



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2027 Biennium

Bill#/Title: SB0071: Revise natural resource operations fee policy laws

Primary Sponsor: Josh Kassmier Status: As Introduced

☐ Included in the Executive Budget      ☐ Needs to be included in HB 2      ☐ Significant Local Gov Impact  
☐ Significant Long-Term Impacts      ☐ Technical Concerns      ☐ Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<b>Expenditures</b>				
General Fund (01)	\$0	\$0	\$1,000,000	\$1,000,000
<b>Revenues</b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>Net Impact</b>	<u>\$0</u>	<u>\$0</u>	<u>(\$1,000,000)</u>	<u>(\$1,000,000)</u>
<b>General Fund Balance</b>				

#### Description of fiscal impact

Current law provides for a general fund transfer to the Natural Resources Operation (NRO) account until June 30, 2027. SB 71 extends the sunset date of the transfer until June 30, 2029.

### FISCAL ANALYSIS

#### Assumptions

#### Department of Environmental Quality and Department of Natural Resources and Conservation

- Existing statute authorizes the transfers through June 30, 2027. SB71 extends the sunset through June 30, 2029.
- Appropriations from the account fund the following functions in state agencies:
  - Department of Environmental Quality (DEQ): Operations and administrative costs of implementing the Metal Mine Reclamation Act, the Montana Strip and Underground Mine Reclamation Act, and the Opencut Mining Act.
  - Department of Natural Resources and Conservation (DNRC): Grant accounting; internal controls; financial and legal review, tracking and records management; accrual and accounts payable for the Renewable Grants (HB 6) and the Resource Development Grants (HB 7); and funding for operations of Flathead Basin Commissions and the non-point source pollution projects under way.
  - Montana University System (MUS): Operational funding for the Montana Bureau of Mines and Geology.
- Expenditures from the account are funded each biennium in HB 2.
- Transfers are made each fiscal year from the general fund to the account based upon the appropriations in HB 2 less any unencumbered fund balances and less the revenue received from other sources. The anticipated deficit in the account requiring a general fund transfer is estimated to be \$1,000,000 in Fiscal Year 2028 and \$1,000,000 in Fiscal Year 2029.

#### Commissioner of Higher Education

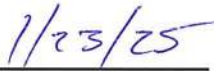
5. The bill as proposed would continue the work associated with Groundwater Assessment Program for the Montana Bureau of Mines and Geology (MBMG).
- a. The groundwater assessment program assesses and documents the hydrogeology and quality of the State's major aquifers, maintains the groundwater information center database, and produces and maintains long-term water-level and water-quality records.

## Fiscal Analysis Table

Department of Environmental Quality				
	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
<b><u>Fiscal Impact</u></b>				
<b><u>Expenditures</u></b>				
Transfers	\$0	\$0	\$1,000,000	\$1,000,000
<b>TOTAL Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>
<b><u>Funding of Expenditures</u></b>				
General Fund (01)	\$0	\$0	\$1,000,000	\$1,000,000
<b>TOTAL Funding of Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>
<b><u>Revenues</u></b>				
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u></b>				
General Fund (01)	\$0	\$0	(\$1,000,000)	(\$1,000,000)



Sponsor's Initials



Date



Budget Director's Initials

1/21/2025

Date