



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # SB0358

Title: Repeal numeric nutrient standards for water quality

Primary Sponsor: Esp, John

Status: As Amended in House Committee

- 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>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$78,352	\$88,531	\$88,531	\$88,531
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$78,352	\$88,531	\$88,531	\$88,531
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: SB 358 requires the Department of Environmental Quality to develop rules that will eliminate numeric nutrient criteria from Montana's water quality standards and eliminate variances for nutrients. SB 358 also requires permittees to develop Adaptive Management Plans (AMP) in consultation with and reviewed by DEQ. As described in the assumptions below, this bill will have a fiscal impact to DEQ.

FISCAL ANALYSIS

Assumptions:

Department of Environmental Quality (DEQ)

1. During FY 2022 and prior to seeking rule initiation from the Board of Environmental Review, DEQ will engage stakeholders to undertake the necessary rulemaking to implement the provisions of SB 358. This rulemaking will also include the appropriate fee structure for DEQ's review of AMPs and will require 0.50 FTE (Environmental Science Specialist) and 0.25 FTE (Lawyer).
2. Beginning in FY 2023, DEQ will provide oversight of AMPs as required by SB 358 which will include coordinating with the permittees on sampling and analysis plans, data analysis and modeling, as well as coordination with other facilities. DEQ will use existing resources to the greatest extent practicable; however,

due the additional effort required for AMPs, DEQ may need up to 1.00 FTE (Environmental Science Specialist) to implement these provisions. The FTE will be funded with State Special Revenue collected from the fee structure developed in FY 2022.

	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.75	1.00	1.00	1.00
<u>Expenditures:</u>				
Personal Services	\$58,039	\$65,579	\$65,579	\$65,579
Benefits	\$20,313	\$22,952	\$22,952	\$22,952
TOTAL Expenditures	<u>\$78,352</u>	<u>\$88,531</u>	<u>\$88,531</u>	<u>\$88,531</u>
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$78,352	\$88,531	\$88,531	\$88,531
TOTAL Funding of Exp.	<u>\$78,352</u>	<u>\$88,531</u>	<u>\$88,531</u>	<u>\$88,531</u>
<u>Revenues:</u>				
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>				
State Special Revenue (02)	\$0	\$0	\$0	\$0

Effect on County or Other Local Revenues or Expenditures:

1. Rural municipalities may not have the financial resources to develop and implement an Adaptive Management Plan, as well as the ongoing costs for monitoring and data collection. These entities will see an increase in operating costs.
2. DEQ would engage with stakeholders to determine whether payment of the fee constitutes a hardship.

		<i>KA</i>	4-15-21
<i>Sponsor's Initials</i>	<i>Date</i>	<i>Budget Director's Initials</i>	<i>Date</i>