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

LB 424

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)					
	FY 2015-16		FY 20	16-17	
	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 424 amends Nebraska Revised Statues dealing with the nameplate capacity tax.

The bill expands the tax to include electrical generation facilities that use solar, biomass, or landfill gas as a fuel source.

The bill expands the exemption from property tax to include any depreciable tangible personal property used directly in the generation of electricity using solar, biomass, or landfill gas as the fuel source if such property was installed on or after the operative date of this bill and has a nameplate capacity of 100 kilowatts or more.

The bill also amends several sections of statute that refer to wind or wind turbine and replaces those terms with renewable energy or renewable energy generation facility.

The bill has an operative date of January 1, 2016.

There is no fiscal impact to the General Fund as a result of LB 424.

The Department of Revenue indicates the cost to implement LB 424 will be minimal.

We agree with the Department of Revenue's estimate of cost.

IMPACT TO POLITICAL SUBDIVISIONS:

The Nebraska Association of County Officials estimates that the fiscal impact to counties will be minimal.

We have no basis to disagree with the Association's estimate of fiscal impact.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 424	AM: AGENCY/POLT. SUB: Dept. of Revenue					
REVIEWED BY: Lyn Heaton DATE: 3/3/2015 PHONE: 471-4181						
COMMENTS: Concur. No fiscal impact on the Department of Revenue.						

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 424 AM: AGENCY/POLT. SUB: NE. Assoc. of County Officials (NACO)						
REVIEWED BY: Lyn Heaton DATE: 3/3/2015 PHONE: 471-4181						
COMMENTS: Concur with the NACO estimate of minimal fiscal impact.						

		State Agency	Estimate			_
State Agency Name: Departmen	t of Revenue				Date Due LFA:	3/3/2015
Approved by: Len Sloup		Date Prepared:	3/3/2015		Phone: 471-5896	
	FY 2015	<u>5-2016</u>	FY 201	<u>6-2017</u>	FY 20	17-2018
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		\$ 0		\$ 0		\$ 0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		\$ 0		\$ 0		\$ 0

LB 424 expands the nameplate capacity tax to apply to facilities that use solar, biomass, and landfill gas as the fuel source.

LB 424 exempts facilities with a nameplate capacity in excess of 100 kW from personal property tax.

It is estimated that this bill will have no impact on General Fund revenues.

It is estimated that there will be minimal costs to the Department to implement this bill.

This bill becomes operative on January 1, 2016.

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 <u>Expenditures</u>	17-18 Expenditures
Benefits.							
Operating Costs							
Travel							
Capital Outlay							
Aid							
Capital Improvements.							
Total		• • • • • • • • • • • • • • • • • • • •					

		FISCAL NOTE				
Nebraska Association of County Officials (NACO)						
Date Prepared: (4)	1/20/2015 Phone	e: (5) 402-434-5660				
ED BY STATE AGENO	CY OR POLITICAL SUBDIV	ISION				
015-1 <u>6</u>	FY	2016-1 <u>7</u>				
REVENUE	EXPENDITURES	REVENUE				
						
N BY MAJOR OBJECT	S OF EXPENDITURE					
AMBED OF DOCUTION	2017.10	2010.15				
15-16 16-17	EXPENDITURES	2016-17 <u>EXPENDITURES</u>				
	Date Prepared: (4) ED BY STATE AGENO 015-16 REVENUE N BY MAJOR OBJECT MBER OF POSITIONS	Date Prepared: (4) 1/20/2015 Phone ED BY STATE AGENCY OR POLITICAL SUBDIV 015-16 FY 9 REVENUE EXPENDITURES N BY MAJOR OBJECTS OF EXPENDITURE MBER OF POSITIONS 2015-16				

LB 424 would change provisions relating to the nameplate capacity funds. Solar, biomass or landfill gas would be included as fuel sources for depreciable tangible personal property with such property being exempt if it was installed after the operative date of this act and has a nameplate capacity of one hundred kilowatts or more. The fiscal impact is minimal to counties. This would create an exemption that would decrease the tax base and result in a tax shift.