



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	SB0096	Title:	Revise the controlled allocation of liability laws
Primary Sponsor:	Keane, Jim	Status:	As Introduced

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| <input checked="" type="checkbox"/> Significant Local Gov Impact | <input checked="" 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 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$2,200,000	\$2,900,000	\$3,500,000	\$3,700,000
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact:

SB 96 expands use of the orphan share account to allow the Department of Environmental Quality (DEQ) to evaluate and take remedial actions to respond to a release or threatened release at petroleum or hazardous substance sites. The bill allows funding for DEQ to collect data, conduct initial assessments, and take other appropriate remedial actions. It allows orphan share funding for remedial actions and places a cap on the amount of funding that DEQ can use to collect data, perform initial assessments, and monitor the performance of remedial actions.

FISCAL ANALYSIS

Assumptions:

- DEQ has estimated that the orphan share fund will have \$10,253,558 available at the start of FY 2016, and the estimated orphan share fund balance for the beginning of FY 2018 will be \$7,991,575.

2. Based on the first assumption, \$2,563,389 will be available at the start of FY 2016 to perform the work provided for in new subsections 75-10-743(12)(b) and (c), MCA, which allows 25% of beginning fund balances to be used. Available fund balance at the start of FY 2018 will be \$1,999,794.
3. No new FTE are requested. Existing full time employees (environmental specialists) and contractors (with staff oversight) will be utilized to complete project work. There will be other staff that will charge minimal time to support this effort (e.g., accountants will process contract invoices, prepare budget reports, and process requisitions and administrative support staff will file, copy, etc.). There is an approximately 7% of funds needed for personnel services to support activities. To implement this bill, there will be some shift of work assignments between this funding source of the orphan share account and other federal grant funding source(s).
4. Project work funded by this bill for petroleum releases from underground storage tanks over two biennia is estimated to be conducted at 100 orphan sites, those facilities where the current property owner did not operate or own the tank system when the release occurred, or those where the owner demonstrated a financial need for assistance. Work at these sites would total \$1,500,000 over two biennia.
5. Project work funded by this bill for hazardous substance sites will be as follows: approximately three large orphan sites, for approximately \$7.5 million dollars over two biennia; approximately six sites that require interim actions, for approximately \$2.3 million dollars over two biennia; and approximately 13 low priority sites where limited data collection is needed to delist the site, for approximately \$1 million dollars over two biennia.
6. Selected projects will be managed to comply with the financial constraints outlined in assumption two.

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$154,000	\$203,000	\$245,000	\$259,000
Operating Expenses	\$971,000	\$1,622,000	\$2,415,000	\$2,601,000
Op Exp - Restricted	<u>\$1,075,000</u>	<u>\$1,075,000</u>	<u>\$840,000</u>	<u>\$840,000</u>
TOTAL Expenditures	<u><u>\$2,200,000</u></u>	<u><u>\$2,900,000</u></u>	<u><u>\$3,500,000</u></u>	<u><u>\$3,700,000</u></u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	<u>\$2,200,000</u>	<u>\$2,900,000</u>	<u>\$3,500,000</u>	<u>\$3,700,000</u>
TOTAL Funding of Exp.	<u><u>\$2,200,000</u></u>	<u><u>\$2,900,000</u></u>	<u><u>\$3,500,000</u></u>	<u><u>\$3,700,000</u></u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Revenues	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$2,200,000)	(\$2,900,000)	(\$3,500,000)	(\$3,700,000)

Effect on County or Other Local Revenues or Expenditures:

Fiscal Note Request – As Introduced

(continued)

1. This bill will provide funding for sites where local governments are potentially liable persons and are unable to conduct investigation and cleanup.
2. It is anticipated that as sites are investigated, cleaned up, and delisted, they will be redeveloped, thereby providing a benefit to communities.

Sponsor's Initials

Date

Budget Director's Initials

Date