PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs March 05, 2013 402-471-0051

**LB 90** 

Revision: 00

## **FISCAL NOTE**

## LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 201	l <b>3-1</b> 4	FY 2014-15				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS		(\$4,039)		(\$11,211)			
CASH FUNDS		(\$163)		(\$454)			
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS		(\$4,202)		(\$11,665)			

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 90 amends Nebraska Revised Statutes Section 77-2701.16, to change the definition of gross receipts as it applies to the provision of electricity service.

The bill provides that in the furnishing of electricity service to a customer-generator, the local utility's gross receipts will be reduced by allowing an offset of the customer-generator's electricity production against their consumption.

A customer-generator is defined in Section 77-2701.16 as an end-use electricity customer that generates electricity on the customer's side of the meter from a qualified facility.

The bill has an operative date of October 1, 2013.

The Department of Revenue estimates, using the 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 biennium become customergenerators, the bill is expected to impact revenue by the following amounts:

		State Highway		
		Capital Improvement	Highway Allocation	
Fiscal Year:	General Fund:	Fund (Cash):	Fund (Local):	Total:
2013-14:	(\$ 4,039)	(\$ 163)	(\$ 29)	(\$ 4,231)
2014-15:	(\$ 11,211)	(\$ 454)	(\$ 80)	(\$ 11,745)
2015-16:	(\$ 16,698)	(\$ 676)	(\$ 119)	(\$ 17,493)
2016-17:	(\$ 22,281)	(\$ 902)	(\$ 159)	(\$ 23,342)

The Department estimates minimal cost to implement the provisions of LB 90.

There is no basis to disagree with the Department of Revenue's estimate of fiscal impact or cost.

## IMPACT TO POLITICAL SUBDIVISIONS:

The Department of Revenue estimates the following fiscal impact to the Highway Allocation Fund as a result of LB 90:

FY2013-14: (\$ 29) FY2014-15: (\$ 80) FY2015-16: (\$ 119) FY2016-17: (\$ 159)

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 90 AM: AGENCY/POLT. SUB: Dept. of Revenue						
REVIEWED BY: Lyn Heaton			DATE: 2/25/2013	PHONE: 402.471.4181		
COMMENTS: No basis upon which to disagree with the Dept. of Revenue's analysis given the stated assumptions.						

State Agency Estimate							
State Agency Name: Department of	of Revenue				Date Due LFA:	1/22/13	
Approved by: Douglas Ewald		Date Prepared:	1/16/13		Phone: 471-5896		
	FY 2013	3-2014	FY 2014-2015		FY 2015-2016		
	<b>Expenditures</b>	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds		(\$4,039)		(\$11,211)		(\$16,698)	
Cash Funds		(\$192)		(\$534)		(\$795)	
Federal Funds							
Other Funds					<u> </u>		
Total Funds		(\$4,231)		(\$11,745)		(\$17,493)	

LB 90 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 customer-generator'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 by the following amounts:

Fiscal Year	General Fund	State Highway	Highway	Total
		Capital	Allocation Fund	
		Improvement Fund		
2013-14	(\$4,039)	(\$163)	(\$29)	(\$4,231)
2014-15	(\$11,211)	(\$454)	(\$80)	(\$11,745)
2015-16	(\$16,698)	(\$676)	(\$119)	(\$17,493)
2016-17	(\$22,281)	(\$902)	(\$159)	(\$23,342)

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

The operative date of the bill is October 1, 2013.

Major Objects of Expenditure							
Class Code	Classification Title	13-14 <u>FTE</u>	14-15 <u>FTE</u>	15-16 <u>FTE</u>	13-14 Expenditures	14-15 Expenditures	15-16 Expenditures
Benefits							
Operating Costs.							
Travel							
Capital Outlay							,
Aid							
Capital Improvements.							
Total							