



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0410

Title: Pollinator protection act

Primary Sponsor: Olsen, Andrea

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	\$0	\$0	\$0	\$0
State Special Revenue - Dept. of Ag	\$212,473	\$212,540	\$220,728	\$229,039
State Special Revenue - FWP	\$15,269,496	\$15,269,496	\$15,269,496	\$15,269,496
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue - Dept. of Ag	\$250,000	\$250,000	\$250,000	\$250,000
State Special Revenue - FWP	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 410 creates a state policy requiring noxious weed management programs and revegetation and reseeding projects to include the seeding or planting of native plants friendly to animal pollinators. This bill would also prohibit the use of neonicotinoid insecticides. The major costs laid out in this fiscal note for the Department of Fish, Wildlife, and Parks are due to an increase in seeding costs. HB 410 requires the Montana Department of Transportation (MDT) to seed barrow pits, slopes, and shoulders with native plants friendly to animal pollinators after constructing a highway. HB 410 will require the Department of Agriculture to establish, determine eligibility, and administer a program to reimburse apiary sites for losses and damages caused by neonicotinoid insecticides to an apiary colony. The Department Agriculture will receive fees from pollinators license plates and use this funding to pay for claims related to neonicotinoid insecticides. HB 410 will have no fiscal impact for the Department of Natural Resources and Conservation (DNRC) only if it does not prohibit the reseeding of areas of trust lands that are intentionally disturbed for the purposes of growing certain crops.

FISCAL ANALYSIS

Assumptions:

Department of Fish, Wildlife, and Parks (FWP)

1. The department does not currently use any neonicotinoid insecticides. The department assumes no fiscal impact for that aspect of the bill.
2. This bill would apply to department lands such as fishing access sites (FAS), state parks, wildlife management areas (WMAs), and other lands managed by the department such as wildlife habitat improvement projects (WHIP).
3. The department has 22,744 acres of FASs, 45,185 acres of State Parks, 387,836 acres of WMAs, 52,830 acres of WHIPs, and 590,861 acres of conservation easements.
4. The department currently uses a seed mixture that does not contain native plants friendly to animal pollinators. The cost of the current seed mix used by the department is \$111.50 per 20lbs, which covers 1 acre.
5. The commercial pollinator blends available are not confined to Montana native plants so a custom seed blend will need to be developed and the cost of the blend will depend on the seed types specified. A custom blend will likely be more expensive than the commercial blends available.
6. For the purposes of estimating a fiscal impact however, the department used the cost of a seed mix consisting of mostly native plants friendly to animal pollinators. The mostly native seed mix is \$1,532.01 per 43.56lbs, which covers 1 acre.
7. The department assumes the bill requires that all areas under weed management are also required to be seeded. Currently the lands treated for weed management by the department are not always reseeded. This includes lands which are chemically treated with herbicides or mechanically treated for weeds.
8. The past six (FY 2015-2020) annual weed management reports show the department chemically and manually treated an average of 9,967 acres per year of FASs, WMAs, and State Park lands.
9. Using this average, the department assumes an annual increase in expenses to seed weed management lands which were previously only chemically or manually treated. The department estimates this cost to be \$15,269,496 (or 9,976 acres X \$1532.01/acre native plant seed mix).
10. The department assumes an increase in staff time needed for planting/seeding, but the department would absorb these personal services costs using current FTE/resources.
11. WHIP lands are privately owned and funded by federal Pittman-Robertson (P-R) funds, which requires a match of \$1 nonfederal funds for every \$3 of federal grant funds. The grant projects often include reseeded and the increased cost of seed mix will need to be considered when awarding grants.
12. The department can only award up to \$2 million of P-R funds annually in WHIP grants, so the expenditures of the program would not change, however the total acreage that could be funded by WHIP would be reduced.
13. The department manages two summer motorized recreation trail grant programs. The first is called the Off-Highway Vehicle (OHV) Grant Program. This grant program does allow for grants to be used for weed management. However, the department did not track the acres of trail that would be managed for weeds in this grant program. The department does not have an estimate for this fiscal impact, but increased seeding costs would be considered when awarding grants in future fiscal years.
14. The second summer motorized recreation trail grant program is called the Summer Motorized Trail Pass Grant Program. This grant program provides funding to OHV clubs for maintenance, signage, protection, and improvement of federally designated motorized trails. The program is funded by state special revenue. The program was created in FY 2020 and grants are to be awarded beginning FY 2022. The department does not know how many acres of trails will be funded by this grant program for maintenance or weed management and does not have an estimate of this fiscal impact. However, the department would need to consider the increased cost of seeding weed management areas funded by the grant program.
15. The department did not include conservation easements because the bill was unclear as to whether these lands would apply to the native seeding/planting requirement. If conservation easement do need to be included, the

additional cost would be the number of acres needing weed management treatment multiplied by the price of native seed mix (\$1532.01/acre) The department does not have an estimate of how many of the total conservation easement acres would require weed management/seeding.

Department of Agriculture (Ag)

16. The state of Montana has 6,387 registered Apiary sites and 249,990 individual hives.
17. Currently 40% of hives do not survive through the winter. The department estimates that 1,000 of these individual hives will request testing for neonicotinoid insecticides for the beekeepers to file a claim.
18. The department will need 2.5 FTE to collect, process, and test for the neonicotinoid insecticides to establish eligibility necessary to file claims.
19. The personal services estimate includes 2.00 FTE plant science specialists and 0.50 FTE chemist to process and test for neonicotinoid insecticides. The total estimated cost for personal services and operating expenses for these FTE is \$212,473 annually. The fiscal note includes a 1.5% inflationary increase per year.
20. The department will need to create a new neonicotinoid insecticides fee to fund the activities required to perform the duties of HB 410.
21. The department will charge a fee to the beekeepers requesting the testing. The fee would be the same as other pesticide fees. The fee would be \$250 per test.
22. The department is assuming a new fee would be established for the testing. For the purpose of this fiscal note the department is using a \$250.00 testing fee. This would generate \$250,000 in revenue. (1,000 x 250).
23. In accordance with Section 3, the department is to administer and reimburse confirmed losses. The industry standard for the loss of a hive is \$350. The department estimates of the 1,000 tested, 500 would be eligible for a reimbursement. The estimated cost of reimbursement would be \$175,000. (500 *350)
24. The amount of revenue generated by the pollinator license plate is unknown and is not included in the revenue estimate on this fiscal note.
25. The department is not able to pay claims if the revenue isn't generated nor sufficient in the pollinator licensing fund.

Montana Department of Transportation (MDT)

26. Under 7-22-2151, MCA, MDT is currently entering into cooperative agreements with County Weed Districts that specify mutual responsibilities for integrated noxious weed management on MDT owned land and highway right-of-way.
27. The cooperative agreements include MDT's Statewide Integrated Roadside Vegetation Management Plan.
28. MDT does not use insecticides, including neonicotinoid insecticides, along its right-of-way.
29. The herbicides used by MDT to control noxious weeds do not contain any insecticides.
30. Based in these assumption, there is no fiscal impact to the department.

	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
<u>Fiscal Impact:</u>				
FTE - Ag	2.50	2.50	2.50	2.50
<u>Expenditures:</u>				
Personal Services - Ag	\$204,473	\$207,540	\$215,728	\$224,039
Operating Expenses - Ag	\$8,000	\$5,000	\$5,000	\$5,000
Operating Expenses - FWP	\$15,269,496	\$15,269,496	\$15,269,496	\$15,269,496
TOTAL Expenditures	<u>\$15,481,969</u>	<u>\$15,482,036</u>	<u>\$15,490,224</u>	<u>\$15,498,535</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue - Ag	\$212,473	\$212,540	\$220,728	\$229,039
State Special Revenue - FWP	\$15,269,496	\$15,269,496	\$15,269,496	\$15,269,496
TOTAL Funding of Exp.	<u>\$15,481,969</u>	<u>\$15,482,036</u>	<u>\$15,490,224</u>	<u>\$15,498,535</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue - Ag	\$250,000	\$250,000	\$250,000	\$250,000
State Special Revenue - FWP	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$250,000</u>	<u>\$250,000</u>	<u>\$250,000</u>	<u>\$250,000</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue - Ag	\$37,527	\$37,460	\$29,272	\$20,961
State Special Revenue - FWP	(\$15,269,496)	(\$15,269,496)	(\$15,269,496)	(\$15,269,496)

Effect on County or Other Local Revenues or Expenditures:

Montana Association of Counties

1. The fiscal impact is unknown but not considered to be significant to counties.

Technical Notes:

Department of Natural Resources and Conservation (DNRC)

1. New section 1 could be construed to not allow “revegetation” of crop land with many crops such as wheat.
2. If the bill is only intended to apply to reseeding of areas that have been disturbed for purposes other than farming crops, the seeding/reseeding portion of this bill would not be a major concern. For disturbed areas that DNRC reclaims due to temporary disturbance or restoration/reclamation purposes, DNRC commonly requires a mixture of grass and forb species that are wildlife/pollinator friendly. If the bill prohibits reseeding areas that are intentionally disturbed for the purposes of growing certain crops, this bill has significant impacts to the Trust and DNRC lessees.
3. Insecticides are widely used on state land leases, generally by lessees. Some purposes include pest control on growing crops related to ag leases. Lessees need to control common crop pests like grasshoppers, weevil, worms, aphids, etc.
4. Any broad restrictions on insecticide use on state land would have substantial negative impacts/consequences on DNRC lessees.
5. Any broad restrictions on insecticide use on state land would have substantial negative impacts/consequences on trust land revenues.
6. The fiscal impacts of this bill are indeterminable to the DNRC due to the difficulty of narrowing down the exact activities that might occur on and apply to state lands under this legislation.

Sponsor's Initials

Date

KA

Budget Director's Initials

2/18/21

Date