



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

**Bill information:**

HB0008 - Renewable resource bonds and loans (Hopkins, Mike )

**Status:** As Introduced

- |  |   |  |
|--|---|--|
| <input checked="" type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2             | <input type="checkbox"/> Technical Concerns              |
| <input checked="" type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> 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>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$44,990,000	\$44,990,000	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$44,990,000	\$44,990,000	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	\$0	\$0	\$0	\$0

**Description of fiscal impact:** House Bill 8 provides loans to communities who need financial assistance in completing their projects including regional water projects and irrigation facilities.

### FISCAL ANALYSIS

**Assumptions:**

1. Bonds would be issued over a two-year period.
2. Revenue shown comes from bond proceeds.
3. The total amount authorized for bonds is \$89,950,000. Of this amount, up to \$8,995,000 is authorized for the reserve (estimated to be \$8,745,000) and cost of issuance (estimated to be \$250,000), leaving 80,955,000 for loans on the projects.
4. The loan repayments will be used to repay the bonds.

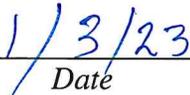
	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b><u>Expenditures:</u></b>				
Operating Expenses	\$125,000	\$125,000	\$0	\$0
Local Assistance	\$40,477,500	\$40,477,500	\$0	\$0
Transfers	\$4,372,500	\$4,372,500	\$0	\$0
<b>TOTAL Expenditures</b>	<b>\$44,975,000</b>	<b>\$44,975,000</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$44,975,000	\$44,975,000	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<b>\$44,975,000</b>	<b>\$44,975,000</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$44,975,000	\$44,975,000	\$0	\$0
<b>TOTAL Revenues</b>	<b>\$44,975,000</b>	<b>\$44,975,000</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

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

1. This bill will allow communities to apply for and receive loans to complete infrastructure projects.
2. Regional water projects will use the funds to match federal dollars on projects.
3. Irrigation projects will improve the ability to provide water and raise crops.
4. For the St. Mary’s Diversion Project Local Share, the bill requires the formation of a water users’ association of Montana users of the waters flowing from the Milk River, which includes cities, towns, districts, water users’ associations, and other unassociated individuals and entities; and the water users’ association is to demonstrate to the satisfaction of the DNRC its financial capacity, through water user fees or other available sources of funding, to pay the annual costs of the loan repayment over the term of the loan.

**Technical Notes:**

1. Section 3 states: “The board of examiners is authorized to issue coal severance tax bonds in an amount not to exceed \$89,950,000 in the biennium beginning July 1, 2023, of which up to \$8,995,000 is to be used to establish a reserve for the bonds.” This language includes the reserve amount within the \$89,950,000 and therefore reduces the amount that can be loaned for the projects. To be able to loan the full project amounts and establish a reverse, the authorized bond amount would need to be \$98,945,000.

 _____ Sponsor’s Initials	 _____ Date	 _____ Budget Director’s Initials	 _____ Date
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