



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2023 Biennium

**Bill #** SB0284

**Title:** Generally revise county gravel pit permitting

**Primary Sponsor:** Tempel, Russel (Russ)

**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 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>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	(\$55,494)	(\$55,494)	(\$55,494)	(\$55,494)
<b>Net Impact-General Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Description of fiscal impact:** SB 284 exempts cities, counties, and towns from paying application and production fees associated with sand and gravel mining operations to the Department of Environmental Quality (DEQ). The bill also reduces the amount of revenue that will flow into the sage grouse stewardship state special revenue account.

### FISCAL ANALYSIS

**Assumptions:**

**Department of Environmental Quality (DEQ)**

1. DEQ would not receive production fees from cities, counties, or towns beginning in FY 2022 or application fees from cities, counties, and towns immediately upon the effective date of this bill. Based upon production fees paid in FY 2020 and application fees collected in FY 2020, the DEQ would lose \$40,000 in production fees and \$12,750 in application fees per year.
2. The revenue lost from the exemptions in SB 284 will not be replaced by another funding source i.e., general fund or natural resource operation fund.

**Department of Natural Resources and Conservation (DNRC)**

3. The estimated revenue lost to the sage grouse stewardship state special revenue account would be approximately \$2,744 per fiscal year. This \$2,744 is calculated by multiplying 12 (months) by the average cost per county gravel pit (\$228.72).
4. There were 17 total county gravel pits reviewed by the Sage Grouse Program from January 2019 to February 2021. Of the 17 reviewed, 15 required mitigation.
5. Compensatory mitigation totaled \$5,718 for those 15 county gravel pits.

	<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>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Funding of Expenditures:</u></b>				
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	<u>(\$55,494)</u>	<u>(\$55,494)</u>	<u>(\$55,494)</u>	<u>(\$55,494)</u>
TOTAL Revenues	<u>(\$55,494)</u>	<u>(\$55,494)</u>	<u>(\$55,494)</u>	<u>(\$55,494)</u>

**Net Impact to Fund Balance (Revenue minus Funding of Expenditures):**

General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$55,494)	(\$55,494)	(\$55,494)	(\$55,494)

**Effect on County or Other Local Revenues or Expenditures:**

1. Counties, cities, and towns would see an annual cost savings relating to opencut production fees and application fees.
2. Contributions to the sage grouse stewardship state special revenue account would decline slightly because of SB 284, but counties, cities, and towns will see a cost savings.

**Technical Notes:**

1. Compensatory mitigation may still be required by the Bureau of Land Management (BLM) for county gravel pits located on BLM land.
2. If it is determined that compensatory mitigation for a given project is needed, that will still have to be addressed by the Montana Sage Grouse Oversight Team or by developers.

**NO SPONSOR SIGNATURE**

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Sponsor's Initials

2/24  
\_\_\_\_\_  
Date

KA  
\_\_\_\_\_  
Budget Director's Initials

2/23/21  
\_\_\_\_\_  
Date