



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2015 Biennium

**Bill #** HB0435

**Title:** Revise laws related to coal board grants and railroad quiet zones

**Primary Sponsor:** McChesney, Bill

**Status:** As Amended in House Committee

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2014 Difference</u>	<u>FY 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	\$0	\$0	\$0	\$0

**Description of fiscal impact:** This bill, as amended, generally revises the award of Coal Board grants to include any local government that has established a railroad quiet zone and has or expects to have the rail transportation of coal.

### FISCAL ANALYSIS

#### Assumptions:

##### **Department of Commerce (DOC):**

- The bill modifies 90-6-205 and 90-6-206, MCA to include local impacts from the increase in the transportation of coal as one of the purposes of awarding a Coal Board grant and to add the degree of severity of impact from an increase in transportation of coal as one of the bases for awarding a Coal Board grant.
- Section 3 of the bill creates a new subsection (2) of 90-6-207, MCA, that expands the eligibility for Coal Board grants to all local governments that: 1) has or expects to have within two years the rail transportation of at least 8 loaded or unloaded coal trains each day through the jurisdiction; and 2) meets the other Coal Board designations and has proposed a railroad quiet zone under 49 CFR Parts 222 and 229.
- Section 3 of the bill modifies 90-6-207, MCA to establish priorities for the awarding of Coal Board grants.

4. During the 2011 biennium, the coal board received \$5,736,643 and awarded a total of 54 grants. During the 2013 biennium, the coal board received \$5,917,424, and to date has awarded a total of 53 grants. Revenue estimates indicate that the Coal Board will receive \$3,918,811 for grant awards for the 2015 biennium.
5. Under this bill, an unknown number of additional communities may become eligible for coal board funding, given priority for funding, and receive up to \$200,000 per railroad crossing within an established railroad quiet zone. There are currently three local governments that have established quiet zones; Billings, Whitefish and Glendive. The number of additional communities that would be able to establish a railroad quiet zone and the number of coal trains that pass daily through those communities is unknown.

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*Sponsor's Initials*

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*Date*

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*Budget Director's Initials*

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*Date*