

February 15, 2016

The Honorable Scott Schwab, Chairperson  
House Committee on Insurance and Financial Institutions  
Statehouse, Room 151-S  
Topeka, Kansas 66612

Dear Representative Schwab:

SUBJECT: Fiscal Note for HB 2649 by House Committee on Energy and Environment

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2649 is respectfully submitted to your committee.

HB 2649 would allow municipalities to form or join efficiency improvement development boards. The boards could be created by municipalities through the issuance of an ordinance. Once created, the boards would have certain powers that include the ability to sue and be sued, accept grants and donations, employ and contract, issue bonds, borrow money, assess fees, and various other powers.

The boards would be able to enter into contracts with property owners to make efficiency improvements to the property. Projects could include the installation of geothermal systems and solar thermal systems, energy-efficient fixtures and energy control systems. Improvements could be financed by the board and repaid by the property owner as specified in an assessment contract agreed upon by both parties. The obligation to pay fees associated with the contract would rest with the current land owner, not necessarily the individual who entered into the contract.

The Kansas Corporation Commission, the Kansas Association of Counties, and the Kansas Department of Revenue all indicate that HB 2649 would have no fiscal effect. However, property under an efficiency improvement contract would have an assessment fee associated with the property until the contract was paid off.

Sincerely,



Shawn Sullivan,  
Director of the Budget

cc: Amy Gilbert, KCC  
Shonda Smith, CURB  
Jack Smith, Department of Revenue  
Melissa Wangemann, Association of Counties  
Larry Baer, League of Municipalities