



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **SB 185** SLS 21RS 430
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 28, 2021	8:27 PM	Author: ALLAIN
Dept./Agy.: Natural Resources		
Subject: Leases of Land for Solar Farms		Analyst: Patrice Thomas

NATURAL RESOURCES DEPT OR +\$106,540 EX See Note Page 1 of 1
 Provides for regulation of leases of land for solar farms. (8/1/21)

Proposed law requires the Department of Natural Resources to provide regulation governing solar leases. Proposed law requires cooperation with landowners, utilities, and agricultural representatives when developing regulations. Proposed law authorizes the rules to provide for minimum requirements for property leases for the exploration, development, and production of solar energy including but not limited to acreage, access, and maintenance of the property during the lease, and decommissioning and final site closure upon termination of the lease. Proposed law effective 8/01/2021.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$106,540	\$217,530	\$221,138	\$225,160	\$770,368
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						
REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law is anticipated to increase state governmental expenditures by \$106,540 in FY 23 as the result of adding two new positions for oversight of solar leases. The proposed law requires the Department of Natural Resources (DNR) to regulate the production, development, and maintenance of solar leases. According to DNR, the initial development of regulation rules, processes, and procedures will be handled by existing DNR staff and resources. Once the proposed law is implemented, the department anticipates needing two new positions - a Policy Planner 3 (\$67,299 salary and \$39,241 related benefits) and a Federal Energy Program Manager (\$70,647 salary and \$40,343 related benefits). In FY 23, the department will need the Policy Planner 3 position to assist in establishing the program regulations and requirements (\$106,540 salaries and related benefits). In FY 24, the department anticipates the solar lease program will be fully implemented and will need the Energy Program Manager position to coordinate and manage the program (\$105,000 salary and related benefits, FY 24 total expenditures of \$217,530 in salaries and related benefits for the two positions). In subsequent fiscal years, this fiscal note assumes a 2% market rate adjustment in salaries and related benefits for the two positions (total expenditures of \$221,138 in FY 25 and \$225,160 in FY 26). To the extent the additional workload is less than DNR anticipates, the additional workload may be absorbable, either wholly or partially, using existing staff and resources or may be achievable with fewer than two positions.

Note: DNR has indicated that multiple Federal sources possibly could be utilized to fund the two positions required to implement this measure. The department has not received any Federal approval regarding funding. Therefore, the Legislative Fiscal Office assumes SGF will be utilized. **To the extent Federal funding becomes available, the amount of SGF assumed in this measure would decrease.**

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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