Doug Gibbs March 04, 2011 402-471-0051

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

	ESTIMATE OF FISCAL IMPACT - STATE AGENCIES *								
	FY 201	1-12	FY 2012-13						
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE					
GENERAL FUNDS		See Below		See Below					
CASH FUNDS									
FEDERAL FUNDS									
OTHER FUNDS									
TOTAL FUNDS		See Below		See Below					

^{*}Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 358 amends Nebraska Revised Statutes Section 77-2701.16, regarding the sales tax on the furnishing of gas, electricity, sewer, and water service, to amend the definition of gross receipts to reduce a utility's gross receipts by allowing a customer-generator's electricity consumption to be offset by the electricity produced by the customer-generator's qualified facility.

A customer-generator is an end-use electricity customer that generates electricity on the customer's side of the meter from a qualified facility.

A qualified facility generally means a facility for the production of electrical energy that uses renewable energy as an energy source, is controlled by and on the premises of the owner-generator, and meets or offsets the customer-generator's electricity use.

The Department of Revenue, based on the assumption that 400 users over the course of the next four years become customergenerators, estimates the following fiscal impact to the General Fund:

FY2011-12: (\$ 5,000) FY2012-13: (\$11,000) FY2013-14: (\$16,000) FY2014-15: (\$22,000)

The Department estimates the cost to implement LB 358 to be minimal.

The Legislative Fiscal Office, based on information from the Power Review Board, assumes a slightly lower number of customergenerators over the same period of time and estimates the following fiscal impact:

FY2011-12: (\$ 4,300) FY2012-13: (\$ 9,600) FY2013-14: (\$13,600) FY2014-15: (\$18,000)

We agree with the Department of Revenue's estimate of cost to implement LB 358.

DEPARTMENT OF ADMINISTRATIVE SERVICES

	REVIEWED BY	Lyn Heaton	DATE 3/8/11	PHONE 471-2526	
	COMMENTS				
DEPT. OF REVENUE – No basis upon which to disagree.					

FEB 0 7 2011

LB 358

Fiscal Note 2011 State Agency Estimate Date Due LFA: 1/26/2011 State Agency Name: Department of Revenue Phone: 471-5700 Date Prepared: 1/21/2011 Approved by: Douglas Ewald FY 2012-2013 FY 2013-2014 FY 2011-2012 Expenditures Expenditures Revenue Revenue Expenditures Revenue (\$11,000) (\$16,000) General Funds (\$5,000) Cash Funds Federal Funds Other Funds (\$11,000) (\$16,000) (\$5,000) Total Funds

LB 358 amends the definition of gross receipts to reduce a local distribution utility's gross receipts by allowing a customer-generator's retail electricity consumption to be offset by electricity produced by a customergenerator's qualified facility that is interconnected with the local utility distribution system.

Using Nebraska average electricity price and consumption statistics from the U.S. Department of Energy and an assumption that 400 users over the course of the current and next biennia become customer-generators, the bill is expected to impact revenue to the General Fund by the following amounts:

FY 2011-12: (\$5,000) FY 2012-13: (\$11,000) FY 2013-14: (\$16,000) FY 2014-15: (\$22,000)

Departmental cost to implement the bill is expected to be minimal.

	Majo	or Objects of I	Expendit	ure			
Class Code	Classification Title	11-12 <u>FTE</u>	12-13 <u>FTE</u>	13-14 <u>FTE</u>	11-12 Expenditures	12-13 Expenditures	13-14 Expenditures
Benefits.							
Operating Costs							
		····					
Aid Capital Improvements		•••••					
Total							