



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # SB0029

Title: Revise weather modification and control laws

Primary Sponsor: Gillespie, Bruce

Status: As Introduced

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

FISCAL SUMMARY

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:				
General Fund	\$236,546	\$84,737	\$85,825	\$86,930
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$236,546)</u>	<u>(\$84,737)</u>	<u>(\$85,825)</u>	<u>(\$86,930)</u>

Description of fiscal impact: The Department of Natural Resources and Conservation will establish a Weather Modification Program in the Water Resources Division. The program will require a 1.00 FTE project manager staff position and associated costs.

FISCAL ANALYSIS

Assumptions:

Department of Natural Resources & Conservation (DNRC)

- The department will only process applications and monitor weather modification activities of the permittee. The fiscal note would be significantly higher if the agency were required to conduct additional weather modification activities or contribute to the operation of a weather modification project.
- The department assumes it will receive only one application for a weather modification license in the first biennium.

- a. For this application and when required by Montana Environmental Policy Act (MEPA), the department will contract a third party to prepare an environmental assessment (EA).
 - b. The department assumes contracted services will cost \$150,000, and will be obligated in FY 2022 to conduct the MEPA analysis and prepare an EA.
 - c. Expenses associated with additional applications for a weather modification licenses are not captured here.
3. The department will hire 1.00 FTE project manager staff position to implement and administer the weather modification program including any necessary rulemaking, application review, coordinating MEPA review, and conducting annual review of licensed weather modification activities in the state.
 4. The operating costs will cover the general operating expenses, implementation, and administration of the weather modification program, including but not limited to IT, supplies and materials, rent, communication, and travel.
 5. An inflation factor of 1.5% has been added to personal services in FY 2023, FY 2024, and FY 2025; and operating expenses in FY 2024 and FY 2025.

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	1.00	1.00	1.00	1.00
<u>Expenditures:</u>				
Personal Services	\$78,546	\$79,537	\$80,547	\$81,573
Operating Expenses	\$158,000	\$5,200	\$5,278	\$5,357
TOTAL Expenditures	<u>\$236,546</u>	<u>\$84,737</u>	<u>\$85,825</u>	<u>\$86,930</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$236,546	\$84,737	\$85,747	\$86,773
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$236,546</u>	<u>\$84,737</u>	<u>\$85,747</u>	<u>\$86,773</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$236,546)	(\$84,737)	(\$85,747)	(\$86,773)
State Special Revenue (02)	\$0	\$0	\$0	\$0

Technical Notes:

1. There are currently 16 Administrative Rules governing weather modification activities in Montana. The department will have to review each rule for compliance with the criteria in SB 29. It is anticipated that some rules will be repealed, others modified, and several new ones will be created.
2. As introduced, SB 29 removes the mechanism for the department to recover the actual costs associated with reviewing and processing applications and conducting the required MEPA review.

<u>Bruce Hilkey</u>	<u>1-5-21</u>	<u>KA</u>	<u>1/4/21</u>
Sponsor's Initials	Date	Budget Director's Initials	Date