



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

| | |
|--|---------------|
| Bill information: | |
| HB0270 - Extend sunset on natural resource operation funding (Kassmier, Joshua) | |
| 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 2024</u> <u>Difference</u> | <u>FY 2025</u> <u>Difference</u> | <u>FY 2026</u> <u>Difference</u> | <u>FY 2027</u> <u>Difference</u> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Expenditures: | | | | |
| General Fund | \$0 | \$0 | \$1,000,000 | \$1,000,000 |
| State Special Revenue | \$0 | \$0 | \$0 | \$0 |
| Revenue: | | | | |
| General Fund | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue | \$0 | \$0 | \$1,000,000 | \$1,000,000 |
| Net Impact-General Fund Balance: | <u>\$0</u> | <u>\$0</u> | <u>(\$1,000,000)</u> | <u>(\$1,000,000)</u> |

Description of fiscal impact: HB 270 extends the sunset date to June 30, 2033, for transfers from the general fund to the natural resource operations state special revenue account.

FISCAL ANALYSIS

Assumptions:

- Existing statute authorizes the transfers through June 30, 2025.
- Appropriations from the account fund the following state functions in state agencies:
 - DNRC: Grant accounting; internal controls; financial and legal review; tracking and records management; accrual and accounts payable for the Renewable Resource Grants (HB 6) and the Resource Development Grants (HB 7); and funding for operations of the Flathead Basin Commission and the non-point source pollution projects they are currently working on.
 - MUS: Operational funding for the Montana Bureau of Mines and Geology
 - DEQ: Operations and administrative costs of the Mining Bureau in the Air, Energy, and Mining Division.
- Expenditures from the account are funded each biennium in HB 2 and would continue until FY 2033.

4. Transfers are made each fiscal year from the general fund to the account based upon the appropriations in HB 2 less any unencumbered fund balance and less the revenue received from other sources. Anticipated deficit in the account requiring a general fund transfers are estimated to be \$1,000,000 each fiscal year from FY 2026 until FY 2033.

| | <u>FY 2024</u> <u>Difference</u> | <u>FY 2025</u> <u>Difference</u> | <u>FY 2026</u> <u>Difference</u> | <u>FY 2027</u> <u>Difference</u> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <u>Fiscal Impact:</u> | | | | |
| <u>Expenditures:</u> | | | | |
| Transfers | \$0 | \$0 | \$1,000,000 | \$1,000,000 |
| TOTAL Expenditures | <u>\$0</u> | <u>\$0</u> | <u>\$1,000,000</u> | <u>\$1,000,000</u> |
| <u>Funding of Expenditures:</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$1,000,000 | \$1,000,000 |
| TOTAL Funding of Exp. | <u>\$0</u> | <u>\$0</u> | <u>\$1,000,000</u> | <u>\$1,000,000</u> |
| <u>Revenues:</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue (02) | \$0 | \$0 | \$1,000,000 | \$1,000,000 |
| TOTAL Revenues | <u>\$0</u> | <u>\$0</u> | <u>\$1,000,000</u> | <u>\$1,000,000</u> |
| <u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u> | | | | |
| General Fund (01) | \$0 | \$0 | (\$1,000,000) | (\$1,000,000) |
| State Special Revenue (02) | \$0 | \$0 | \$1,000,000 | \$1,000,000 |
| Federal Special Revenue (03) | \$0 | \$0 | \$0 | \$0 |
| Other | \$0 | \$0 | \$0 | \$0 |

Long-Term Impacts:

1. The bill's sunset would end the transfers June 30, 2033.

SK
Sponsor's Initials

1-23-23
Date

RO
Budget Director's Initials

1-26-23
Date