

FISCAL NOTE

Bill #: SB0449

Title: Establish environmental rehabilitation and response account

Primary Sponsor: Jon Tester

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
Expenditures:		
State Special Revenue	0	0
Revenue:		
General Fund	(\$5,196)	(\$4,178)
State Special Revenue	\$5,196	\$4,178
Net Impact on General Fund Balance:	(\$5,196)	(\$4,178)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached		X	Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

Department of Environmental Quality

1. Unclaimed reclamation bonds currently held by the department total approximately \$16,960. Future unclaimed reclamation bond amounts are impossible to predict; therefore, this is viewed as a one-time adjustment out of the forfeited bond account in state special revenue into the environmental rehabilitation and response account (ERRA).
2. Section 75-10-1223 went into effect in 1999. Therefore, it is difficult to predict how much money in septage tank pumpers fines and penalties will be collected under this statute, so it will be estimated at \$1,500 per year.

3. Actual penalty revenues deposited into the state special revenue fund for FY 1997 to FY 2000 were: FY97 - \$24,157; FY98 - \$15,900; FY99 - \$8,950; FY2000 - \$4,875. Penalty amounts for FY 2001 are estimated at the average of these revenues, which is \$13,458.
4. Fees for opencut and hard rock mines will be deposited into the ERRA. Existing fees will remain at current levels.
5. Existing rates of renewal and new permits will continue through the next biennium.
6. There will be 150 exploration license renewals and 7 new licenses each fiscal year (157 licenses at \$5/renewal = \$785).
7. The number of renewals of operating permits will be 70 for FY 2002 and 65 for FY 2003. The number of new operating permits will be 2 for each fiscal year. This will offset any licenses that are consolidated or otherwise do not renew in FY 2002 (FY 2002-72 operating permits at \$25/renewal = \$1,800; FY 2003-67 operating permits at \$25/renewal = \$1,675)
8. The number of new opencut permits is estimated at the average of the past four years of 122 (122 opencut permits at \$50 each = \$6,100).
9. Total fees deposited into this account are estimated to be \$8,685 in FY 2002 and \$8,560 in FY 2003.
10. The remaining balance in the hard rock mining and reclamation account will be swept into the new ERRA account. This balance is estimated to be \$46,000.
11. The balance in the interest bearing account will average \$86,603 in FY 2002 and \$69,518 in FY 2003 (Unclaimed bonds, penalties, fees, and swept balance).
12. The interest rate for the account is figured at 6% ($\$86,603 \times 6\% = \$5,196$ for FY 2002; $\$69,518 \times 6\% = \$4,171$ for FY 2003). This interest will no longer be deposited in the general fund pursuant to this bill.
13. The total amount deposited into the account is estimated to be \$91,799 in FY 2002 (unclaimed bond, penalties, fees, swept balance, and interest, rounded) and \$27,700 in FY 2003 (penalties, fees and interest, rounded).
14. Monies collected will be deposited into the new state special ERRA account rather than in the state special accounts provided for in 74-10-1203 or 17-2-102 (hard rock mining and reclamation account). Therefore, there will be no net change in fines, fees, and penalties deposited in the state special revenue fund.
15. Amounts appropriated over the next biennium will be similar to amounts expended in the past; however, the amount expended will never exceed the amount available in the fund.
16. Requested appropriations over the next biennium are in HB 2 under state special account 02451. An amendment to HB 2 will be proposed, if this bill passes.

FISCAL IMPACT:

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
<u>Revenues:</u>		
General Fund	(5,196)	(4,171)
State Special Revenue (02451)	(68,143)	(27,700)
State Special Revenue (02096)	(16,960)	0
State Special Revenue (02954)	(1,500)	(1,500)
State Special Revenue (02XXX)-new	91,799	33,371
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund	(5,196)	(4,178)
State Special Revenue (02XXX)-new	5,196	4,178

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

This bill will enable the department to assist local groups in being responsive to cleanups of small, unanticipated releases or other discoveries of hazardous substances. In the past, the counties, volunteer groups, and local organizations have picked up costs for which there was no other funding source. This may shift some of the burden of cost to the department.

TECHNICAL NOTES:

1. Sections 4 and 5 provide that fines, penalties, and fees are to be deposited in the environmental rehabilitation and response account. However, section 1, which creates the account, and the title of the bill provide make no reference to fees. Perhaps the title and section 1 should be amended to be consistent with sections 4 and 5.