

LEGISLATIVE BILL 126

Approved by the Governor May 22, 1985

Introduced by DeCamp, 40; Landis, 46; Wesely, 26;
 Beyer, 3; Scofield, 49; Sieck, 24;
 Vickers, 38; Conway, 17; Higgins, 9;
 Lynch, 13; Labeledz, 5; Haberman, 44;
 Schmit, 23

AN ACT relating to energy; to amend section 57-705, Reissue Revised Statutes of Nebraska, 1943, sections 81-1632 and 81-1634, Revised Statutes Supplement, 1984, and section 81-1633, Revised Statutes Supplement, 1984, as amended by section 5, Legislative Bill 6, Eighty-ninth Legislature, First Session, 1985; to change provisions relating to the distribution of funds from the Severance Tax Fund; to change certain energy efficiency grants to loans; to change provisions relating to energy loans and grants; to change a termination date; to harmonize provisions; to provide operative dates; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 57-705, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

57-705. All taxes levied by Chapter 57, article 7, shall be paid to the Tax Commissioner. He or she shall pay to the State Treasurer all money so received. All such sums of money received by the State Treasurer, shall be placed by him or her in a fund to be known as the Severance Tax Fund. An amount equal to one per cent of the gross severance tax receipts, excluding those receipts from tax derived from oil and natural gas severed from school lands, so placed in such fund shall be credited by the State Treasurer, upon the first day of each month, and shall inure to the Severance Tax Administration Fund, to be used for the expenses of administering Chapter 57, article 7. The balance of the Severance Tax Fund received from school lands shall be credited by the State Treasurer, upon the first day of each month, and shall inure to the Permanent School Fund as established in Article VII, section 7, of the Constitution of Nebraska. Of the balance of the Severance Tax Fund received from other than school lands prior to July 1, ~~1986~~ 1990, (1) five hundred thousand dollars annually shall be allocated to the Nebraska Energy Resource Fund, which is hereby created, and (2) the remainder shall be allocated to the School Weatherization Fund, which is hereby created. For fiscal years ~~1983-84~~,

1984-85, and 1985-86, 1986-87, 1987-88, 1988-89, and 1989-90, the Legislature may appropriate each year from the Nebraska Energy Resource Fund two hundred thousand dollars to the State Energy Office for the purpose of carrying out sections 66-1029 to 66-1055 and for energy conservation purposes and providing technical assistance in developing alternate sources of energy, one hundred thousand dollars to the Nebraska Gasohol Committee, and two hundred thousand dollars to the Department of Revenue to assist in the administration of sections 66-1029 to 66-1055 and Chapter 57, article 7, except that money in the Nebraska Energy Resource Fund may be transferred to the General Fund at the direction of the Legislature. Commencing July 1, 1986 1990, the balance of the Severance Tax Fund received from other than school lands shall be credited and inure to the Permanent School School Foundation and Equalization Fund. The amount allocated to the School Foundation and Equalization Fund under this section shall be in addition to any other amounts appropriated to such fund and shall be specifically allocated for distribution pursuant to (a) section 79-1334, in an amount not to exceed sixty per cent of such additional funds; and (b) section 79-1339. Any balance in the School Weatherization Fund on July 1, 1986, shall be transferred to the School Foundation and Equalization Fund.

Sec. 2. That section 81-1632, Revised Statutes Supplement, 1984, be amended to read as follows:

81-1632. (1) Any school district may apply to the State Energy Office for an energy efficiency loan from the School Weatherization Fund. Loans grant- Each school district applying for such a grant shall provide matching funds equal to twenty-five per cent of the grant request. Such matching funds may consist of a combination of cash or in-kind services, except that in-kind services may not exceed fifty per cent of the required matching funds. Grants received pursuant to this subsection and the matching school district funds shall only be used for energy efficiency projects which are approved by the State Energy Office at the time the grant loan is approved.

(2) The State Energy Office shall approve energy efficiency grant loan applications for proposed programs or projects which will reduce energy use or result in a more efficient use of available energy resources. Any such grant loan not denied within forty-five days of its submission shall be considered approved. In determining whether to approve, reduce, or deny such application, the State Energy Office shall consider the type of project or program proposed, the life expectancy of the building, the projected energy savings, and the simple payback period for the project. No school district shall receive such grants totaling more than one hundred thousand dollars for use in any one school-

(3) Upon approval of an energy efficiency grant loan application pursuant to this section, the State Energy Office shall submit its voucher against the School Weatherization Fund to the Director of Administrative Services for the amount of the approved grant loan. The Director of Administrative Services shall, on a monthly basis or more frequently if requested, notify the State Energy Office of the balance available in the School Weatherization Fund.

(4) Any school district may apply to the State Energy Office for a technical analysis study grant. The State Energy Office shall adopt and promulgate, not later than January 1, 1985, rules and regulations pertaining to the application procedures, approval criteria, funding based on building floor area, and the required contents of a technical analysis study. The funds distributed in any fiscal year for such studies shall not exceed three per cent of the funds available from the School Weatherization Fund during that fiscal year. No technical analysis study grant shall exceed two thousand five hundred dollars for any one building. ~~The grant for a technical analysis study shall not count against the one hundred thousand dollars allowable to a school district for an energy efficiency grant.~~ Grants received pursuant to this subsection shall only be used for technical analysis studies which are approved by the State Energy Office at the time the grant is approved. The school district shall submit a copy of the technical analysis report and an expense voucher to the State Energy Office as a request for payment. The State Energy Office shall submit its voucher to the Director of Administrative Services upon approval of the technical analysis study by the State Energy Office.

(5) Approved loan or grant applications shall be effected by contract or such other form or method as shall be provided by the State Energy Office. Loans shall be repaid in semiannual payments, with the first payment due six months after the date the project or program is completed. Loans shall carry no interest or finance charge and payments made prior to July 1, 1996, shall be deposited in the School Weatherization Fund. The amount of each semiannual payment shall be one-fourth of the estimated first-year savings resulting from the project as established in the approved loan application, except that no such loan shall be made for a term longer than fourteen years after the completion of the project or program. Commencing July 1, 1983, the State Energy Office shall divide grants between major and minor projects or programs. Thirty per cent of available grant money shall be for major energy efficiency projects or programs. Seventy per cent of available grant money shall be for technical analysis studies and minor energy efficiency projects or programs. Major energy efficiency projects or programs shall mean those with a simple payback period of

more than five years and minor energy efficiency projects or programs shall mean those with a simple payback period of five years or less. Any entity requesting a grant for a minor energy efficiency project or program shall be required to provide matching funds equal to twenty per cent of the grant request.

(6) For purposes of this section simple payback period shall mean the cost of the project divided by the first year's savings resulting from the project.

(7) The State Energy Office shall provide forms on which loan and grant applications may be made. The State Energy Office shall record and compile a complete list of all loan and grant applications and shall make an equitable geographic distribution of loans and grants as nearly as possible among the congressional districts provided in section 5-101.01.

Sec. 3. That section 81-1633, Revised Statutes Supplement, 1984, as amended by section 5, Legislative Bill 6, Eighty-ninth Legislature, First Session, 1985, be amended to read as follows:

81-1633. (1) Each school district receiving a grant or loan pursuant to section 81-1632 shall, on an annual basis, submit a report to the State Energy Office detailing any changes in energy consumption for each school in which an energy efficiency project or program was funded pursuant to sections 81-1632 and 81-1633. The report shall also include a detailed breakdown of project expenditures for the previous twelve months.

(2) The Legislature's Performance Review and Audit Committee shall annually review and assess the need for continuation of the School Weatherization Fund.

(3) The State Energy Office may adopt and promulgate rules and regulations necessary to ensure the effectiveness of sections 81-1632 and 81-1633 and may retain an amount from the School Weatherization Fund for each loan or grant, not to exceed three per cent of the total loan or grant, to cover the actual cost of administering the loan or grant.

Sec. 4. That section 81-1634, Revised Statutes Supplement, 1984, be amended to read as follows:

81-1634. Sections ~~77-3434, 81-1632, and 81-1633~~ shall terminate on June 30, ~~1986~~ 1996. Commencing July 1, 1996, funds received in repayment for energy efficiency loans from the School Weatherization Fund shall be placed in the Permanent School Fund.

Sec. 5. Sections 2, 3, and 7 of this act shall become operative on July 1, 1986. The remaining sections shall become operative on their effective date.

Sec. 6. That original section 57-705, Reissue Revised Statutes of Nebraska, 1943, and section 81-1634, Revised Statutes Supplement, 1984, are repealed.

Sec. 7. That section 81-1632, Revised Statutes Supplement, 1984, and section 81-1633, Revised Statutes

Supplement, 1984, as amended by section 5, Legislative Bill 6, Eighty-ninth Legislature, First Session, 1985, are repealed.