



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill # HB0037

Title: Allow temporary leasing of water rights

Primary Sponsor: McChesney, Bill

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 2014 Difference</u>	<u>FY 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$7,733	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$10,000	\$10,000	\$10,000	\$10,000
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 37 would authorize the Department of Natural Resources and Conservation (DNRC) to issue temporary leases of existing water rights. This bill would require rulemaking to establish consumptive amounts that could be leased and public notice of each lease that has been approved. Costs associated with this bill could be absorbed by DNRC with existing staff and budget.

FISCAL ANALYSIS

Assumptions:

- The rulemaking process would require approximately 15 published pages in the Montana Administrative Register (\$50 per page multiplied by 15 pages equals \$750). The approximate amount of staff time required for the rulemaking process would be: 80 hours of program staff; 20 hours of hydrologist staff; 20 hours of attorney time; 40 hours of administrative rule coordinator time. This would be a one-time personal service cost of approximately \$3,035.

2. Modifications to the existing Water Rights Database would need to be made in order to process and keep a record of the leases. The approximate amount of staff time required would be: 40 hours of program staff; 80 hours of IT staff for a one-time cost of \$3,988.
3. A filing fee of approximately \$200 per temporary lease application would be charged to cover administrative costs (\$200 per temporary lease multiplied by 50 applications per year equals \$10,000 annually). This fee is consistent with existing fees for changes involving adding or moving stock tanks and replacement of wells that do not meet the exception under 85-2-402(15), MCA. This would not be a new state special revenue account, but would be deposited in the water right filing account per 85-2-318, MCA.

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Personal Services	\$7,023	\$0	\$0	\$0
Operating Expenses	\$750	\$0	\$0	\$0
TOTAL Expenditures	<u>\$7,773</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$7,733	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$7,733</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$10,000	\$10,000	\$10,000	\$10,000
TOTAL Revenues	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$2,267	\$10,000	\$10,000	\$10,000

Sponsor's Initials

Date

Budget Director's Initials

Date