

Department of Planning and Budget

2015 Fiscal Impact Statement

1. Bill Number: SB801

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Watkins

3. Committee: Local Government

4. Title: Financing of clean energy programs; development of underwriting guidelines.

5. Summary: Expands the requirements of a local ordinance authorizing contracts to provide loans for clean energy improvements. The bill adds water efficiency improvements to the list of improvements for which loans may be offered; allows a locality to contract with a third party to administer the loan program; and requires a locality to identify any administrative fee it intends to impose on participants and sets parameters for the imposition of that fee. The bill also details the priority, enforceability, and other characteristics of the lien, now called a voluntary special assessment lien, that a locality is permitted to place against the property where the clean energy systems are installed. Finally, the bill directs the Department of Mines, Minerals and Energy (DMME) to develop underwriting guidelines for local loans made to finance clean energy improvements. The bill requires DMME to finalize the guidelines by December 1, 2015, incorporating input from certain groups representing real estate, energy efficiency, banking, and other interests or industries and evaluating certain specific criteria. This bill is a recommendation of the Virginia Housing Commission.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: No state fiscal impact.

8. Fiscal Implications: It is anticipated that this bill will not have a fiscal impact on the Department of Mines, Minerals, and Energy. DMME would be required to develop underwriting guidelines for local loans made to finance clean energy improvements by December 1, 2015. It is anticipated that the agency will be able to absorb the workload associated with developing the guidelines using existing staff and resources.

9. Specific Agency or Political Subdivisions Affected: Department of Mines, Minerals, and Energy.

10. Technical Amendment Necessary: No.

11. Other Comments: HB1446 and HB1665 also address underwriting guidelines for clean energy programs.