



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill #	HB0389	Title:	Require certain power production facilities to file a bond
Primary Sponsor:	Stafman, Ed	Status:	As Introduced

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| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" 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 |

FISCAL SUMMARY

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$117,350	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$117,350	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: The proposed legislation requires the owner of certain qualifying small power production facilities to file a bond or other financial assurance, in an amount determined by the Department of Environmental Quality, for the remediation of the facility and the site where the facility is located.

FISCAL ANALYSIS

Assumptions:

Department of Environmental Quality (DEQ)

1. There are two facilities that would be required to file bonds under the bill: The Rosebud Power Plant, also known as the Colstrip Energy Limited Energy Partnership (CELP) and the facility owned by Yellowstone Energy Limited Partnership (YELP).
2. The owners of the power production facilities will comply with the requirements under this bill, and DEQ will not need to engage in rulemaking to gather information necessary to determine bond amounts or other financial assurance.

3. Determination of the bond or other financial assurance for remediation will occur in FY 2022 and will require 0.5 FTE (Environmental Science Specialist) to review reports and bond amounts, 0.25 FTE (Lawyer) in legal support, and \$25,000 in contracted services for experts in remediation costs and financial assurance.
4. DEQ will charge the owner a fee to cover costs incurred in accordance with this section. The fees will be deposited in the state special revenue fund provided for in 17-2-102, MCA.
5. The owners of the power production facilities will comply and not appeal the amount of the bond or other financial assurance determined by DEQ. If an owner appeals the amount of the bond or other financial assurance, administrative and judicial actions may result in additional fiscal impact.
6. Penalties received under section 1 and deposited into the Environmental Quality Protection Fund will be used to carry out the purposes of this part, 75-10-704, MCA.

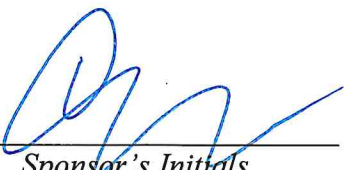
Secretary of State

7. This bill will have minimal cost for postage and administrative duties. The Office of the Secretary of State does not receive general fund appropriation for office operations but has agreed to absorb those costs in the existing operating budget.

	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$73,669	\$0	\$0	\$0
Operating Expenses	\$43,681	\$0	\$0	\$0
TOTAL Expenditures	\$117,350	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$117,350	\$0	\$0	\$0
TOTAL Funding of Exp.	\$117,350	\$0	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$117,350	\$0	\$0	\$0
TOTAL Revenues	\$117,350	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

Technical Notes:

1. As noted in the assumptions above, the bill contains a provision in subsection 6(a) which allows the owner to be charged a fee (commensurate with costs incurred) to cover costs associated with the actions in the proposed new section. These fees are to be deposited in a state special revenue fund as allowed in Section 17-2-102, MCA. Any cost recovery on the part of the state would be done through this section.

 _____ Sponsor's Initials	2/18/21 _____ Date	KA _____ Budget Director's Initials	2/16/21 _____ Date
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