



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: SB0349.01: Declare authority over existing fossil-fuel fired electric generating units

Primary Sponsor: Jeremy Trebas 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</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>
Expenditures				
General Fund (01)	\$8,575,512	\$8,575,512	\$8,575,512	\$8,575,512
State Special Revenue (02)	(\$7,131,416)	(\$7,131,416)	(\$7,131,416)	(\$7,131,416)
Federal Special Revenue (03)	(\$1,444,096)	(\$1,444,096)	(\$1,444,096)	(\$1,444,096)
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$7,131,416)	(\$7,131,416)	(\$7,131,416)	(\$7,131,416)
Federal Special Revenue (03)	(\$1,444,096)	(\$1,444,096)	(\$1,444,096)	(\$1,444,096)
Net Impact	<u>(\$8,575,512)</u>	<u>(\$8,575,512)</u>	<u>(\$8,575,512)</u>	<u>(\$8,575,512)</u>
General Fund Balance				

Description of fiscal impact

SB 349 grants the Department of Environmental Quality (DEQ) all regulatory authority over air quality, water quality, and emission permitting standards for existing fossil-fuel-fired electric generation units within the state. DEQ would fail to meet the requirements of the Federal Clean Air Act and Federal Water Quality Act, causing the state to lose primacy over its air quality program and water quality program and therefore lose associated funding.

FISCAL ANALYSIS

Assumptions

Department of Environmental Quality

1. SB 349 causes DEQ to lose the approved air quality State Implementation Plan (SIP) program. Federal funding provided from the Environmental Protection Agency (EPA), will no longer be awarded. While the bill targets existing fossil-fuel fired electric generation within Montana, the application of the law's change without a corresponding federally approved program, causes Montana to no longer have a whole and complete SIP.
2. SB 349 causes DEQ to lose its approved air quality SIP program. DEQ could continue to collect its State Special Revenue, but EPA would dually collect fees from Title V sites under Federal Law. DEQ would modify rules to address changes and a new fee structure.
3. SB 349 causes DEQ to lose its authority for implementing the Federal Clean Water Act.
4. SB 349 indicates that DEQ is still responsible for environmental regulation but risks the loss of both federal and state funding.

5. Without federal primacy and oversight, DEQ will lose federal and state special funding until new rules are established, DEQ will need general fund to maintain the Air Quality Bureau (34.00 FTE) and the majority of the Water Protection Bureau (20.00 FTE). The costs shown include salary and benefits.

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>
Fiscal Impact				
<u>Expenditures</u>				
<u>Funding of Expenditures</u>				
General Fund (01)	\$8,575,512	\$8,575,512	\$8,575,512	\$8,575,512
State Special Revenue (02)	(\$7,131,416)	(\$7,131,416)	(\$7,131,416)	(\$7,131,416)
Federal Special Revenue (03)	(\$1,444,096)	(\$1,444,096)	(\$1,444,096)	(\$1,444,096)
TOTAL Funding of Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues</u>				
State Special Revenue (02)	(\$7,131,416)	(\$7,131,416)	(\$7,131,416)	(\$7,131,416)
Federal Special Revenue (03)	(\$1,444,096)	(\$1,444,096)	(\$1,444,096)	(\$1,444,096)
TOTAL Revenues	<u>(\$8,575,512)</u>	<u>(\$8,575,512)</u>	<u>(\$8,575,512)</u>	<u>(\$8,575,512)</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	(\$8,575,512)	(\$8,575,512)	(\$8,575,512)	(\$8,575,512)
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

NO SPONSOR SIGNATURE

Sponsor's Initials

Date

2/27



Budget Director's Initials

2/26/2025

Date