



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill # SB0314

Title: Interstate pipeline compact

Primary Sponsor: Webb, Roger

Status: As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" 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 |

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund		----- Unknown -----		
Revenue:				
General Fund	_____	----- Unknown -----	_____	_____
Net Impact-General Fund Balance:	=====	=====	=====	=====

Description of fiscal impact: If Montana participates in the planned compact there could be costs associated with participation, travel, plan review, enforcement of conditions, and withdrawal from the compact; however, the bill allows for costs to be covered through donations and fees. There is no mandatory cost to Montana.

FISCAL ANALYSIS

Assumptions:

1. Although it is not clear, SB 312 may impose on the Department of Environmental Quality (DEQ) a duty to enforce combined pipeline siting authority decisions. This duty will not be triggered because SB 312 will terminate before three states adopt the compact, Congress approves the compact, the authority is established, an application is received and approved, and a violation of the approval occurs.
2. SB 312 imposes no other obligations on DEQ.

Technical Concerns:

1. On page 3, line 18, the reference to (2)(b)(ii) should be (3)(b)(ii).
2. Article III (6) (b) provides that, once a route is certified under the compact, environmental siting processes are based on the state's existing authority. Article VII (4) provides that a member state may, within its boundaries, alter certified route "based upon the rules of the involved member states." The meaning of these provisions is unclear.

3. Section 2 codifies this compact in the Major Facility Siting Act (MFSA). It provides that the compact becomes an integral part of MFSA and that MFSA applies to the compact. The meaning of this provision is unclear. For example, MFSA applies only to large pipelines. SB 314 applies to all pipelines that cross into a member state or province. It is not clear whether SB 314 would apply at least the enforcement provisions of MFSA to pipelines that would otherwise not be subject to MFSA.

Sponsor's Initials

Date

Budget Director's Initials

Date