

HF4698 - 0 - Enviro. Impact Statements for Large Livestock Proj

Chief Author: **Kristin Pursell**
 Committee: **Agriculture Finance And Policy**
 Date Completed: **3/18/2024 4:24:55 PM**
 Lead Agency: **Pollution Control Agency**
 Other Agencies:
 Administrative Hearings

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings	-	-	-	-	-	-
Administrative Hearings	-	-	-	-	-	-
Pollution Control Agency	-	-	-	-	-	-
General Fund	-	-	-	-	-	-
State Total						
Administrative Hearings	-	-	-	-	-	-
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	-	-	-
Pollution Control Agency	-	-	-	-	-
General Fund	-	-	.04	-	-
Total	-	-	.04	-	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Jim Carlson **Date:** 3/18/2024 4:24:55 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2	Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	-	-	-
Pollution Control Agency	-	-	-	-	-
General Fund	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	1	-	-
Pollution Control Agency	-	-	-	-	-
General Fund					
Expenditures	-	-	9	-	-
Absorbed Costs	-	-	(9)	-	-
Total	-	-	1	-	-
Biennial Total			1		-
2 - Revenues, Transfers In*					
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	1	-	-
Pollution Control Agency	-	-	-	-	-
General Fund	-	-	-	-	-
Total	-	-	1	-	-
Biennial Total			1		-

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 Agency: **Pollution Control Agency**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	.04	-	-
Total	-	-	.04	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Jim Carlson **Date:** 3/18/2024 4:24:46 PM
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State Cost (Savings) Calculation Details

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*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
General Fund		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund						
Expenditures		-	-	9	-	-
Absorbed Costs		-	-	(9)	-	-
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
General Fund						
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

The bill requires rule amendments by the Environmental Quality Board (EQB) to require that construction of an animal feedlot facility with a capacity of 10,000 or more animal units or expansion of an existing animal feedlot facility to a total cumulative capacity of 10,000 or more animal units requires the preparation of an environmental impact statement.

The Board may use good-cause example rulemaking to adopt the rules; MN Statutes, section 14.386 does not apply except as provided under MN Statutes section 14.388.

Section effective the day following final enactment.

Assumptions

It is assumed that the EQB will be able to use the exempt rulemaking authority granted in the bill, resulting in the rulemaking being a one page and non-controversial amendment. If this is the case, the EQB will be able to absorb the costs and will not need to use any additional operational support from the Minnesota Pollution Control Agency.

Expenditure and/or Revenue Formula

Based on the Minnesota rulemaking manual’s cost appendix, it is estimated that this rulemaking would take approximately 75 hours of program staff time; 6 hours of legal review by the Attorney General’s office; and 4 hours of services from the Office of Administration Hearings plus filing fees.

	Hours for Minor rule (ex. expedited process or short rule)	Cost
Program and Rules Staff (\$84.13/hour)	75	\$6310
Legal Review (\$163/hour)	6	\$978
OAH Services (\$245/hour)	4	\$980

OAH Filing Fee		\$50
State Register (\$135/page)	3	\$405

Based on these costs, the total estimated costs for this rulemaking would be \$8,723. The EQB is able to absorb these costs.

*The annual cost of 1.0 FTE is \$175,000 in FY2023-2027. Annual costs for 1.0 FTE include salary, fringe, and non-specialized employee support costs (work space, computer and office supplies, office equipment, local travel, etc.)

Long-Term Fiscal Considerations

No long-term fiscal considerations for EQB.

Local Fiscal Impact

None

References/Sources

Staff familiar with the rulemaking process were consulted in the drafting of this note.

Agency Contact:

Agency Fiscal Note Coordinator Signature: John Allen

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Chief Author: **Kristin Pursell**
 Committee: **Agriculture Finance And Policy**
 Date Completed: **3/18/2024 4:24:55 PM**
 Agency: **Administrative Hearings**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Chloe Burns **Date:** 3/16/2024 10:53:54 PM
Phone: 651-297-1423 **Email:** chloe.burns@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

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State Cost (Savings) = 1-2	Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Administrative Hearings	-	-	1	-	-
Total	-	-	1	-	-
Biennial Total			1		-
2 - Revenues, Transfers In*					
Administrative Hearings	-	-	1	-	-
Total	-	-	1	-	-
Biennial Total			1		-

Bill Description

HF4698/SF4234 provides for the Environmental Quality Board (EQB) to amend rules to require preparation of an environmental impact statement for construction of animal feedlot facilities with a capacity of 10,000 or more animals or for the expansion of an existing animal feedlot facility to a total cumulative capacity of 10,000 or more animals.

The legislation authorizes the EQB to conduct good cause exempt rulemaking to implement the provisions of Section 1.

Assumptions

The Office of Administrative Hearings (OAH) in consultation with Minnesota Management and Budget (MMB) assesses agencies the cost of services rendered to them. All agencies shall include in their budgets provisions for such assessments.

OAH has used EQB’s assumption that a noncontroversial procedural rulemaking will be needed to meet the requirements of Section 1. Based on past practices, OAH assumes that a noncontroversial procedural rulemaking under chapter 14 will require an estimated four hours of administrative law judge (ALJ) time for activity related to rulemaking procedures. Of the total rulemaking amount estimated by EQB, \$980 is for the four hours of ALJ time for a noncontroversial procedural rulemaking.

OAH currently bills ALJ time for rulemaking at the MMB-approved billable rate of \$245 per hour (see Minn. Stat. § 16A.126, subd. 1 (2022)).

Expenditure and/or Revenue Formula

Estimated four hours of ALJ time for rulemaking activities related to implementing the requirements of Sec. 1 = 4 hours x \$245/hr = \$980 charged to EQB in FY2025 pursuant to the requirements of Minn. Stat. § 14.53.

Long-Term Fiscal Considerations

Costs associated with rulemaking activities are a one-time occurrence.

Local Fiscal Impact

References/Sources

Agency Contact: Denise Collins

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Date: 3/14/2024 10:45:38 AM

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