



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill # SB0312

Title: Generally revise USB laws

Primary Sponsor: Phillips, Mike

Status: As Amended

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$42,000	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$42,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: SB 312, as amended, is estimated to have a one-time-only fiscal impact to the general fund of \$42,000.

FISCAL ANALYSIS

Assumptions:

Department of Revenue (DOR)

- As amended, SB 312 requires the annual summary report by the electric utilities to the Energy and Telecommunications Interim Committee (ETIC) and DOR to also include information on all large customers who received a reimbursement from the utilities for USB related expenditures during the previous reporting year.
- The bill requires the ETIC review the annual USB reports provided by utilities in accordance with statute and compare those reports with the reports provided by large customers to DOR and identify any large customers who have not reported as required under state law.
- The proposed penalties would range from \$1,000 to \$5,000 for those large customers who do not file their reports with DOR by the statutory deadline of March 1. Any penalties collected are to be deposited in the universal low-income energy assistance fund. The bill's language does not contain penalty waiver language. However, the amended bill adds the provision that a penalty cannot be imposed unless the department provides notice to the utility or large customer of the failure to file a timely report under state law and that

the department has not received a report from the utility or large customer within 20 business days of the notice.

4. Although the average number of large customers identified by the 2014 Legislative Audit who did not file was just over 20, based upon the new notice requirements of the amended bill, the expectation is there will be compliance with the reporting requirement and no penalty will be assessed.
5. Although the department assumes there will be compliance to the reporting requirements of the amended bill, the department must still prepare a system to process payments of assessed penalties. The department will use the Gentax system to process the penalty payments and also use this system to link these payments to the state accounting system. To add the payment processing for the USB program to the department’s processing system is an estimated one-time cost of \$42,000. The cost is based on six weeks of programming time.
6. The provisions of amended SB 312 will apply to annual reports to be filed on or after March 1, 2016 with DOR and the ETIC.

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$42,000	\$0	\$0	\$0
TOTAL Expenditures	\$42,000	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$42,000	\$0	\$0	\$0
TOTAL Funding of Exp.	\$42,000	\$0	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$42,000)	\$0	\$0	\$0

Sponsor’s Initials

Date

Budget Director’s Initials

Date