



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2023 Biennium

**Bill #** HB0170

**Title:** Revise laws to include renewable hydrogen

**Primary Sponsor:** Welch, Tom

**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>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** HB 170 revises laws related to and including green hydrogen; creates a new tax classification for green hydrogen and provides tax incentives; exempts green hydrogen from the major facility siting act; revises the state energy policy to include green hydrogen; and revises the use of energy development and demonstration grants for green hydrogen. There are currently no green hydrogen facilities forecast to come online in the forecast period so there is not anticipated to be any fiscal impact to the state.

### FISCAL ANALYSIS

#### Assumptions:

#### **Department of Environmental Quality**

1. The Department of Revenue is responsible for developing rules for certification and compliance with property under HB 170. Existing resources will be used by DEQ in the event DEQ's assistance is requested for rule development, certification, or compliance.
2. HB 170 adds "green hydrogen facilities" to the types of projects eligible for funding through the existing energy development and demonstration grant program managed by DEQ under 90-4-1005, MCA.

3. There is currently no funding appropriated for the energy development and demonstration grant program, and the inclusion of additional facility types will not have any fiscal impact on the agency if funding were to become available for this program in the future.
4. HB 170 adds “green hydrogen facility,” “green hydrogen pipeline,” and “green hydrogen storage system,” as defined in New Section 1, to the list of facilities that do not require a certificate for construction or installation under the Major Facility Siting Act (MFSA) at 75-20-201, MCA. There would be no fiscal impact on DEQ’s MFSA program from this change.

**Department of Revenue**

5. There are currently no green hydrogen facilities forecast to come online in the forecast period so there is not anticipated to be any fiscal impact to the state. However, if facilities are constructed, then property taxes may be lower than they otherwise would have been without the passage of HB 170. System changes would be needed, although these costs are expected to be minimal and would be absorbed by the department.

*TGus*

*Sponsor's Initials*

*1/22/21*

*Date*

*KJ*

*Budget Director's Initials*

*1/20/21*

*Date*