

Department of Planning and Budget 2002 Fiscal Impact Statement

1. Bill Number: HB746

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: Plum

3. Committee: Commerce and Labor

4. Title: Grants using clean and efficient energy.

5. Summary/Purpose: The proposed legislation provides grants to individuals and corporations equal to 15 percent of the cost incurred in installing photovoltaic property, up to a maximum of \$2,000, or solar water heating property, up to a maximum of \$1,000. The eligible equipment must be placed in service between January 1, 2002, and December 31, 2006. The measure will become effective only if the Department of Mines, Minerals, and Energy (DMME) is appropriated funding in the 2002 - 2004 appropriations act for the administrative costs incurred in implementing the program.

6. Fiscal Impact Estimates are: Indeterminate. See item 8, below.

7. Budget amendment necessary: Yes. Item 123.

8. Fiscal implications: The proposed legislation establishes a new grant program and tasks the Department of Mines, Minerals and Energy with administering the program.

The Department of Mines, Minerals and Energy would require a new appropriation for the grant portion of this program; such an appropriation is not currently in the agency's budget. The legislation provides for the establishment of a non-reverting special fund, the Solar Energy Utilization Grant Fund. This fund would consist of moneys appropriated by the General Assembly and be used solely for the payment of grants provided for in this proposed legislation. Payments would be limited to the amount available in the Fund for distribution.

The legislation would have an expenditure impact. At this time the expenditure impact of fully funding the program is indeterminate. To fully fund the program, the fiscal need would depend on the number of individuals and corporations that qualify and apply for a grant provided for in the legislation. Any payments would be subject to appropriation.

Similarly, the legislation would have an expenditure impact to the operating budget of the Department of Mines, Minerals and Energy. As the agency tasked with administering the program, the Department will incur some administrative costs. However, according to the Department, any costs incurred in administering this program could be absorbed within its existing appropriation.

A technical amendment to make enactment of the legislation contingent upon an appropriation for the grant portion of the program rather than DMME's anticipated administrative costs is proposed in item 10, below.

9. Specific agency or political subdivisions affected: Department of Mines, Minerals and Energy

10. Technical amendment necessary : Yes; DMME has indicated that funds for administering this program are not needed. Lines 97 -99, STRIKE “in an amount not less than \$____ for the purpose of funding the administrative costs incurred by the Department in its” and INSERT “for.”

This amendment clarifies that funding is needed for the grant portion of this program and changes language in the proposed legislation to make enactment contingent upon funding of the grant portion of the program.

11. Other comments: None.

Date: 01/21/01/tmw

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cc: Secretary of Commerce and Trade