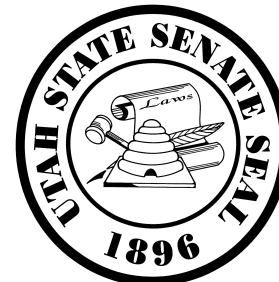




Fiscal Note

H.B. 87

2016 General Session
Clean Fuel Conversion Amendments
by Handy, S.



General, Education, and Uniform School Funds

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$(1,313,200)	\$813,200	\$(500,000)

State Government

UCA 36-12-13(2)(b)

Enactment of this legislation may decrease revenue to the Education Fund by \$734,300 in FY 2018, by \$1,145,600 in FY 2019, by \$1,250,600 in FY 2020, and by \$1,313,200 in FY 2021 due to extension of the energy efficient vehicle tax credit from December 31, 2016 to December 31, 2020. Any Education Fund revenue impact more than \$500,000 per year would be covered by a transfer from the General Fund to the Education Fund. The bill would deposit \$500,000 in a new Conversion to Alternative Fuel Grant Program revolving loan fund established in this legislation. Approximately 152 taxpayers may forgo tax credits in lieu of grant payments under the new program, offsetting potential revenue loss from tax credits by \$228,000 in FY 2018.

Revenues	FY 2016	FY 2017	FY 2018
Education Fund	\$0	\$(1,313,200)	\$(1,313,200)
Restricted Funds	\$0	\$500,000	\$0
General Fund, One-Time	\$0	\$0	\$(234,300)
Education Fund, One-Time	\$0	\$1,313,200	\$1,041,200
Total Revenues	\$0	\$500,000	\$(506,300)

Enactment of this legislation appropriates \$500,000 from the General Fund one-time in FY 2017 to the Department of Environmental Quality (DEQ) for the Conversion to Alternative Fuel Grant Program (CAFGP) Fund. The bill would require DEQ to establish and administer the grant program at an estimated cost of \$53,200 in FY 2017, \$26,600 in FY 2018 and FY 2019, and \$13,300 in FY 2020 to be paid from the new fund. An estimated 350 individuals will install conversion equipment in the program's first year, the first 152 of which could receive \$2,500 grants depleting \$380,000 deposited in the fund by this bill.

Expenditures	FY 2016	FY 2017	FY 2018
Restricted Funds	\$0	\$53,200	\$406,600
General Fund, One-Time	\$0	\$500,000	\$0
Total Expenditures	\$0	\$553,200	\$406,600

Net All Funds	\$0	\$(53,200)	\$(912,900)
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Local Government

UCA 36-12-13(2)(c)

Enactment of this legislation likely will not result in direct, measurable costs for local governments.

Individuals & Businesses

UCA 36-12-13(2)(d)

An estimated 350 owners will install conversion equipment and apply for the grant during FY 2018. The first 152 applicants could receive grants of \$2,500 for a total of \$380,000 thereby depleting money available in the grant fund after subtracting administrative expenses. Enactment of this legislation extends the alternative fuel vehicle tax credit that was set to expire at the end of 2016 through 2020. The remaining 198 grant applicants and an estimated 552 other persons will claim the tax credit in various amounts for a total of \$734,300 in FY 2018; total tax credits that may be claimed are estimated to be \$1,145,600 in FY 2019, \$1,250,600 in FY 2020, and \$1,313,200 in FY 2021.

Performance Note

JR4-2-404

Required of the Environmental Quality and due by January 11, 2016

Notes on Notes

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.