



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0466.01: Provide categorical exclusions from MEPA**

Primary Sponsor: **John Fitzpatrick**

Status: **As Introduced**

☐ Included in the Executive Budget

☐ Needs to be included in HB 2

☐ Significant Local Gov Impact

☐ Significant Long-Term Impacts

☐ Technical Concerns

☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
Expenditures				
General Fund (01)	\$0	\$0	\$0	\$0
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact

HB 466 provides for categorical exclusions in the Montana Environmental Policy Act, and provides an categorical exemption. There is no fiscal impact to the state.

FISCAL ANALYSIS

Assumptions

Department of Environmental Quality

1. DEQ will continue to review projects required under the Montana Environmental Policy Act (MEPA) and review opportunities for additional categorical exclusions.
2. HB 466 allows DEQ to pursue categorical exclusions as outlined in Section 1.

Department of Commerce

3. Section 1 of the bill requires state agencies to identify actions that meet the definition of categorical exclusion provided in Section 5. Section 2 requires agencies to track the number and use of categorical exclusions and report them to the Environmental Quality Council upon request. The department can make this determination and report on the results without additional administrative burden.
4. Section 4 of the bill specifically exempts the Montana Historic Preservation Grant program (MHPG) from environmental review. Under the current statutory framework, the MHPG program may be required to conduct an environmental assessment prior to deciding whether to authorize each individual grant under the program previously authorized by the legislature. Exempting the MHPG grants would reduce delays in grant disbursements but would not have significant fiscal impact on the department.

Department of Administration

5. New section 3, page 2, line 21, will create a categorical exclusion for state-owned capital projects done through the DOA. There is no fiscal impact to the state for being categorically excluded.
6. The exclusion means environmental assessments and environmental impact statements, though typically few in quantity under DOA, will no longer be necessary and should reduce costs.

Department of Fish, Wildlife, and Parks

7. HB 466 requires FWP to identify actions that meet the new definition of categorical exclusions from MEPA (Montana Environmental Policy Act) review.
8. FWP will identify categorical exclusions through the ARM (Agency Rulemaking) or program review.
9. HB 466 will be accomplished with current resources. There will be no fiscal impact.

Department of Transportation

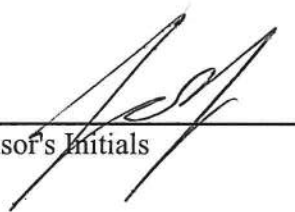

10. MDT already uses categorical exclusions, as needed, for projects.
11. The definition of categorical exclusion aligns with the National Environmental Policy Act (NEPA) and will not change current MDT processes.
12. Projects with categorical exclusions are already tracked, the requirement to report on exclusions used will not substantially alter current workload.

Department of Natural Resources and Conservation

13. HB 466 requires no changes to DNRC's current practices and will have no fiscal impact to the agency.

Department of Livestock

14. Any rulemaking required by the proposed bill or legislative activity would incur standard departmental rulemaking costs.


Sponsor's Initials2/22/25
Date
Budget Director's Initials2/22/2025
Date