

OFFICE OF THE GOVERNOR  
BUDGET AND PROGRAM PLANNING  
STATE OF MONTANA


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GOVERNOR



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M E M O R A N D U M

TO: Brent Mead, Assistant Attorney General  
Montana Department of Justice

FROM: Ryan Osmundson, Director   
Office of Budget and Program Planning

RE: Fiscal note for Ballot initiative "Outstanding Resource Water Classification"

DATE: January 13, 2022

In accordance with section 13-27-312, MCA, we are submitting the attached fiscal note for Outstanding Resource Water Classification initiative.

Please contact Amy Sassano if you have questions regarding the fiscal note.

c: Dana Corson, Director  
Elections & Voter Services  
Secretary of State



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

<b>Bill #</b>	<b>Ballot Issue No. 24</b>	<b>Title:</b>	
<b>Primary Sponsor:</b>	No Bill Selected	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
<b>Expenditures:</b>				
General Fund	\$60,016	\$61,216	\$62,439	\$63,687
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>(\$60,016)</u>	<u>(\$61,216)</u>	<u>(\$62,439)</u>	<u>(\$63,687)</u>

**Description of fiscal impact:** Ballot Issue No. 24 would classify the Gallatin River, from the boundary of Yellowstone National Park to the confluence of Spanish Creek and Madison River from Hebgen Lake to Ennis Lake, as outstanding resource waters. It would also add "temporary" activities to the list of activities affected by the statute. After thorough examination, an "outstanding resource water" classification affords a body of water the greatest protection feasible under state law (75-5-316, MCA). The Department of Environmental Quality (DEQ) may not allow a significant new or increased point source discharge that would result in a temporary or permanent change in the water quality of an outstanding resource water. "Point source" is defined in 75-5-103, MCA.

### FISCAL ANALYSIS

#### Assumptions:

1. DEQ would continue to provide the contract with the Gallatin River Task Force for monitoring and would continue to provide technical guidance. The total operating costs for monitoring and providing technical guidance are anticipated to cost \$43,516 and \$44,386 in FY 2024 & FY 2025 respectively.
2. An additional 0.25 FTE Water Quality Monitoring Specialist (\$23.56/hour) would be needed to provide dedicated technical guidance and monitoring work for these areas.
3. DEQ would continue to track trends in water quality for these segments.

- The new statute may result in denial of permits or more stringent permit limits, but not add new steps to the permit process.
- The new statute may result in denial of subdivision applications if a discharge permit is required.

	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
<b><u>Fiscal Impact:</u></b>				
FTE	0.25	0.25	0.25	0.25
<b><u>Expenditures:</u></b>				
Personal Services	\$16,500	\$16,830	\$17,166	\$17,509
Operating Expenses	\$43,516	\$44,386	\$45,273	\$46,178
<b>TOTAL Expenditures</b>	<u>\$60,016</u>	<u>\$61,216</u>	<u>\$62,439</u>	<u>\$63,687</u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$60,016	\$61,216	\$62,439	\$63,687
<b>TOTAL Funding of Exp.</b>	<u>\$60,016</u>	<u>\$61,216</u>	<u>\$62,439</u>	<u>\$63,687</u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	<u>(\$60,016)</u>	<u>(\$61,216)</u>	<u>(\$62,439)</u>	<u>(\$63,687)</u>

**Effect on County or Other Local Revenues or Expenditures:**

- DEQ would engage stakeholders and permittees to determine local impacts of Ballot Issue No. 24.
- Denial of DEQ permits could inhibit or stop construction, maintenance, improvements, and other activities requiring a DEQ permit.
- More stringent permit limits could increase the cost of meeting limits.
- Denial of DEQ subdivision applications could inhibit or stop construction, maintenance, improvements, and other local activities.

**Long-Term Impacts:**

- Currently, there are no impacts to permitting revenue, but permitting programs may lose future fee revenue if someone proposes a project and gets denied a permit.

\_\_\_\_\_  
Sponsor's Initials\_\_\_\_\_  
Date\_\_\_\_\_  
Budget Director's Initials\_\_\_\_\_  
Date

*p.p. Amy Sussano* 1/13/22