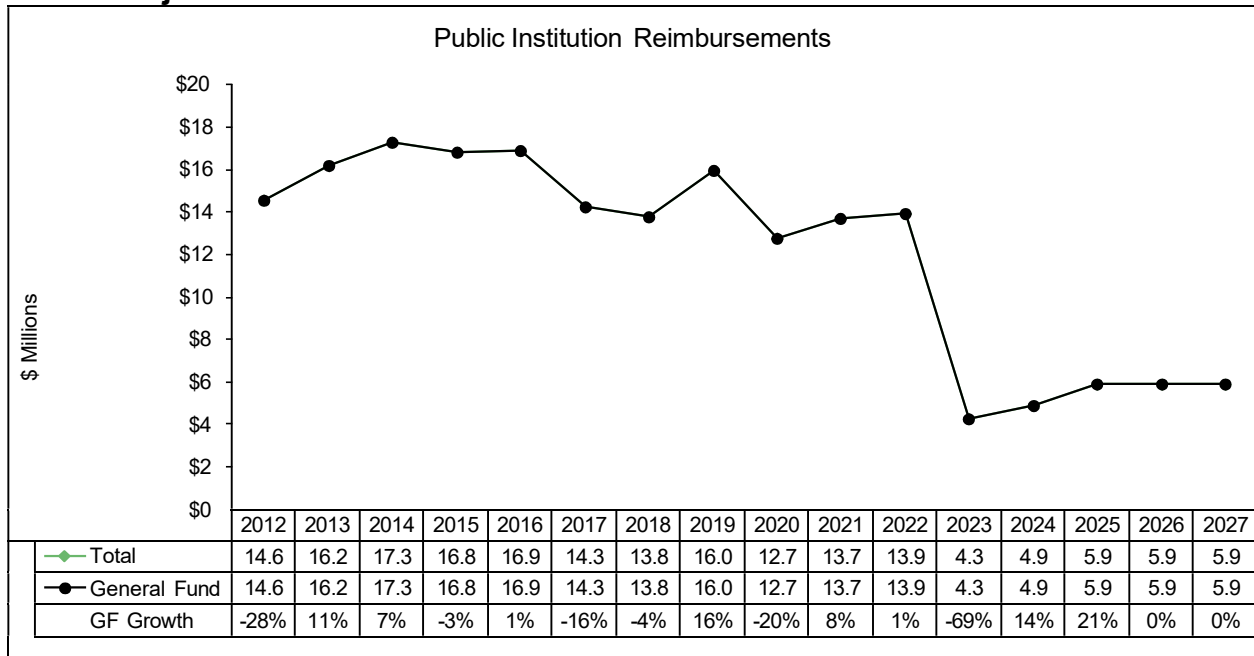
**Revenue Estimate Assumptions**

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2.

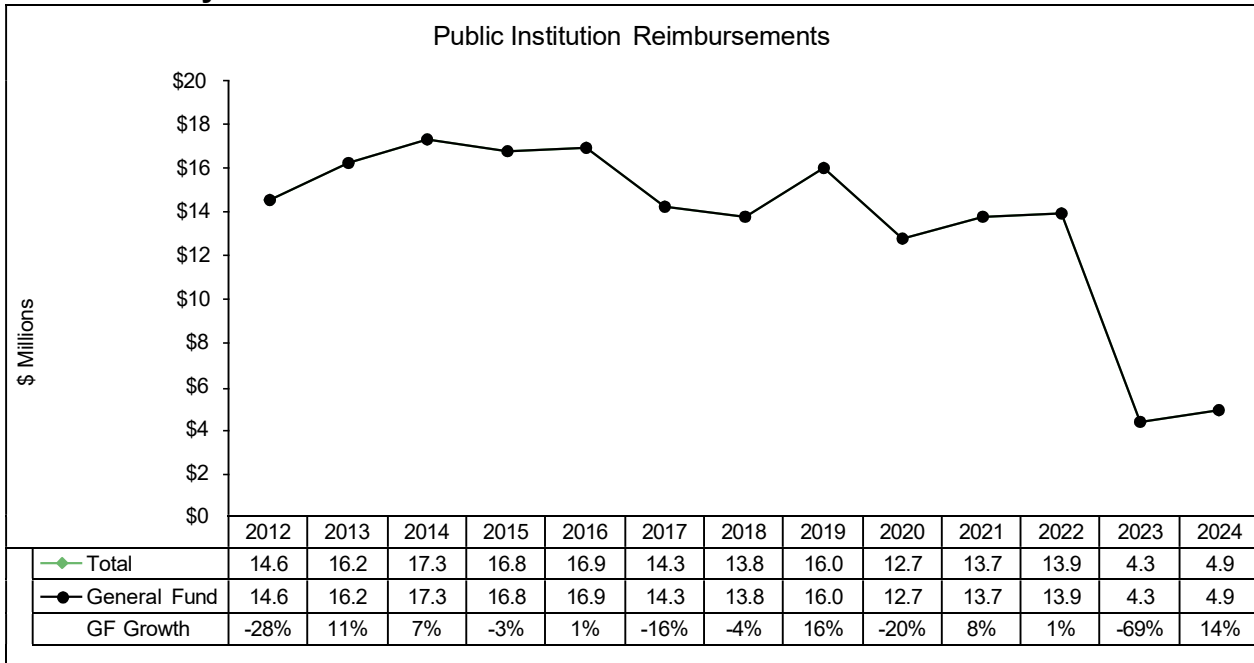
FY	Total Rev. \$ Millions	GF Rev. \$ Millions	MT Nursing Facility Residents	Calculated Total Reim. \$ Millions	Closure of MDC \$ Millions	MDC Debt Service \$ Millions	MSH Debt Service \$ Millions
A 2014	\$17.30	\$17.30	4,564	\$18.479		\$0.98	\$1.81
A 2015	16.82	16.82	4,431	18.572		0.96	1.81
A 2016	16.91	16.91	4,310	18.996		1.00	1.72
A 2017	14.26	14.26	4,153	16.981		0.96	1.72
A 2018	13.75	13.75	4,114	16.981		2.72	1.72
A 2019	15.99	15.99	4,091	16.927		-	1.73
A 2020	12.74	12.74	3,890	16.549		-	1.63
A 2021	13.74	13.74	3,195	14.977		-	1.26
A 2022	13.93	13.93	3,197	14.275		-	1.18
A 2023	4.31	4.31	3,204	14.582		-	1.19
A 2024	4.90	4.90	3,220	12.122		-	1.22
F 2025	5.92	5.92	3,225	14.634		-	-
F 2026	5.93	5.93	3,233	14.654		-	-
F 2027	5.94	5.94	3,241	14.675		-	-
F 2028	5.94	5.94	3,250	14.696		-	-
F 2029	5.95	5.95	3,258	14.716		-	-

**Other General Fund Sources  
Revenue Projection**

**Public Institution Reimbursements**



**Revenue History**



**Tobacco Settlement**

**Revenue Description**

Montana receives tobacco settlement revenue per the Master Settlement Agreement (MSA) with 60 tobacco companies which concluded litigation with 46 states, Puerto Rico, American Samoa, the U.S. Virgin Islands, the North Mariana Island, Guam and the District of Columbia (52 total settling entities). The lawsuit and subsequent settlement were regarding tobacco-related health care costs.

**Statutory Reference**

Tax Rate – N/A

Tax Distribution – [Montana Constitution, Article XII, Section 4](#); [17-6-606, MCA](#); [53-4-1011, MCA](#)

Date Due – Annual payments from settling entities due April 15<sup>th</sup> ([Master Settlement Agreement, Chapter IX\(c\)](#))

**Applicable Tax Rates:**

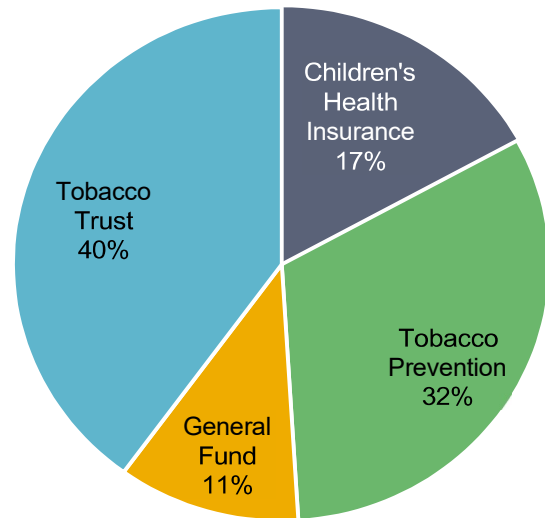
Funds received are subject to adjustments for various reasons including inflation, sales volume, loss of market share due to non-settling companies, operating income, settlements reached by the non-participating states, offsets for litigation, disputed payments, and others. Montana receives 0.4247591% of the total on-going annual payment.

**Collection Frequency**

Annual payments are expected each April 15<sup>th</sup> into perpetuity.

**Distribution**

The legislature is required to dedicate no less than 40% of tobacco settlement money to a permanent trust fund. The remaining revenue is distributed between the general fund, the Children’s Health Insurance Program state special revenue fund, and the Tobacco Prevention state special revenue fund. The adjacent chart shows the FY 2024 distribution of the tobacco settlement funds.



**Forecast Risks**

- Inflation
- Volume
- Changing market share for settling companies
- Payment disputes

**Revenue Estimate Methodology**

Data

PriceWaterhouseCoopers (PWC), the independent auditor to the agreement, gathers all tobacco settlement data and makes all the calculations required by the MSA for determining the amount owed and the distribution. PWC provides detailed documentation of all calculations that is used to inform the model.

Analysis

The base amount of the settlement is a set value, the analysis and relies on forecasting the adjustments made to that base amount that will result in the final revenue. The adjustments calculated in the model

## **Other General Fund Sources**

## **Tobacco Settlement**

are related to (1) inflation, (2) volume, (3) operating income, (4) states with prior tobacco settlements, (5) non-participating cigarette manufacturers.

1. Inflation – This adjustment cumulatively increases the amount owed by the greater of 3% or the amount of the Consumer Price Index for Urban Consumers. This is forecast using the CPI forecast provided by IHS.
2. Volume – Payments are reduced as the number of cigarettes shipped nationally decreases. The current number of cigarettes is compared to the 1997 base number of 475.7 billion cigarettes. The analysis assumes that the historic trend in number of cigarettes shipped will continue through the biennium. Per the settlement agreement, the calculated adjustment is reduced by 2.0% and then applied.
3. Operating income – Payments increase if the aggregate operating income from the sales of cigarettes exceeds the 1996 base amount of \$7,060.840 million, as adjusted for inflation (see above). This adjustment has not been used since 2000 and therefore is not explained in this document.
4. Previous settling states – Before the MSA, four states had settled lawsuits with certain cigarette manufacturers. The agreement recognized this by allowing reductions to the annual payments (as adjusted for inflation and volume) of 12.45% through FY 2007, 12.24% through FY 2017, and 11.07% thereafter.
5. Non-participating manufacturers (NPM) – If tobacco manufacturers who participate in the Master Settlement Agreement lose market share to those manufacturers who do not, their payments may be reduced, if certain criteria are met.

This adjustment is three times the market share loss of the participating manufacturers. Market share loss is determined by subtracting the current year market share of the participating manufacturers from 97.5835%. If the computed market share loss exceeds 16-2/3%, adjustments are made to account for loss of market share. For this to occur, the change in market share for all PM would have to fall to 80%. It is unlikely that this will occur. While this adjustment is not included as such, the estimate is reduced slightly because the participating manufacturers generally dispute a portion of a payment. FY 2019 was the first year that any disputed payment completed the cycle of litigation, and the state received the disputed 2003 funds. In November 2020 the state won litigation that released all disputed payments. This resulted in a one-time only increase for FY 2021 and included a provision that funds will no longer be withheld. Beginning in 2030 the companies will be allowed to dispute a portion of the payment in Montana courts but will not be able to withhold a payment prior to a judgement in their favor.

These forecast adjustments are applied to the base amount, and the result is the total revenue estimate.

**Revenue Estimate Assumptions**

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2.

FY	Total Settle \$ Millions	GF Settle \$ Millions	Market Share	Volume (Millions)	Annual Inflation (at least 3.0%)
A 2014	\$33.142	\$3.646	0.936	0.235	3.0%
A 2015	29.319	3.225	0.936	0.227	3.0%
A 2016	30.650	3.371	0.934	0.226	3.0%
A 2017	30.392	3.343	0.934	0.221	3.0%
A 2018	25.252	2.778	0.933	0.210	3.0%
A 2019	27.581	3.034	0.927	0.197	3.0%
A 2020	24.130	2.654	0.915	0.183	3.0%
A 2021	83.997	13.196	0.907	0.183	7.0%
A 2022	31.144	3.426	0.901	0.171	8.0%
A 2023	30.851	3.466	0.902	0.151	4.1%
A 2024	27.738	2.999	0.892	0.135	3.0%
F 2025	26.456	2.910	0.907	0.121	3.0%
F 2026	25.237	2.776	0.902	0.108	3.1%
F 2027	23.837	2.622	0.901	0.097	3.0%
F 2028	24.383	2.682	0.901	0.087	3.0%
F 2029	20.488	2.254	0.901	0.077	3.0%

**Revenue Projection**

