



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0008: Renewable resource bonds and loans

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				
State Special Revenue (02)	\$60,599,222	\$60,599,222	\$0	\$0
Revenues				
State Special Revenue (02)	\$60,599,222	\$60,599,222	\$0	\$0
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance				

Description of fiscal impact

Department of Natural Resources and Conservation

House Bill 8 would be used to provide loans to communities who need financial assistance in completing their projects including regional water projects and irrigation facilities.

FISCAL ANALYSIS

Assumptions

Department of Natural Resources and Conservation

1. This funding is for the biennium and is split between the two years.
2. Bonds would be issued over a two-year period.
3. Revenue shown comes from bond proceeds.
4. The reserve and cost of issuance are included in the bond issuance.
5. The loan repayments will be used to repay the bonds.
6. The total amount authorized for bonds is \$121,198,444. Of this amount, up to \$12,119,844 is authorized for the reserve (estimated to be \$11,869,844) and cost of issuance (estimated to be \$250,000), leaving \$109,078,600 for loans on the projects

Fiscal Analysis Table

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
Fiscal Impact				
Expenditures				
Operating Expenses	\$125,000	\$125,000	\$0	\$0
Transfers	\$14,500,000	\$14,500,000	\$0	\$0
Grants	\$45,974,222	\$45,974,222	\$0	\$0
TOTAL Expenditures	\$60,599,222	\$60,599,222	\$0	\$0
Funding of Expenditures				
State Special Revenue (02)	\$60,599,222	\$60,599,222	\$0	\$0
TOTAL Funding of Expenditures	\$60,599,222	\$60,599,222	\$0	\$0
Revenues				
State Special Revenue (02)	\$60,599,222	\$60,599,222	\$0	\$0
TOTAL Revenues	\$60,599,222	\$60,599,222	\$0	\$0
Net Impact to Fund Balance (Revenue minus Funding of Expenditures)				
State Special Revenue (02)	\$0	\$0	\$0	\$0

Effect on County or Other Local Revenues or Expenditures

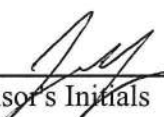
Department of Natural Resources and Conservation

1. House Bill 8 will allow state agencies and local governments to apply for and receive loans to complete renewable resource infrastructure projects.
2. Regional water projects will use the funds to match federal dollars on projects.
3. Dam and Irrigation projects will address safety issues and improve their ability to provide water for their intended purpose.

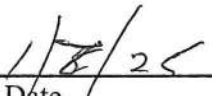
Technical Concerns

Department of Natural Resources and Conservation

1. The loans to the state will provide funding to rehabilitate high hazard dams or construct new infrastructure.
2. Section 3 states: "The board of examiners is authorized to issue coal severance tax bonds in an amount not to exceed \$121,198,444 in the biennium beginning July 1, 2025, of which up to \$12,119,844 is to be used to establish a reserve for the bonds." This language includes the reserve amount within the \$121,198,444 and therefore reduces the amount that can be loaned for the projects. To be able to loan the full project amounts and establish a reverse, the authorized bond amount would need to be \$133,318,288.



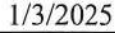
 Sponsor's Initials



 Date



 Budget Director's Initials



 Date