

Revised to reflect all amendments adopted to date.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	201,800	176,000	56,900	(4,023,100)
CASH FUNDS			8,547,200	8,547,200
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	201,800	176,000	8,604,100	4,524,100

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1001 is the Low-Income Home Energy Conservation Act.

Section 4 as amended creates the Energy Conservation Improvement Fund at the Department of Revenue. Under the bill's provisions, a public power district can provide matching funds equal to five percent of its sales and use tax receipts. An equal portion of the sales and use tax receipts will be deposited into the fund rather than the General Fund. The fund is to be used for eligible energy conservation improvements under the Low-Income Home Energy Conservation Act.

The Department of Revenue shall adopt a form to designate part of the sales tax to be remitted for administering a program of eligible energy conservation improvements and remit the matching funds.

As amended, the bill requires compliance with the withholding before a nonresident contractor bond is released and changes the amount of a contractor's liability for failing to withhold from a nonresident subcontractor when required. The Department of Revenue is required to have a database of contractors on the website. These are provisions originally included in LB1175.

The estimates below assume all electric utility entities will participate in the new program at the 5% matching rate. To the extent that not all entities participate, these estimates will be lower than shown. There is no basis to disagree with these estimates. As amended by AM 2715, the revised General Fund impact is as follows:

	FY 2008-09	FY 2009-10	FY 2010-11
"Contractor" provisions	\$176,000	\$251,000	\$172,000
"Energy Conservation Fund" provisions		(\$4,273,600)	(\$4,652,000)
Total General Fund Revenue Impact	\$176,000	(\$4,023,100)	(\$4,480,000)
Administrative Costs	\$201,800	\$56,900	\$56,900

The cash fund amounts shown in the table above reflect both the General Fund revenue loss that will flow into the Energy Conservation Improvement Fund and the matching amount contributed by eligible entities. The Department of Revenue will be administering this fund and will need expenditure authority to match anticipated revenues.

AM2632 clarified which electrical utilities qualify for the program and the Department of Revenue's related responsibilities.

AM2715 shifts the provisions in section 4 (see paragraph above) to take effect after July 1, 2009. This shifts the General Fund revenue loss and the Cash Fund expenditures and revenue gains out of fiscal year 2008-09 to begin in fiscal year 2009-10.

As the bill was amended by AM2632 (on Select File) and AM2715 (pulled back from Final Reading), the Department of Revenue estimates the need for one-time computer programming at a cost of \$160,500 and an additional staffing costs of \$41,300 in the first year of with annualized staffing costs of \$56,900 thereafter. The total estimated operations costs are \$201,800 in the first year and \$56,900 each year thereafter. There is no basis to disagree with this estimate.