



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: SB0071: Revise natural resource operations fee policy laws

Primary Sponsor: Josh Kassmier 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 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
General Fund (01)	\$0	\$0	\$1,000,000	\$1,000,000
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>(\$1,000,000)</u>	<u>(\$1,000,000)</u>
General Fund Balance	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>(\$1,000,000)</u></u>	<u><u>(\$1,000,000)</u></u>

Description of fiscal impact

Current law provides for a general fund transfer to the Natural Resources Operation (NRO) account until June 30, 2027. SB 71 extends the sunset date of the transfer until June 30, 2029.

FISCAL ANALYSIS

Assumptions

Department of Environmental Quality and Department of Natural Resources and Conservation

1. Existing statute authorizes the transfers through June 30, 2027. SB71 extends the sunset through June 30, 2029.
2. Appropriations from the account fund the following functions in state agencies:
 - a. Department of Environmental Quality (DEQ): Operations and administrative costs of implementing the Metal Mine Reclamation Act, the Montana Strip and Underground Mine Reclamation Act, and the Opencut Mining Act.
 - b. Department of Natural Resources and Conservation (DNRC): Grant accounting; internal controls; financial and legal review, tracking and records management; accrual and accounts payable for the Renewable Grants (HB 6) and the Resource Development Grants (HB 7); and funding for operations of Flathead Basin Commissions and the non-point source pollution projects under way.
 - c. Montana University System (MUS): Operational funding for the Montana Bureau of Mines and Geology.
3. Expenditures from the account are funded each biennium in HB 2.
4. Transfers are made each fiscal year from the general fund to the account based upon the appropriations in HB 2 less any unencumbered fund balances and less the revenue received from other sources. The anticipated deficit in the account requiring a general fund transfer is estimated to be \$1,000,000 in Fiscal Year 2028 and \$1,000,000 in Fiscal Year 2029.

Commissioner of Higher Education

5. The bill as proposed would continue the work associated with Groundwater Assessment Program for the Montana Bureau of Mines and Geology (MBMG).
 - a. The groundwater assessment program assesses and documents the hydrogeology and quality of the State's major aquifers, maintains the groundwater information center database, and produces and maintains long-term water-level and water-quality records.

Fiscal Analysis Table

Department of Environmental Quality				
	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Transfers	\$0	\$0	\$1,000,000	\$1,000,000
TOTAL Expenditures	\$0	\$0	\$1,000,000	\$1,000,000
<u>Funding of Expenditures</u>				
General Fund (01)	\$0	\$0	\$1,000,000	\$1,000,000
TOTAL Funding of Expenditures	\$0	\$0	\$1,000,000	\$1,000,000
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	\$0	\$0	(\$1,000,000)	(\$1,000,000)

JK
Sponsor's Initials

1/23/25
Date

RO
Budget Director's Initials

1/21/2025
Date