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Fiscal Note

2023-2024 Legislative Session

HF1973 - 0 - State Greenhouse Gas Emissions Reduction Goals

Chief Author: **Patty Acomb**
 Committee: **Climate And Energy Finance And Policy**
 Date Completed: **3/1/2023 9:18:12 PM**
 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	-	70	70	70	70	70
Total	-	70	70	70	70	70
Biennial Total			140			140

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	.5	.5	.5	.5
Total	-	.5	.5	.5	.5

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:** 3/1/2023 9:18:12 PM
Phone: 651-284-6540 **Email:** jim.carlson@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.

*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	-	70	70	70	70	70
Total	-	70	70	70	70	70
	Biennial Total		140			140
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	70	70	70	70	70
Total	-	70	70	70	70	70
	Biennial Total		140			140
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
	Biennial Total		-			-

Bill Description

This bill amends MN Section 1. Minnesota Statutes 2022, section 216H.02, subdivision 1 to adjust the Greenhouse gas emission-reduction goal to 15% by 2015 (no change); 30% by 2023 (no change); 50% by 2030 (new); net zero by 2050 (new). The bill also adds language to avoid disproportionate adverse impacts and a requirement for the MPCA to annually review the goal targets and forward any recommended changes to the targets to the legislative committees with jurisdiction over climate change and environmental policy. Additionally, the bill adds definitions of "net zero".

Assumptions

- This fiscal note assumes that the MPCA's GHG inventory would still be completed every two years and this bill only requires that the reduction targets be reviewed annually.
- Assuming 0.5 FTE is needed to review the most recent Intergovernmental Panel on Climate Change (IPCC) report, coordinate agency discussion and research and prepare the letter of recommendation to the Legislature.

Expenditure and/or Revenue Formula

Program staff to review the IPCC report and coordinate response and prepare the letter of recommendation annually.

- 0.5 FTE x 140,000 = \$70,000/year
- Total program costs: \$70,000 and 0.5 FTE in FY24 and ongoing.

*The annual cost of 1.0 FTE is \$140,000 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

Program costs are assumed to be ongoing.

Local Fiscal Impact

None

References/Sources

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