FISCAL NOTE

Bill #: HB0554 **Title:** Revise procedure for reclamation grants and loans

Primary Sponsor: Kasten, D **Status:** As Introduced

Sponsor signature Date Chuck Swysgood, Budget Director Date

Fiscal Summary

	FY 2004 Difference	FY 2005 Difference
Expenditures:	$0	$0
Revenue:	$0	$0
Net Impact on General Fund Balance:	$0	$0

- ☐ Significant Local Gov. Impact
- ☐ Included in the Executive Budget
- ☐ Dedicated Revenue Form Attached
- ☐ Technical Concerns
- ☐ Significant Long-Term Impacts
- ☐ Needs to be included in HB 2

Fiscal Analysis

ASSUMPTIONS:

1. This bill was requested by the House Joint Appropriations Subcommittee on Long-Range Planning after the hearing on HB 7 in order to temporarily eliminate for two years the priority funding of $600,000 for grants to the Board of Oil and Gas and of $800,000 for grants to the Department of Environmental Quality for abandoned mine reclamation in HB 7 grants.
2. HB 7 Reclamation and Development Grants projects were reduced from $4 million to $2.4 million in the 2005 biennium by special session action. The LRP Subcommittee ranked projects in priority order for the remaining $2.4 million.
3. This HB 554 also is necessary to coordinate with HB 177, which would require a further reduction of HB 7 grants from $2.4 million to about $1.1 million. Since 90-2-1113, MCA, gives priority to $1.4 million for oil and gas and abandoned mine reclamation, the statutory priorities if left unamended would preclude funding all of the other ranked projects.
4. The $600,000 for Board of Oil and Gas is to plug about 30 orphaned and/or abandoned wells based on environmental degradation and health and safety issues. The abandoned mine reclamation grants for the DEQ are $300,000 for the Washington Mine and Millsite, $300,000 for the Drumlummon Tailings and Goldsil/Argo Millsite and Mine Waste Reclamation, and $200,000 for the Bluebird Mine Reclamation.
5. HB 554 will enable priorities other than those listed in assumption # 4 to be funded in HB 7 Section 2 as recommended by the LRP Subcommittee.