2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2181 **STATUS:** A Engrossed
SUBJECT: Allows local government to establish loan programs to provide property owners with access to funding for cost-effective energy improvements
GOVERNMENT UNIT AFFECTED: Department of Energy, Housing and Community Services, and Local Government
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REVIEWED BY: Michelle Deister
DATE: April 24, 2009

	2009-2011	2011-2013
EXPENDITURES:		
See comments below.		
REVENUES:		
See comments below.		

EFFECTIVE DATE: January 1, 2010.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: The bill includes provisions for local government to establish a program to make loans to property owners for cost-effective energy improvements; allows State Department of Energy (DOE) to lend money under the Small Scale Energy Loan Program (SELP) to local governments that establish programs, or that coordinate with DOE to implement a loan program; directs DOE and House and Community Services Department (HCS) to work together to establish rules related to energy improvements if DOE lends money.

DOE indicates that the fiscal impact is indeterminate. The fiscal impact will depend upon how many local government entities establish loan programs, whether local entities pursue coordination with DOE to implement a loan program, and demand for loan funding. Currently, DOE’s Small Scale Energy Loan Program (SELP) loans are typically for large sums and the volume of loans per year is relatively low. Program processes and the related fees are structured to sustain this model. The bill allows local governments to coordinate with DOE to implement a loan program, which may shift the demand for SELP funding to be more oriented toward smaller loan amounts, and higher loan volumes. If the SELP business model shifts and loan volumes increase significantly, DOE may need to return to the Legislature of interim Emergency Board to request additional Other Funds limitation to retool data systems and work processes and to add additional staff resources or to pursue contract services for loan administration.

HCS indicates that coordinating with DOE on rulemaking is expected to have a minimal impact and can be absorbed within existing resources.

The League of Oregon Cities and Association of Oregon Counties anticipate a minimal fiscal impact associated with the bill.