



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2021 Biennium

Bill # HB0007

Title: Reclamation & Development Grants

Primary Sponsor: Keane, Jim

Status: As Introduced

Significant Local Gov Impact

Needs to be included in HB 2

Technical Concerns

Included in the Executive Budget

Significant Long-Term Impacts

Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2020 Difference</u>	<u>FY 2021 Difference</u>	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$2,283,389	\$2,283,389	\$0	\$0
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: This bill appropriates projects in the natural resources projects state special revenue account that indemnify the people of the State of Montana from the effects of mineral development on public resources for other crucial state need. It provides grants for planning and construction of projects.

FISCAL ANALYSIS

Assumptions:



1. Revenue for the natural resources projects state special revenue account is provided in 15-38-302, MCA.
2. Revenue comes from:
 - a. interest income of the resource indemnity trust fund under the provisions of 15-38-202, MCA;
 - b. the resource indemnity and ground water assessment tax under the provisions of 15-38-106, MCA;
 - c. the oil and natural gas production tax as provided in 15-36-331, MCA; and
 - d. the excess of the coal severance tax proceeds allocated by 85-1-603, MCA to the renewable resource loan debt service fund above debt service requirements as provided in and subject to the conditions of 85-1-619, MCA.
3. It is assumed that the bills and acts referenced in Section 7. Coordination Instructions will pass.

- The program has received applications from public entities, State of Montana agencies, and other entities to request assistance with their funding requests for reclamation and mining development. The projects have been ranked and evaluated based on reclamation benefit and technical merit.
- These funds are leveraged to match other federal, state, and local funds. There is an estimated \$6 million in match funding associated with these projects.

	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>
<u>Expenditures:</u>				
Grants	\$2,283,389	\$2,283,389	\$0	\$0
TOTAL Expenditures	<u>\$2,283,389</u>	<u>\$2,283,389</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$2,283,389	\$2,283,389	\$0	\$0
TOTAL Funding of Exp.	<u>\$2,283,389</u>	<u>\$2,283,389</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$2,283,389)	(\$2,283,389)	\$0	\$0

Effect on County or Other Local Revenues or Expenditures:

- This bill positively impacts the ability of local governments to protect and reclaim resources of the state affected by mineral development.

 _____ Sponsor's Initials	1-8-19 _____ Date	 _____ Budget Director's Initials	1/5/19 _____ Date
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