PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs February 03, 2015 402-471-0051

LB 337

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 201	5-16	FY 2016-17				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS							
CASH FUNDS	See Below	See Below	See Below	See Below			
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS	See Below	See Below	See Below	See Below			

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

LB 337 amends the Low-Income Home Energy Conservation Act.

The bill changes the name of the Act to the Energy Conservation and Demand Reduction Act and adds language to legislative intent regarding the reduction of energy usage and demand.

The Act is amended to change references to "person" to "customer;" changes the definition of "Eligible energy conservation improvement" to "Eligible energy conservation project" and in that same definition changes "residence" to "building" and adds "in-person or online education program regarding customer-specific energy conservation or demand reduction efforts" as an eligible activity.

"Eligible customer" is defined to include any natural person, political subdivision, corporation, or other business entity receiving energy service from an eligible entity at a building that receives no greater than 1,000 kilowatt demand. This strikes language that referred to a resident of Nebraska who owns their own residence and whose household income is at or below 150% of the federal poverty level.

The bill strikes the requirement that an eligible entity notify the Department of Revenue no later than September 1, of even-numbered years of their intent to remit funds to be matched by the state.

LB 337 adds language saying that commencing on July 1and concluding on September 30 of each fiscal year, an eligible entity may remit up to \$350,000 per fiscal year to be matched by the state and used for eligible energy conservation grants. When the amount remitted reaches \$500,000 no further deposits are to be accepted and any amounts over \$500,000 are to be returned to the eligible entity. The current Act limits eligible entity contributions to a maximum of \$50,000 and limits state matching funds to \$250,000.

The bill states legislative intent to transfer \$500,000 from the General Fund to the Energy Conservation Improvement Fund in each of fiscal years 2015-16 and 2016-17.

The bill contains the emergency clause.

The Low-Income Home Energy Conservation Program currently exists in the Department of Revenue and while LB 337 appears to, in addition to changing the name of the Act, widen the scope and applicability of the Act, the cost to implement the bill should be minimal.

Legislative intent to appropriate in this type of bill is not binding as the Legislature can choose to appropriate at a different level of funding or not at all. If the amount remitted under Section 4 (2) of the bill is less than \$500,000, the amount necessary for the state matching requirement would also be less.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 337	LB: 337 AM: AGENCY/POLT. SUB: Nebraska Energy Office					
REVIEWED BY: Cindy Miserez			DATE: 01/21/2015	PHONE: 402-471-4174		
COMMENTS: I concur with the Nebraska Energy Office's statement of no fiscal impact for LB337. The existing program currently						
resides in the Department of Revenue.						

LB (1)	337							FISCAL NOTE		
State Agency OR Political Subdivision Name: (2)				2)	Nebraska Energy Office					
Prepare	ed by: (3)	Daniell	e Jensen	I	Date Prepared: (4)	1/20/2015	Phone: (5	471-3360		
		ES	STIMATE PRO	VIDED B	Y STATE AGEN	CY OR POLITIC	AL SUBDIVISI	ION		
			1	F Y 2015 -	16		FY 201	6-17		
			EXPENDITUR		REVENUE	EXPEND		REVENUE		
GENE	RAL FUN	DS				_				
CASH I	FUNDS					_				
FEDER	RAL FUNI	DS				_				
OTHE	R FUNDS									
TOTAL	L FUNDS		0		0	()	0		
			e for any dutie	s for the	Nebraska Energ	gy Office, theref	ore there is n	o fiscal impact to the		
D	-16		BREAKD	OWN BY	MAJOR OBJECT	rs of expendi	TURE			
		NUMBE 15-16	CR OF POSITION 16-17	S 2018 EXPEND		2016-17 EXPENDITURES				
Benefit	s									
Operati	ing									
Travel.	• • • • • • • • • • • • • • • • • • • •									
Capital	outlay									
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10	1 AL									

LB 337 Fiscal Note 2015

State Agency Estimate								
State Agency Name: Departmen	t of Revenue				Date Due LFA:	2/3/2015		
Approved by: Len Sloup		Date Prepared:	2/3/2015		Phone: 471-5896			
	FY 2015-2016		FY 2016-2017		FY 2017-2018			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds		(\$250,000)		(\$250,000)		(\$250,000)		
Cash Funds		\$500,000		\$500,000		\$500,000		
Federal Funds								
Other Funds								
Total Funds		\$250,000		\$250,000		\$250,000		

LB 337 replaces the Low-Income Home Energy Conservation Act and provides grants to eligible entities for qualified energy conservation projects. An eligible entity may remit up to \$350,000 each fiscal year for eligible projects. The state is required to match total contributions by eligible entities of up to \$500,000. The Low-Income Home Energy Conservation Act currently limits individual contributions to \$50,000 and state matching funds of up to \$250,000.

A project includes improvements to buildings owned or occupied by an eligible customer that improve energy efficiency or reduce energy demand in buildings. A customer is defined as a natural person, political subdivision, corporation, or other business entity receiving energy service from an eligible entity at a building that receives no greater than a one thousand kilowatt demand. An entity may require a customer to pay for up to 20% of a project's costs, which may be recovered by adding an amount to the eligible customer's monthly electrical bill.

An entity must remit funds to the Department of Revenue between July 1 and September 30 of each fiscal year. Each entity awarding grants must submit an annual report to the Department of Revenue by April 1 regarding the projects in which grants were awarded.

Assuming ongoing appropriations for the program, LB 337 is expected to reduce revenue to the General Fund and increase revenue to the Energy Conservation Improvement Fund by the following amounts:

	General Fund	Energy Conservation
		Improvement Fund
FY 2015-16	\$250,000	\$500,000
FY 2016-17	\$250,000	\$500,000
FY 2017-18	\$250,000	\$500,000
FY 2018-19	\$250,000	\$500,000

The Department's costs to implement the bill are expected to be minimal.

Major Objects of Expenditure								
Class Code	Classification Title	15-16 <u>FTE</u>	16-17 <u>FTE</u>	17-18 <u>FTE</u>	15-16 Expenditures	16-17 Expenditures	17-18 Expenditures	
Benefits								
Operating Costs.								
Travel								
Capital Outlay							,	
Aid							,	
Capital Improvements.								
Total								