



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2021 Biennium

<b>Bill #</b>	HB0467	<b>Title:</b>	Authorize securitization for energy infrastructure
<b>Primary Sponsor:</b>	Hayman, Denise	<b>Status:</b>	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</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>
<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>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** HB 467 allows electric utilities to apply for the issuance of bonds to lower costs when retiring or replacing electric infrastructure or facilities; authorizes the issuance of energy impact assistance bonds; and allows a portion of the bonds to be used for transition assistance to impacted communities. HB 467 establishes a statutory appropriation in Department of Commerce for administration of a grants program.

### FISCAL ANALYSIS

#### Assumptions:

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

- DOC is unable to estimate the potential fiscal impacts of HB 467. DOC will be dependent on revenue derived from financing orders the Public Service Commission may issue to utility companies that might apply. HB 467 contains a statutory appropriation; should HB 467 be passed and approved, DOC will implement the Transition Assistance Grants program commensurate with revenues received.
- Section 17-1-508, MCA, requires analysis of the statutory appropriation relative to the guidance in 17-1-508(3), MCA, to be published in the fiscal note. In reviewing and establishing statutory appropriations, the legislature shall consider the following guidelines.

YES      NO

a. The money is from a continuing, reliable, and estimable source.		X
b. The use of the appropriation or the expenditure occurrence is predictable and reliable.		X
c. The authority exists elsewhere.		X
d. An alternative appropriation method is available, practical, or effective.		X
e. It appropriates state general fund money for purposes other than paying for emergency services.		X
f. The money is used for general purposes.		X
g. The legislature wishes to review expenditure and appropriation levels each biennium.		X
h. An expenditure cap and sunset date are excluded.	X	

**Public Service Commission**

3. The Public Service Commission reports no fiscal impact from HB 467.

**State Auditor’s Office**

4. HB 467 will result in more bond issuers filing their offering materials. The State Auditor’s Office will cover the additional filings as a normal course of daily business.

**Technical Notes:**

1. Section 21 of HB 467 describes requirements for providing transition assistance grants. Most of the grant requirements refer to programs, such as apprenticeship training and other worker training and re-training programs, currently established within the Department of Labor and Industry and not in the Department of Commerce.

WRH  
Sponsor’s Initials

2/20/19  
Date

TL  
Budget Director’s Initials

2/20/19  
Date



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## Dedication of Revenue 2021 Biennium

17-1-507, MCA.

- a) **Are there persons or entities that benefit from this dedicated revenue that do not pay? (please explain)**

Yes. The Montana energy impact assistance dedicated revenue account created by HB 467 in section 23 must be used by the Department of Commerce to provide transition assistance grants and implement the requirements of sections 20 through 25.

- b) **What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?**

Section 23 of HB 467 creates the Montana energy impact assistance dedicated revenue account in the state special revenue fund to implement the provisions of the bill.

- c) **Is the source of revenue relevant to current use of the funds and adequate to fund the program activity that is intended? Yes / No (if no, explain)**

Yes, to the extent allowed in HB 467.

- d) **Does the need for this state special revenue provision still exist?  Yes  No (Explain)**

A state special revenue account should be established for the program proposed in HB 467 because expenditures and revenues related to providing transition assistance grants will be accounted for in a dedicated fund.

- e) **Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please Explain)**

No. The fund in question would be audited by the Office of the Legislative Auditor with any findings being presented to the Legislative Audit Committee.

- f) **Does the dedicated revenue fulfill a continuing, legislatively recognized need? (Please Explain)**

Yes. A state special revenue account should be established for the program proposed in HB 467 because expenditures and revenues related to providing transition assistance grants will be accounted for in a dedicated fund.

- g) **How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please Explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?)**

Yes. A state special revenue account should be established for the program proposed in HB 467 because expenditures and revenues related to providing transition assistance grants will be accounted for in a dedicated fund.