

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | |
|---|---------------------|----------------|---------------------|----------------|
| | FY 2014-15 | | FY 2015-16 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | | | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | | | | |

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 978 amends the Low-Income Home Energy Conservation Act.

The bill expands the Act to now include assistance for establishing an on-bill payment program.

An on-bill payment program is defined as a program to make energy conservation improvements to be performed by a private sector entity with financing through a private sector lending entity that may use federal, state, or local matching funds which collects payments for such energy conservation improvements on a customer’s energy bill through savings resulting from the conservation improvement.

LB 978 provides that up to January 1, 2016 an eligible entity establishing and administering an on-bill payment program is eligible for state funds up to \$50,000 without remitting any matching funds. Current statute requires an eligible entity to remit funds, up to \$50,000, which the state matches for eligible energy conservation improvement projects. Those funds must be deposited with the Department of Revenue before any state assistance is awarded.

As currently defined in statute, an eligible entity is a public power district, a rural public power district, an electric cooperative, a nonprofit corporation organized for the purpose of furnishing electric service, a joint entity organized under the Interlocal Cooperation Act, or a municipality.

Section 66-1015(3) currently states that beginning July 1, 2014 and each fiscal year thereafter it is the intent of the Legislature to transfer \$250,000 from the General Fund to the Energy Conservation Improvement Fund. However, this is only legislative intent and is not a binding appropriation; no such transfer is provided for in the current budget.

There is no fiscal impact as a result of LB 978.

State Agency Estimate

State Agency Name: Department of Revenue Date Due LFA: 1/24/2014
Approved by: Kim Conroy Date Prepared: 1/24/2014 Phone: 471-5896

Table with 3 main columns for fiscal years (FY 2014-2015, FY 2015-2016, FY 2016-2017) and 2 sub-columns for Expenditures and Revenue. Rows include General Funds, Cash Funds, Federal Funds, Other Funds, and Total Funds.

LB 978 expands the Low-Income Home Energy Conservation Act (Act) to include assistance for establishing on-bill payment programs. An on-bill payment program is defined as eligible energy conservation improvements performed by private sector entities with financing through a private sector lending entity that may use federal, state, or local matching funds, which collects payments for the energy conservation improvements on a customer's energy bill through savings resulting from the conservation improvement.

Before January 1, 2016, an eligible entity may apply for up to \$50,000 in state funds each fiscal year without remitting matching funds to the Department. Currently, the Act is limited to grants for purposes of eligible energy conservation improvements projects, which require the entity to deposit funds with the Department before the state awards assistance.

An eligible entity must grant a preference to eligible persons in an on-bill payment program and certify to the Department amounts distributed relating to on-bill payment programs. An eligible entity may file requests for reimbursement once a month.

An eligible entity must annually certify the amounts they intend to invest in on-bill payment programs and submit a report that includes amounts distributed for on-bill payment programs.

There is no General Fund revenue impact associated with this bill, and implementation cost to the Department is minimal.

Major Objects of Expenditure

Table with 8 columns: Class Code, Classification Title, 14-15 FTE, 15-16 FTE, 16-17 FTE, 14-15 Expenditures, 15-16 Expenditures, 16-17 Expenditures. Rows include Benefits, Operating Costs, Travel, Capital Outlay, Aid, Capital Improvements, and Total.