



**OFFICE OF LEGISLATIVE AUDITOR  
Fiscal Note**

Fiscal Note On: **HB 619** HLS 21RS 1010  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 21, 2021 12:47 PM	<b>Author:</b> HILFERTY
<b>Dept./Agy.:</b> Parish Governing Authorities	<b>Analyst:</b> Jamie Mergist
<b>Subject:</b> Commercial Property Clean Energy Resilience Program	

PROPERTY OR SEE FISC NOTE LF Page 1 of 1  
 Authorizes parishes governing authorities to create commercial property assessed clean energy resilience programs

**Purpose of the Bill:** This bill authorizes parish governing authorities to establish, by ordinance, commercial property assessed clean energy resilient loan programs (C-PACE) within federally designated opportunity zones located in their respective parishes. The purpose of C-PACE is, in part, to provide property owners with access to loans to improve water and energy efficiency and resiliency against disasters (e.g. hurricanes) of eligible property. The bill provides requirements for the program, including requirements for eligibility, administration, and loans.

EXPENDITURES	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

  

REVENUES	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>5 -YEAR TOTAL</u>
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Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

**This bill may increase local fund expenditures by an indeterminable amount.**

An official with a third-party administrator for C-PACE programs in Virginia indicated that this bill may increase local government expenditures by an indeterminable amount for administrative costs related to the program if managed by the local government. However, this official indicated that typically local governments hire third-party administrators who pay for the majority of program setup and administrative costs with the local government paying for the cost of enforcing delinquent C-PACE loans through the property tax sale process. This official also indicated that the bill would not impact state expenditures.

An official with the St. Bernard Parish Government (Parish) indicated that Parish expenditures may increase by an indeterminable amount due to administrative and enforcement costs if the Parish is the program administrator.

**REVENUE EXPLANATION**

**This bill may increase local fund revenues by an indeterminable amount.**

An official with a third-party administrator for C-PACE programs in Virginia indicated that this bill may increase local government revenue by an indeterminable amount if local governments impose fees on participating property owners. However, this official indicated that, in her experience, local governments usually do not charge such fees as they usually contract with third-party administrators to administer C-PACE programs. This official indicated that her own organization charges an administrative fee of 1.25% percent on the total project costs (up to \$50,000) at closing. This official also indicated that the bill would not impact state revenue.

An official with the St. Bernard Parish Government indicated that Parish revenue may increase by an indeterminable amount if the Parish administers the program and collects an administrative fee.

Our research indicates that administration fees for C-PACE programs throughout the United States vary. For example, we noted that participating property owners in Delaware are charged an administrative fee of 2.5% of the loan amount (up to \$75,000) and a county servicing fee up to \$1,500.

Senate      Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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**Michael G. Battle**  
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