

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1643-01
Bill No.: HB 741
Subject: Banks and Financial Institutions; Business and Commerce; Energy; Natural Resources Department; Treasurer, State
Type: Original
Date: April 5, 2011

Bill Summary: This proposal provides loan assistance programs to businesses for energy efficiency improvements.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	\$0 to (Greater than \$100,000)	\$0 to (Greater than \$100,000)	\$0 to (Greater than \$100,000)
Total Estimated Net Effect on General Revenue Fund*	\$0 to (Greater than \$100,000)	\$0 to (Greater than \$100,000)	\$0 to (Greater than \$100,000)

***Costs to implement this proposal plus unknown impacts from the level of participation with the proposed programs could exceed \$100,000.**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development, State Treasurer's Office, Department of Higher Education, and Department of Agriculture** assume there will be no impact to their agencies.

Officials at the **Office of the Secretary of State (SOS)** many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's Office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal not to Secretary of State's office for Administrative Rules is less than \$2,500. The Secretary of State's Office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a give year and that collectively the costs may be in excess of what their office can sustain with their core budget. Therefore, they reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Department of Natural Resources (DNR)** assume Sections 30.750-865 would require the DNR to serve as a technical advisor and to review all loan application packages for eligible energy saving enterprises and to provide the State Treasurer's Office with information regarding the potential energy savings associated with each project.

Sections 30.865 and 640.150.1(6) of this proposal would require the DNR to serve as a technical advisor and to review all loan application packages for eligible energy saving enterprises and to provide the State Treasurer's Office with information regarding the potential energy savings associated with each project.

In order to implement Section 30.865 and 640.150.1(6) of this proposal the DNR would request: one (1) Energy Engineer II to provide technical review and analysis of loan applications and project oversight; and one (1) Energy Specialist III to conduct statewide monitoring activities of successful applicants.

This proposal does not identify a funding source; therefore, for purposes of this fiscal note, the DNR has assumed the fiscal impact would be to the General Revenue Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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GENERAL REVENUE

<u>Cost - Department of Natural Resources</u>			
Energy Saving Incentive Program	<u>\$0 to (Greater than \$100,000)</u>	<u>\$0 to (Greater than \$100,000)</u>	<u>\$0 to (Greater than \$100,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE*	<u>\$0 to (Greater than \$100,000)</u>	<u>\$0 to (Greater than \$100,000)</u>	<u>\$0 to (Greater than \$100,000)</u>

***Costs to implement this proposal plus unknown impacts from the level of participation with the proposed programs could exceed \$100,000.**

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal would allow for businesses who have conducted an energy audit within the last two years of their facility to be eligible for a low interest linked deposit loan to install energy efficiency equipment. Businesses could potentially lower their utility bills.

FISCAL DESCRIPTION

This bill adds an eligible energy-saving enterprise to the list of entities that are eligible to receive a linked deposit loan. An “eligible energy-saving enterprise” is defined as any individual, partnership, corporation, cooperative, or limited liability company that has had an energy audit conducted on its business within the two years immediately preceding the date of the linked deposit loan application which provided recommendations for energy savings and the business seeks a loan to implement the recommendations or make any other energy improvement that will result in a more efficient use of, or less use of, energy.

The State Treasurer must work with the Department of Natural Resources, which will serve as a technical advisor, in making a linked deposit loan to an eligible energy-saving enterprise. The department must review all loan applications and provide the State Treasurer’s Office with information regarding the potential energy savings associated with each project.

DESCRIPTION (continued)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Office of Public Counsel
Public Service Commission
Housing Development Commission
State Treasurer's Office
Department of Higher Education
Department of Agriculture
Secretary of State's Office
Department of Natural Resources



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Director
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