

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5570 P S SB PSSB 5570	<b>Title:</b> Relating to authorizing consumer-owned utilities to establish energy efficiency revolving loans programs
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## Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Revenue	Non-zero but indeterminate cost and/or savings. Please see discussion.								
<b>Total \$</b>	0	0	0	0	0	0	0	0	0

## Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	Fiscal note not available											
Department of Revenue	.1	32,100	32,100	32,100	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	0.1	32,100	32,100	32,100	0.0	0	0	0	0.0	0	0	0

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	Fiscal note not available								
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	0.0	0	0	0.0	0	0	0.0	0	0

## Estimated Capital Budget Breakout

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# Department of Revenue Fiscal Note

<b>Bill Number:</b> 5570 P S SB PSSI 5570	<b>Title:</b> Relating to authorizing consumer-owned utilities to establish energy efficiency revolving loans programs	<b>Agency:</b> 140-Department of Revenue
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

**Estimated Expenditures from:**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2		0.1		
<b>Account</b>					
GF-STATE-State 001-1	32,100		32,100		
<b>Total \$</b>	32,100		32,100		

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

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Agency Preparation: Beth Leech	Phone: (360) 534-1513	Date: 01/08/2024
Agency Approval: Marianne McIntosh	Phone: (360) 534-1505	Date: 01/08/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/09/2024

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## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

Note: This fiscal note reflects language in Proposed Substitute Senate Bill 5570 (S-3680.4), 2024 Legislative Session.

#### CURRENT LAW:

Electric utilities pay public utility (PU) tax on the value accruing from providing electrical power distribution. Business and occupation (B&O) tax does not apply to those business activities for which the PU tax is specifically imposed. B&O tax does apply to those business activities not specifically subject to PU tax.

#### PROPOSAL:

This bill creates a residential energy efficiency capitalization grant program within the Department of Commerce to enable consumer-owned electric utilities to provide residential loan options that create energy efficiency for low-income and moderate-income households.

A consumer-owned utility is a municipal electric utility, a public utility district, an irrigation district, a cooperative association, or a mutual corporation or association that is engaged in the business of distributing electricity to more than one retail electric customer in the state.

Public utility taxes do not apply to any funds due and payable under this new grant program.

#### EFFECTIVE DATE:

The bill takes effect 90 days after the final adjournment of the session.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

#### ASSUMPTIONS:

- The grants to consumer-owned electric utilities would be subject to B&O tax.
- This bill exempts the repayments of residential loans from PU tax.

#### ESTIMATED REVENUES:

The revenue impact of this bill is indeterminate as the amount appropriated to the Department of Commerce for the residential electric utility energy efficiency capitalization grant program is unknown.

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

#### ASSUMPTIONS:

This bill affects 45 taxpayers.

#### FIRST YEAR COSTS:

The department will incur total costs of \$32,100 in fiscal year 2024. These costs include:

Labor Costs – Time and effort equate to 0.2 FTE.

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- Attend implementation meetings, monitor reports, train and review examiners, and work complex accounts.
- Test computer system changes.

Object Costs - \$6,800.

- Contract computer system programming.

**SECOND YEAR COSTS:**

The department will not incur any costs in fiscal year 2025.

**ONGOING COSTS:**

There are no ongoing costs.

**Part III: Expenditure Detail**

**III. A - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2		0.1		
A-Salaries and Wages	15,600		15,600		
B-Employee Benefits	5,100		5,100		
C-Professional Service Contracts	6,800		6,800		
E-Goods and Other Services	3,200		3,200		
J-Capital Outlays	1,400		1,400		
<b>Total \$</b>	<b>\$32,100</b>		<b>\$32,100</b>		

**III. B - Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
EXCISE TAX EX 3	64,092	0.1		0.1		
IT B A-JOURNEY	91,968	0.1		0.1		
<b>Total FTEs</b>		<b>0.2</b>		<b>0.1</b>		

**III. C - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**Part V: New Rule Making Required**