

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2074

79th Oregon Legislative Assembly – 2017 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Extends sunset for tax credit for energy conservation project.

Government Unit(s) Affected:

Department of Energy, Department of Revenue(DOR)

Summary of Expenditure Impact:

See Analysis

Analysis:

Department of Energy

This bill extends the sunset date for the energy conservation project tax credit to January 1, 2024. A total of 3.00 FTE were phased out of the Department of Energy’s 2017-19 current service level budget in anticipation of this program’s sunset on January 1, 2018. Extension of the sunset of the energy conservation project tax credit would require that these positions to be retained by the Department. The Other Funds costs for retaining these positions and associated services and supplies costs for 2017-19 is approximately \$519,041. Program fees collected from tax credit applicants are available to cover these direct costs, as well as the program’s respective share of indirect costs allocated through DOE’s federally-approved indirect cost recovery model.

In addition to staff, information technology upgrades to the Department’s databases would be required. The Department cannot continue to adequately administer energy tax credit programs with its current information technology capability. The extension of the energy conservation tax credit, or any other energy tax credits currently administered by the Department, would require database upgrades to improve tracking and reporting capabilities. DOE estimates Other Funds costs of \$798,770 for the 2017-19 biennium, including \$178,770 for a full-time Information Systems Specialist (ISS) 5 position (1.00 FTE) and associated services and supplies costs, ongoing database licensing of \$100,000, and one-time development costs of \$520,000. The proposed information technology upgrades are applicable to the extension of any energy tax credit currently scheduled to sunset January 1, 2018. The ultimate scope of the data system and total cost will be dependent on the combined impact of the tax credit programs extended.

Department of Revenue

There is no fiscal impact for the Department of Revenue.