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FISCAL IMPACT REPORT

SPONSOR <u>Chatfield</u>	LAST UPDATED <u>2/7/24</u>	ORIGINAL DATE <u>1/22/2024</u>
SHORT TITLE <u>Cloud Seeding Pilot Program</u>	BILL NUMBER <u>House Bill 130/aHAFC</u>	ANALYST <u>Torres, J.</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		See Fiscal Implications				

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Relates to an appropriation in the General Appropriation Act – House Bill 2 (HB2)

Sources of Information

LFC Files

Original Agency Analysis Received From
 Office of the State Engineer (OSE)
 New Mexico State University (NMSU)
 New Mexico Environment Department (NMED)
 Department of Agriculture (NMDA)

SUMMARY

Synopsis of HAFC Amendment to House Bill 130

The HAFC amendment to House Bill 130 strips the \$1.98 million appropriation from the general fund to New Mexico State University for the New Mexico Department of Agriculture’s development and administration of the cloud seeding weather modification program.

Synopsis of Original House Bill 130

House Bill 130 (HB130) appropriates \$1.98 million from the general fund to New Mexico State University for the New Mexico Department of Agriculture to develop and administer a cloud seeding weather modification pilot project.

HB130 provides for a three-year “cloud seeding weather modification pilot project.” The bill intends to address the effects of drought and climate change by using cloud seeding technology to increase New Mexico’s water supply. The Department of Agriculture is to create the cloud seeding project and is directed to enter a joint powers agreement with the Roosevelt Soil and

Water Conservation District. Water derived from this project will be administered and distributed to users in accordance with existing water rights. HB130 also provides for reporting forms, criteria, processes, and a permanent record. Annual reports are to be made to an interim committee. The final report is to be sent to the governor and Legislature. That report will also include recommendations for improvements and the necessity for continuation of the project.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

FISCAL IMPLICATIONS

The appropriation of \$1.98 million was removed by the HAFC amendment. The current version of the General Appropriation Act (HB2) includes a \$1 million appropriation to the Department of Agriculture for cloud seeding programs.

NMDA reports they, “expect to utilize 0.50 FTE of staff time from 1 position to fulfill the requirements of HB130. NMDA anticipates covering this administrative cost with existing budget and staff.”

OSE notes that there may be a fiscal impact to both the Department of Agriculture and the Roosevelt Water and Soil Conservation District. The HB130 cloud seeding project would also require an application with the New Mexico Interstate Stream Commission (ISC). OSE expects that this application process will not result in a fiscal impact to ISC.

NMSU states New Mexico’s agriculture, with more than 24 thousand farms and 40 million acres, represents a significant economical contribution to the state. In 2022, cash receipts exceeded \$3.7 billion. Livestock represented approximately 80 percent and crops represented approximately 20 percent of that total. Agriculture is heavily reliant on water. To the extent that cloud seeding can increase seasonal precipitation, the bill could have a very positive effect on the state’s agricultural production and supply chain.

SIGNIFICANT ISSUES

NMED’s original analysis states:

This is a new pilot project that could have potential impacts to ground and surface water resources. Although this project is not regulated under the NM Water Quality Act, to ensure protection of water sources NMED requests the opportunity to consult with and review proposed activities in the project to assess any potential water quality impacts or monitoring provisions. Previous cloud seeding activities in northern New Mexico have raised concerns about the potential negative impacts of chemicals used in cloud seeding on surface water, groundwater, wildlife, and humans due to precipitation of chemicals to the ground surface as well as the introduction of chemicals into the air during the seeding process.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Fiscal appropriations for water modification programs were previously proposed in the 2019 House Bill 460 and the 2021 Senate Bill 126. The suggested appropriation for each prior bill was \$1.2 million.

OSE states that the Roosevelt Soil and Water Conservation District funded a cloud seeding operation in 2022. The contractor, Seeding Operations and Research (SOAR), holds a permit for the 2024 calendar year.

TECHNICAL ISSUES

NMSU states cloud seeding is a weather modification technique that encourages rain or snow production by introducing a very small ice nuclei (silver iodide) into certain types of clouds. Cloud seeding has demonstrated positive effects. Snowpack has been shown to increase between 5 percent and 15 percent.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

NMSU states that the Roosevelt Soil and Water Conservation District would be unable to determine whether cloud seeding is a viable option to support New Mexico's agricultural production.

JT/al/ne