



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill # SB0243

Title: Licensure for geothermal well constructors

Primary Sponsor: Boulanger, Scott

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	\$4,260	\$1,080	\$1,096	\$1,113
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$1,625	\$3,250	\$3,250	\$3,250
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: SB 243 provides for licensure of geothermal well constructors. There would be a cost to the Department of Natural Resources and Conservation (DNRC) Board of Water Well Contractors (BWWC) program to: develop and adopt administrative rules; and, inspect geothermal wells.

FISCAL ANALYSIS

Assumptions:

1. Existing BWWC staff would conduct the testing required for licensure.
 - a. If applicants did pay a fee for the testing document, the assumption is the fee would be paid to an independent entity, not to the state.
2. Existing DNRC staff would absorb the personal services costs for developing rules and conducting the rulemaking process. Operating costs would include:
 - a. \$1200 in FY 2014 for six public meetings around the state to develop the rules, and then conduct hearings on the proposed rules (\$200 per meeting/hearing);

- b. \$900 in FY 2014 to publish approximately 18 pages in the Montana Administrative Register to adopt the rules (\$50 per page x 18 pages); and
 - c. \$1080 in FY 2014 for travel costs associated with the six rulemaking public meetings/hearings (approximately \$180 per trip for per diem, lease vehicle costs, and lodging); and
 - d. an additional \$1080 per year would be spent in travel costs as the board may request BWCC program staff to inspect geothermal wells up to six times per year (\$180 per trip).
3. Existing state special revenue in the water well contractor fund would be used in FY 2014 to supplement startup costs because only half of the assumed geothermal state special revenue will be generated in 2014.
 4. In a full fiscal year, approximately \$3250 in revenue would be generated yearly assuming ten geothermal licenses at \$300 each and ten endorsements at \$25 each were issued annually. However, as SB 243 is currently written, it would become effective October 1, 2013, and the rules would not be effective until at least December 2013. The license fee due would be prorated for the remaining half of FY 2014 and revenue collected in FY 2014 would be \$1625 (half the fiscal year).

	<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>				
<u>Expenditures:</u>				
Operating Expenses	\$4,260	\$1,080	\$1,096	\$1,113
TOTAL Expenditures	<u>\$4,260</u>	<u>\$1,080</u>	<u>\$1,096</u>	<u>\$1,113</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$4,260	\$1,080	\$1,096	\$1,113
TOTAL Funding of Exp.	<u>\$4,260</u>	<u>\$1,080</u>	<u>\$1,096</u>	<u>\$1,113</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$1,625	\$3,250	\$3,250	\$3,250
TOTAL Revenues	<u>\$1,625</u>	<u>\$3,250</u>	<u>\$3,250</u>	<u>\$3,250</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$2,635)	\$2,170	\$2,154	\$2,137

Sponsor's Initials

Date

Budget Director's Initials

Date