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 DATE PREPARED: February 02, 2009  
 PHONE: 471-0055

**LB 565**

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2009-10</b>		<b>FY 2010-11</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	2,597,816		2,562,218	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>2,597,816</b>		<b>2,562,218</b>	

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

LB 565 is the Woody Biomass Energy Act.

Section 3 creates the Woody Biomass Energy Revolving Loan Fund. The fund is administered by the State Energy Office. The Legislature's intent to appropriate \$2,500,000 from the General Fund for FY2009-10 and for FY2010-11 is identified in this section.

Section 4 requires the State Energy Office to allocate money in the fund for loans to convert heating and cooling systems in public buildings from current energy sources to the use of woody biomass. The Energy Office is also charged with adopting and promulgating rules and regulations to carry out the act.

Section 5 allows any state agency or local government to apply for a loan.

The Energy Office estimates the need for one Engineer to investigate and evaluate applications, determine feasibility and the impact on natural resources. In addition, the agency has included \$2,500,000 for loans, per the bill's stated intent. These estimates appear to be reasonable.

It is unclear when the loans will be repaid and, therefore, when the program could be shifted from a General Fund cost to a Cash Fund cost. From the bill's stated intent, it appears that at a minimum the first 2 years' costs are to be paid from General Funds. This does not necessarily mean the shift to Cash Funded loans and possibly operations will occur in fiscal year 2011-12. That possibility will not be clarified until a repayment schedule is put in place by the Energy Office.

**DEPARTMENT OF ADMINISTRATIVE SERVICES**

REVIEWED BY	Cindy Miserez	DATE 2/2/09	PHONE 471-2526
COMMENTS			
ENERGY OFFICE: I have no basis to dispute agency estimate.			