



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **SB0186: Provide for expedited processing in district courts of water cases arising under final decrees**

Primary Sponsor: Barry Usher 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)	\$0	\$0	\$0	\$0
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact

SB 186 provides for a systematic phaseout of the Water Court from the Department of Natural Resources and Conservation (DNRC). SB 186 provides for expedited processing of water cases in district court under final decrees and provides the cessation of operations of the water court, water divisions, and water judges as final decrees are issued for every basin.

FISCAL ANALYSIS

Assumptions

Department of Natural Resources and Conservation

1. The phaseout of the Water Court as detailed in SB 186 does not alter the current operations of or cause a fiscal impact to the DNRC Water Resources Division.

Judiciary

2. Section 1 (2) and section 5 (4) of SB 186 provide for the water courts, water divisions, and water judges to cease operations entirely when a final decree has been issued for every basin. This bill does not accelerate or alter the work of the water court established in Title 3, Chapter 7 and Title 85, Chapter 2, Part 2. Water Court estimates approximately eight to 10 years to issue decrees for every basin. As such, there is no fiscal reduction related to the funding for the water court, which is provided in HB 2.
3. Section 5 provides that any matter arising under a final decree after all appeals and post decree motions and orders are resolved, must be filed in the appropriate district court. Upon the filing of any water case, the district court has five business days to determine if the venue is proper and if the matter calls for expedited review or emergency relief. If expedited review or emergency relief have been sought the matter is to be scheduled immediately for hearing. Currently in statute, there isn't the requirement to review within five

days. Additionally, the water court currently assists district courts by preparing enforcement tabulations each year for all active enforcement projects.

4. Section 6 (9) provides for district court judges to oversee corrections to final decrees, which are currently handled by water judges.
5. This legislation shifts workload from water court and water judges to district court and establishes priority to water court matters, which will increase the number of district court hearings. The deadlines imposed by this bill may delay adjudication of other case types. The Judicial Branch is unable to estimate the impact on judicial workload or the fiscal impact. The cumulative impact of this bill may over time require additional judicial resources because generally the district court dockets are full throughout the state.

Effect on County or Other Local Revenues or Expenditures

1. The fiscal impact to the counties would be for mailing costs of certified orders but as e-filing expands, costs are expected to be minimal.

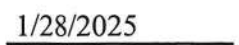
Technical Concerns**Department of Natural Resources and Conservation**

1. SB 186 provides for a systematic phaseout of the Water Court as adjudication is completed on a basin-by-basin basis, ultimately giving jurisdiction to local District Courts. The DNRC will continue to have costs associated with adjudication decisions made through the District Court. At this time, DNRC costs are covered by the Water Court and temporary adjudication funding. SB 186 does not address 85-2-243(2), MCA, which provides for the funding mechanism through the Water Court. Without the Water Court, this mechanism will cease to exist, but costs will continue and SB 186 does not address what will happen when this starts to occur in FY 2028 and beyond as the adjudication funding sunsets.



Sponsor's Initials

Date

Budget Director's Initials

Date