

March 2, 2015

The Honorable Dennis Hedke, Chairperson
House Committee on Energy and Environment
Statehouse, Room 581-W
Topeka, Kansas 66612

Dear Representative Hedke:

SUBJECT: Fiscal Note for HB 2350 by House Committee on Vision 2020

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2350 is respectfully submitted to your committee.

HB 2350 would authorize local governments to establish Property Assessed Clean Energy (PACE) programs. Under the provisions of the bill, a municipality could establish one or more PACE districts within its boundaries, and the bill provides the means by which those districts can be established and administered. Property owners within a PACE district could apply to the city for financial assistance for the installation of certain types of equipment intended to decrease or offset water or energy consumption or demand. The city would enter into a contract with the property owner to impose an assessment upon the property to repay the owner's financing, and the assessment would be a first and prior lien against the real property. The bill provides definitions of terms associated with the PACE program, as well as provisions for how the program may be financed by the municipality; the materials and services that may be included in the financing for assessments; and how collections, repayments, and delinquencies must be handled. The bill would take effect on January 1, 2016.

According to the Kansas Department of Revenue, passage of HB 2350 would not affect state revenues or the expenditures of the agency. The Kansas Association of Counties indicates that the added duties for county employees resulting from passage of HB 2350 and implementation of a PACE program could lead to additional expenditures for Kansas counties. It is unable, however, to estimate what those expenditures might amount to. The League of Kansas Municipalities states that passage of the bill would cause increased costs for Kansas cities based on a number of variables including costs associated with program implementation,

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finance and underwriting costs, and the default rate. It is unable, however, to estimate what those increased costs might be.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Larry Baer, League of Municipalities
Melissa Wangemann, Association of Counties
Amy Gilbert, KCC