

## **BILL ANALYSIS**

C.S.H.B. 3070  
By: Strama  
Government Reform  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

When consumers shop for a cars, they may consider both the sticker price and the estimated gas mileage to get a full picture of the total cost of ownership. When a consumer shops for a home, the sticker price is clear, but information about the energy efficiency of the home -- which has a huge impact on the total cost of homeownership -- is usually not available. If the marketplace for residential real property included more such information, buyers would know more about the expected ongoing costs of their purchase, homebuilders who invest in energy efficiency would be rewarded, and energy efficiency in the residential real property market could be expected to increase.

This bill instructs the State Energy Conservation Office (SECO) to conduct a study to examine methods for introducing information into the marketplace about the energy efficiency of residential real property. SECO is instructed to convene an advisory committee composed of a range of stakeholders, and to consider a number of specific potential methods.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

The bill amends Chapter 2305 of the Government Code by adding Subchapter F and provides for the expiration of this subchapter on August 31, 2009. The bill defines the terms "Residential real property" and "Energy efficiency mortgage" for the purposes of the bill.

The bill outlines the study, "Methods for Providing Energy Efficiency Information for Residential Real Property. The bill requires the energy office to conduct a study to examine methods for introducing information into the marketplace regarding the energy efficiency of residential real property. The office is required to establish an advisory committee to direct the focus of the study. The bill lists and defines the composition of the advisory committee.

The bill also requires that the study consider the establishment of standards for rating the energy efficiency of new and existing residential property, and for providing information reflecting how that rating would change if certain recommended improvements were made. The study shall consider the establishment of procedures to ensure that new and existing residential real properties can receive an energy efficiency rating in the six months before the time of sale, and that the rating is communicated to potential buyers. The study shall consider possible methods for creating incentives for the growth and development of the market for home energy ratings. The study shall consider the inclusion of a field for all residential real property listings for certain energy efficiency information including past utility bills and an energy efficiency rating. The study shall also consider possible methods for delivering energy efficiency mortgages to the buyers of properties that meet a minimum standard for energy efficiency. Additionally, the study shall consider creating public awareness of the energy efficiency rating system and the availability of energy efficiency mortgages.

The bill also requires the study to address the question of whether introducing information into the marketplace regarding the energy efficiency of residential real property through the method the advisory committee and the energy office determine most promising is likely to increase the average energy efficiency of residential real property in this state. The study must also specify

any statutory changes the advisory committee and the energy office determine are necessary to achieve a particular result.

The bill allows for the advisory committee or energy office to contract appropriate organizations or appropriate entities, in order to obtain information to conduct the study. Likewise, the bill requires state agencies, boards, commissions and institutions of higher education to comply with requests from the energy office for information or assistance in conducting this study.

Lastly the bill requires the energy office to report the results of the study to the governor, the lieutenant governor, and the speaker of the house of representatives, not later than October 1, 2008.

#### **EFFECTIVE DATE**

September 1, 2007.

#### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

The original bill was filed as a non-legislative council draft; whereas the substitute is a legislative council draft of the bill and makes several technical and confirmative changes to better fit existing code.

The substitute also provides for the expiration of Subchapter F, of Chapter 2305 of the Government Code, on August 31, 2009; whereas the original does not.