

FISCAL NOTE TRAINING MANUAL

Office of Budget and Program Planning

Fiscal Note Training Manual

Office of Budget and Program Planning
P.O. Box 200802, Helena, MT 59620-0802
Phone 406.444.3616 • Fax 406.444.4670
Website: budget.mt.gov/Budgets/FiscalNotes

Overview of the Process

What is a fiscal note?

Fiscal notes are required on all bills reported out of a committee that have an effect on the revenues, expenditures, or fiscal liability of the state or of a county or municipality, except appropriation measures carrying specific dollar amounts. Statutory provisions regarding fiscal notes may be found in 5-4-201 through 5-4-210, MCA.

What is the total processing time of a fiscal note?

Fiscal notes follow a statutory six-day processing time-period and 24-hour period for sponsor review. The process consists of:

- DAY 1** The presiding officer of either house sends a fiscal note request to OBPP. OBPP determines affected agencies and notifies agencies of the fiscal note request.
- DAYS 2-4** Agencies draft a fiscal note and returned it to OBPP by noon on day 4.
- DAYS 4-5** The appropriate OBPP analyst(s) review and compile the fiscal note to be approved by the Budget Director.
- DAY 6** OBPP analyst passes the fiscal note to OBPP management for review, then it passes to the budget director for final review, signature, and transmittal to the originating house.

The bill sponsor has 24 hours to review the fiscal note and sign, not sign, or rebut.

The fiscal note transmitted to the originating house provides the official version of the fiscal impact for the version of the bill on which it was prepared. The fiscal note is not complete until the sponsor has responded, and it is posted on Bill Explorer.

OBPP has committed to have fiscal notes available for the Legislature on the first day of session for those bills where the fiscal note request was received at least six working days prior to the beginning of session. This may mean a little more work in December, but less in January.

What if the sponsor disagrees with the fiscal note?

If the sponsor disagrees with the fiscal note they have three options:

1. Disagree and not sign the fiscal note, and it will be printed and distributed without the sponsor's signature;
2. Meet with OBPP and the agency to discuss the fiscal note and determine if any revisions are necessary; or
3. Prepare and submit a sponsor's fiscal note rebuttal form provided by the Legislative Services Division, to be completed within four days and presented to the presiding officer. It will be printed and distributed with the official fiscal note.

If the sponsor requests additional time to consult with the budget director, the presiding officer notifies the sponsor and the budget director of the additional allotted time, not to extend beyond 24 hours.

Who requests fiscal notes?

The President of the Senate or the Speaker of the House officially request fiscal notes from the Office of Budget and Program Planning.

Who determines the need for a fiscal note?

The Legislative Services Division (LSD), the standing committee, the sponsor, or a majority of the members of the house in which a bill is to be considered, may request, through the presiding officer, that a fiscal note be prepared. A standing committee considering a bill and requesting a fiscal note will hold the bill until the fiscal note is complete. An agency may also advise OBPP that a fiscal note is needed.

Preparing Fiscal Notes

1. Agencies are notified of the fiscal note request


OBPP will notify agencies that a fiscal note is to be prepared by sending an email to the primary agency contacts via the OBPP Fiscal Notes Database. An agency should have at least two primary contacts in the system to receive these notices. When the first contact in an agency opens the file in the database, a notice will be sent to OBPP that the agency has received the notification to prepare a fiscal note. This notification must be received by OBPP within two hours of the message being sent or by 10:00 am the following day, if the notice from OBPP occurred after 4:00 pm. If OBPP does not receive a notification within two hours, the database will send a notification reminder and the OBPP executive assistant will call the agency contact to assure the agency has received the notification.

If a fiscal note is requested from more than one agency for response, all agencies must submit a draft fiscal note to reflect the anticipated effects on the agency. An agency will ONLY write the fiscal note for impact to the specific agency as reflected in the bill.


The Department of Revenue will be assigned most estimates of proposed taxation legislation. The agency affected by the expenditure will prepare expenditure estimates, and the agency most knowledgeable of revenue will prepare the revenue estimates. The OBPP prepares a single and official fiscal note on the basis of the estimates provided.

2. Read the bill

The most important step in developing a fiscal note is having a clear understanding of the bill. The bill should be thoroughly understood before beginning preparation of a fiscal note. Read, reread, and discuss the bill until the changes from current law are clear. Equipped with this knowledge, and possibly some notes, drafting can begin.

You can click on the Bill Landing Page icon  at the top left of the screen to go to Bill Explorer to the bill. You can also go directly to Bill Explorer <https://bills.legmt.gov/> without going into the OBPP Fiscal Notes database. Be certain the version of the bill you use to prepare the fiscal note is the same as the version for which the fiscal note is requested.

3. Select the “My Tasks” tab in the OBPP Fiscal Notes database

Click the edit icon  on the left side of the line on which the bill you want to work on is listed.

4. Work through the blue tabs to prepare the fiscal note (yellow tabs are informational)
Scroll down to the yellow and blue tabs. The yellow tabs are informational, and the blue tabs are the steps for preparing a fiscal note. Start with the first blue tab on the left, Checkboxes and work through each tab to prepare the fiscal note.

Checkboxes tab

Select the type of fiscal note you want to use from the dropdown box. There are four fiscal note forms: General Fiscal Note, 5-Year Fiscal Note, Pension Fund Fiscal Note, and No Impact Fiscal Note.

General Fiscal Note – This fiscal note represents a four-year fiscal impact of the bill from FY2026 through FY 2029. This is most commonly used form.

5-Year Fiscal Note – This form is used if there will be state fiscal impact in the year of the legislative session, FY 2025. The only difference between the General Fiscal Note and the 5-Year is the additional year on the Fiscal Impact table.

Pension – This fiscal note form is used for fiscal notes for bills impacting the state’s pension systems. This template contains features that are specific to pension/retirement system legislation and not to other types of bills.

No Impact - If the bill has no fiscal impact for your agency, use the “No Impact” form. Someone in reviewing the bill felt your agency might have fiscal impact related to the bill, so at the very least you must explain why the bill does NOT have fiscal impact to your agency in the “Assumptions” tab before you can submit it to OBPP. In prior years, your agency was allowed to send an email saying there was no fiscal impact and that is not allowed in this system. Your agency will be required to complete the “No Impact” form and submit it to OBPP through the OBPP Fiscal Notes database.

Select all of the checkboxes that apply to this agency fiscal note. Your fiscal note may include a check for some, all, or none these.

Included in the Executive Budget ⓘ Needs to be included in HB2 ⓘ Significant Local Government Impact ⓘ Significant Long-Term Impacts ⓘ Technical Concerns ⓘ Dedicated Revenue ⓘ Statutory Appropriation ⓘ

If the fiscal impact of the bill was included in the Executive Budget or needs to be included in HB 2, check the appropriate boxes.

If you check the box indicating Significant Local Government Impact, Technical Concerns, and/or Significant Long-Term Impacts you will explain why your agency believes there will be such an impact on the “Other Impacts” tab. If you checked any of these boxes, you will not be able to validate without explaining why the checkbox is checked.

There are two additional checkboxes for forms that may need to be completed with your fiscal note request: Dedicated Revenue and/or Statutory Appropriation. When you check the box on this tab it will open an additional tab to be completed prior to submission to OBPP.

Dedicated Revenue – A fiscal note for any bill that proposes to dedicate a revenue or creates a new state special revenue account must include an analysis of the proposed account. A series of Yes or No questions with your agency explanation of the response will be provided

for the agency to answer on the “Dedicated Revenue” tab. This must be completed prior to submitting the agency fiscal note to OBPP. (17-1-505 through 507, MCA)

Statutory Appropriation – Select this box if the legislation proposes to create or amend a statutory appropriation. Review of such legislation is to be consistent with the guidelines in 17-1-508, MCA, and findings concerning the statutory appropriation must be contained in the fiscal note accompanying that legislation. The questions on the “Statutory Appropriation” tab must be completed and will be added as the last assumption to any fiscal note that represents creation or amendment of statutory appropriations.

Click SAVE and move to the **Assumptions** tab.

Assumptions are the facts of the bill related to the costs. Begin cost adjustments based on the Executive Budget. Sequentially number assumptions, separate each assumption, and calculate the fiscal impact. Use one idea for each assumption in short, straightforward, and concise sentences. Structure assumptions to follow the steps used to prepare estimates. Document the source of as many assumptions as possible. If a bill imposes a new requirement – cite the workload measures that will be used to determine an expenditure estimate.

Move to the **Fiscal Impact** tab.

This tab is used for entering the actual fiscal impact costs. The Expenditures and Funding of Expenditures total must match. The system will check that. Expenditures are the distribution of costs by account and the Funding of Expenditures is the distribution of costs by fund type. Revenues indicate any revenue anticipated to be created by the bill.

The fiscal impact of proposed legislation will be shown most commonly for four fiscal years. While projections that far into the future can be difficult, use professional judgment and all available sources of data and statistics to estimate the impacts.

- Positions should be budgeted at entry level for the Pay Plan 20 job code. Entry for Pay Plan 20 is considered 83% of market rate. These rates can be found via the MINE page by clicking on the Personnel/HR Officer Resources/Market Analysis 2024. The following table shows how many hours in each fiscal year:

	Hours
FY 2026	2088
FY 2027	2088
FY 2028	2096
FY 2029	2080

- When calculating the new employee office package (desk, chair, file cabinet, side chair and bookcase) use \$1,600.
- When calculating new computer equipment (SITSD’s current recommended hardware and software with no printer) use \$1,200 (desktop w/monitor) and laptops. Reference Executive Budget Instructions (Memo 8) and fixed cost schedules as necessary for other cost factors as applicable.

- Expenditure detail should be presented at first level and properly funded by program. The agency program need only be identified specifically if there are multiple programs within an agency that are affected. Revenues should be presented by revenue source and provide fund detail.
- The net effect of the revenue and expenditure changes, by fund type, should be noted in the Fiscal Analysis Table.
- Net impacts should be computed by subtracting expenditure impacts from revenue impacts; hence, a positive number will indicate an increase in fund balance and a negative number will indicate a decrease in fund balance.
- If the bill has no fiscal impact use the “No Impact Fiscal Note” form instead of the “General Fiscal Note” form.

The OBPP Fiscal Notes database will calculate totals by account, by fund and/or fund type, and revenues by fund and/or fund type. The database will also calculate the total of each fund/fund type and create the summary lines (grayed out) at the top of the Fiscal Impact tab. When the DRAFT PDF is created, the system will complete the fiscal impact on the front page in the TV box. When you Validate on the Fiscal Impact tab if something does not validate a pink error message will appear at the top of the page and the error will be highlighted in pink so you can tell where you are out of balance.

Once you have entered all of your agency expenditures and revenues related to this bill,

Validate. When the validation shows no error, move to the Other Impacts tab. Here is where you will explain why checkboxes were checked on the Checkboxes tab.

If your agency determines there will be a **Significant Local Government Impact**, explain what local government would be affected (cities, counties, schools, etc.); how much that fiscal impact is estimated to be each year; and why there will be an impact to that local government.

Local government impact explains the fiscal impact of the bill to local governments including expenditures, revenues, or impacts to local taxpayers. Time constraints and difficulties estimating these impacts make this section less formal than the state fiscal impact section. If estimates are possible, include them with an explanation.


Section 1-2-112(4)(b), MCA, states in part, “. . . A required expenditure of the equivalent of approximately 1 mill levied on taxable property of the local government unit or \$10,000, whichever is less, may be considered an insubstantial amount.” If the impact is substantial and the bill does not provide a specific means to finance the requirement, the following statement should be included in this section of the fiscal note:


“This bill may require local governments to spend additional sums for which no specific means of financing are provided. Section 1-2-114, MCA, provides that bills that have such an impact may not be introduced.”

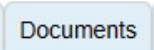
If your agency believes there are **Technical Concerns** within the bill these should be listed in this section. Some examples would be bill drafting errors such as internal reference conflicts within the bill, conflicts with unamended statutes or other proposed legislation, undefined terms, problems with implementation, etc. If a bill is vague in its intent and the resulting lack of


clarity makes it difficult or impossible to prepare a fiscal note, the budget office should be contacted for clarification, or possible options should be written in the technical concerns section.



The **Significant Long-Term Impacts** checkbox would be checked, and explanation must be made here if your agency determines that the fiscal impact is markedly different in future biennia not represented within the fiscal years represented in the fiscal note (e.g., phased-in revenues or expenditures, or sunset). The long-term financial implications should attempt to estimate the fiscal impact for a period of five fiscal years after the effective date of the proposed measure. Estimates should be made in terms of dollars per fiscal year. If a dollar estimate cannot be provided create an assumption explaining why. If the proposed legislation could have significant long-term effects that might not be ordinarily anticipated, these should be mentioned in the fiscal note and quantified. This section may reiterate projections made in the additional two fiscal years shown in the fiscal impacts section or discuss impacts that may occur beyond the two-biennia period already shown.

When all explanations have been completed SAVE and move to the  tab. This is where you will summarize in a couple of brief sentences what the bill does and what the state fiscal impact will be by fund type. This statement will appear on the first page of the fiscal note under the TV box. When finished with the description, SAVE.


At any time throughout your work in the OBPP Fiscal Notes database, you can SAVE, go out of the system, and return to work on your fiscal note. You can click on the  icon above the Save button and a PDF of the fiscal note will be created for your review throughout the process. All Agency fiscal notes will have the DRAFT watermark across them until the fiscal note is submitted in the system to OBPP. At that time, the PDF will have a SUBMITTED watermark across it. The final OBPP fiscal note is the ONLY official fiscal note and is not final until approved by the Budget Director and released to the initiating house. Agency are not to every distribute an agency fiscal note as this is not the official fiscal note and to prevent any mistaken distributions, the watermark has been established.

The  tab is where you will find uploaded documents or where you can upload additional documents to include with your fiscal note. i.e., Excel file, Word document, jpegs of graphs or charts included in the fiscal note.

The  tab will allow you to do some formatting to your PDF version of your fiscal note. You are allowed here to put spaces between several components to present a more readable fiscal note.

The  and the  tabs appear when checked on the CHECKBOXES tab. These will only show when either one or both are checked. These were explained in the Checkbox tab section.

The agency is required to enter at least one contact person before submitting to OBPP. This person(s) will be the person OBPP will call if there are questions about the agency fiscal note.

This can be the agency contact or someone else within the agency. Click the  tab. Click the “Insert New” button as shown here:


Other Contacts

Please note: At least one main contact is required.

[Insert New](#)

No matching records found

Complete the information in the popup box. You can use a person in the dropdown “Person

list or create (add) a new name and click the  button. Below is a sample of the insert box.

Insert Contact

Insertion Type * Existing Create New

Contact Type *  Main Other Editor Reader

Person * 

Title 

Enter Title

Contact definitions:

Main – the persons who will receive notices from OBPP and submit fiscal notes for your agency. Each agency should have submitted the names of these people to OBPP.

Other – no access to the fiscal note.

Editor – can prepare/edit the fiscal note but cannot submit to OBPP and will not receive original message from OBPP.

Reader – can only read the information in the database for the fiscal note assigned to them.

NOTE: When a person is added to the database the first time, you will need to allow some time for the system approval process. The addition will not be immediate.



When you have completed your work,

5. Fiscal note naming conventions

ALL draft fiscal notes sent to OBPP will be named using the following convention:

Senate Bills – Sxxxxaaaa.vv
House Bills – Hxxxxaaaa.vv

Where “xxxx” is the four digit bill number, “aaaa” is the agency number, and “vv” is the version of the bill. This identification appears at the top of each screen as you work through the fiscal note and in the bottom left of every page of the PDF.

The version number of the bill is printed on the bill as an extension of the bill number in the upper right corner of the bill.



If a submitted fiscal note version must be revised, an “r” will be added after the “vv”. When the dedicated revenue attachment is included, a – dr after the “vv” will be included.

Sample agency fiscal note name identification in bottom left of PDF:

H03213101.01 would be a fiscal note for HB 321 from agency 3101, version 01

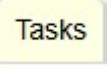
The date a PDF is created is set to automatically populate in the footer.</p>



Yellow tabs



The **Record** tab shows the basic details of the fiscal note of a specific bill. Most of the information is set by OBPP and cannot be changed at the agency level.



The **Tasks** tab shows the tasks that have been completed and those that are active (need to be completed) related to a specific fiscal note. This view also give due date and other information about this fiscal note.

The other yellow tabs are all informational tabs for your information.

TIPS:

If you are required to prepare an amended fiscal note, the database system request will include the document you are to begin your changes with. **PLEASE** highlight any changes you make in the fiscal note to make it easier for the OBPP analyst to make the proper changes when making the final fiscal note for publishing.

Our experience is that the OBPP Fiscal Notes database works best using Chrome rather than Edge.

If you have any questions, please email GovFiscalNotes@mt.gov or contact your OBPP analyst.

Key Ingredients of a Good Fiscal Note

- ✓ State only the facts. Do not lobby in a fiscal note.
- ✓ Don't make corrections to the bill – note those issues under the Technical Concerns on the Other Impacts tab.
- ✓ Write the fiscal note on the version of the bill for which the fiscal note was requested, not on the sponsor's concept of a proposed amendment.
- ✓ Treat the fiscal note as confidential (OBPP will submit the official fiscal note version which will be different from the agency submitted version).
- ✓ A fiscal note does not provide appropriation authority or FTE authorization. The legislature must take action to increase the agency's budget in HB 2 or another appropriation bill. If no funding is added and the bill is passed, the agency will absorb the costs within its budget. Usually, amendments are coordinated through OBPP and added in the HB 2 Free Conference Committee.
- ✓ Save all worksheets and supporting data. Documents can be attached/uploaded on the Documents tab. This information is good for current use as well as any future reference on revised estimates or on similar proposals.

Fiscal Notes Style Sheet

1. Number Formats

- ✓ Write out numbers from one through nine.
- ✓ Use numerals for numbers 10 and above.
- ✓ Use words for numbers that begin a sentence (Ten programs -- or rewrite the sentence rather than One thousand three hundred and sixty-six dollars will be. . .), for most ordinals (Sixty-fifth Legislature) and for many fractions (One-third of the staff. . .).
- ✓ Numbers in millions or higher may be expressed with numerals and words (\$21 million or 14.5 million).
- ✓ When numbers run to four or more figures, use commas to separate thousands (2,375 or \$11,500).

2. Dollar Formats:

- ✓ Use numerals to express exact or approximate amounts of money (\$12 million or nearly \$1,000).
- ✓ Use the dollar sign with each amount in a range or series (between \$25,000 and \$30,000; \$0.8 million through \$0.9 million; \$1 million to \$2.5 million).

3. Percent Formats:

- ✓ Use the % sign when referring to a specific percentage.
- ✓ Always use a number when stating a percent (3%; 350%).
- ✓ When referring to a general percentage, spell out the word percent ("the percent change in the consumer price index").

4. Biennium Formats:

- ✓ Refer to either the 2027 Biennium or FY[^]2026 and FY[^]2027 (where [^] is a space).
- ✓ Do not spell out fiscal year use FY.
- ✓ There is a space ([^]) between FY and the respective year (FY[^]2024 actual)
- ✓ Biennium is capitalized.

5. Bill Numbering Formats:

- ✓ House and senate bills are written HB[^]2, SB[^]49, SB[^]315 or HB[^]100 in sentences with no periods and with a space ([^]) between bill and number.

6. FTE Formats:

- ✓ Use two decimal places when writing about FTE (2.00 FTE, 1.75 FTE or 0.25 FTE).
- ✓ There are no periods in FTE and the plural when used is FTEs (not FTE's).
- ✓ All modifiers follow FTE (1.00 FTE engineer).

7. Decimal/Fraction Formats:

- ✓ Use decimal representation rather than fractions (0.5 rather than 1/2).
- ✓ When a decimal stands alone, without a whole number preceding the decimal point, insert a cipher "0" before the decimal point (There are 0.25 FTE or 0.08 gram).
- ✓ (Firearms exception: the .36 caliber revolver)

8. Reference format for Montana Code Annotated, Montana Constitution, and Administrative Rules of Montana:

- ✓ 44-2-115(1), MCA, (not Section XX-. Note that MCA is followed by",," or ";" or ".")
- ✓ Title 75, Chapter 1, part 3, MCA. (part is lower case)
- ✓ Article X, Section 9, Montana Constitution,
- ✓ Title 18, Chapter 1, ARM,

9. Capitalization:

- A. Legislature usually is capitalized (the Legislature) and always capitalized as part of a formal name (the 2025 Legislature, Sixty-ninth Legislature ((text)), Sixty-Ninth Legislature ((title))). Capitalize and spell out Senator John Smith, Speaker of the House, the House, the Senate, but not senator or representative by itself.
- B. Governor is always capitalized, but Gianforte's administration policy, or the executive is not. Lieutenant Governor, Attorney General, Secretary of State, Superintendent of Public Instruction, and Public Service Commissioner are capitalized when followed by the person's name. Otherwise, do not capitalize titles. In general, do not capitalize job titles (social worker II, deputy administrator, MSU professor).
- C. The various funds and trusts are not capitalized (general fund, education trust, resource indemnity trust, coal tax trust, pay plan, school foundation program). Do not capitalize state or federal unless the word is part of a formal name (subject to federal laws; the Federal Reserve Board).
- D. Do capitalize formal organizational names (Disability Services Division, Water Quality Bureau, Water Development Program). Spell out names of agencies and programs in the first reference and follow up with the acronym in parenthesis; use the acronym thereafter [the Department of Fish, Wildlife and Parks (FWP); the Board of Investments (BOI)]. Use the acronym that has common usage in agency documents rather than your own creation.
- E. Do not capitalize council, board, or department after the first formal reference. For instance: The Board of Regents...the board; the Department of Administration...the department; the Reserved Water Rights Compact Commission...the commission.
- F. Executive budget is capitalized when it is used as part of a formal name (the Governor's Executive Budget, the 2027 Biennium Executive Budget, FY 2026-FY 2027 Executive Budget), but not in general references (The executive budget recommendations include...).

10. Other Grammatical Guidelines:

- A. Try not to use the word "this" as the subject for a sentence. For instance: This caused the revenue shortfall. Rather: This tax policy caused the revenue shortfall.
- B. Use between when referring to two persons or things and among when referring to three or more persons or agencies. Responsibility is shared between the Departments of Livestock and Agriculture. Responsibility for the XYZ Program is shared among the Departments of Livestock, Agriculture, and Fish, Wildlife and Parks.
- C. When three or more items are listed in a series and the last item is preceded by "and, or, nor" place a comma before the conjunction as well as between the other items. (The

consensus is that your report is well written, that your facts are accurate, and that your conclusions are sound.)

- D. Lower case, Latin abbreviations require a period after each initial, but no space between the period and the next letter. (For example: e.g. or that is: i.e.) Upper case (capital) letter abbreviations normally require no periods and no internal space (DPHHS, FWP, FM). Exceptions usually include geographic names (U.S.) and academic degrees (B.A., M.S.)
- E. Who, Which, and That. Who and that are used when referring to persons. Select who when the individual person or the individuality of a group is meant and that when a class, species, or type is meant. (The Board of Land Commissioners determined that the commissioner is the only one who can decide whether or not an EIS is required. Reclamation policy is an issue that the administration has studied during the interim.)

Which and that are used when referring to places, objects, and animals. Which is always used to introduce nonessential clauses set off with commas; that is ordinarily used to introduce essential clauses. (The department report on vacant positions, which was presented to the 2023 Legislature, was not used to develop the 2027 Biennium budget recommendations. The pay plan report that was prepared by the Committee on State Employee Compensation is funded in the executive budget.)

- F. Commas set off a dependent clause within a sentence and a nonessential clause within a sentence. The following words/phrases always introduce nonessential clauses. “All of which, although, even though, though, for, no matter what, no matter how, none of which, none of whom, some of whom, whereas.”

Example: The figures for FY 2026 include large cities only, whereas the data for the 2027 Biennium includes rural areas as well.

- G. Do not use possessives ('s) with non-person nouns. For instance: Montana's roads; the contract's terms. Rather: Montana roads; terms of the contract. Likewise, to form the plural of figures, add “s” not apostrophe s ('s). Example: In the 1990s; temperatures in the 90s.
- H. When independent clauses are linked by transitional expressions, use a semicolon between the clauses. Frequent transitions include: accordingly, consequently, for example, furthermore, hence, however, moreover, namely, nevertheless, on the contrary, otherwise, therefore, thus.