

By: Rodriguez, Gallego, Harless, et al.

H.B. No. 4261

Substitute the following for H.B. No. 4261:

By: Solomons

C.S.H.B. No. 4261

A BILL TO BE ENTITLED

AN ACT

relating to establishing a no-interest loan program to promote the use of energy efficiency measures and renewable energy technology in certain residential dwellings, commercial buildings, and places of worship.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 447, Government Code, is amended by adding Section 447.014 to read as follows:

Sec. 447.014. LOAN PROGRAM TO PROMOTE USE OF ENERGY EFFICIENCY MEASURES AND RENEWABLE ENERGY TECHNOLOGY. (a) In this section:

(1) "Energy efficiency" means a measure that is aimed at reducing the rate at which energy is used by equipment or processes and may be achieved by:

(A) substituting more advanced equipment to produce the same or a higher level of end-use services with less energy;

(B) adopting technology and processes that reduce heat or other energy losses;

(C) installing materials, including weatherization materials, or equipment that reduces or facilitates a reduction in heat or other energy loss; or

(D) reorganizing processes to make use of waste heat.

1           (2) "Lending institution" means a financial  
2 institution that:

3                   (A) customarily provides services or assistance  
4 in the financing of residential mortgage loans; or

5                   (B) makes commercial loans.

6           (3) "Program" means the loan program to promote energy  
7 efficiency measures and renewable energy technology established by  
8 this section.

9           (4) "Renewable energy technology" has the meaning  
10 assigned by Section 39.904(d), Utilities Code.

11           (5) "Small business" has the meaning assigned by  
12 Section 481.191.

13           (b) Subject to the availability of funds under the American  
14 Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5), or other  
15 legislative appropriation, the State Energy Conservation Office  
16 shall establish and administer a revolving loan program to make  
17 no-interest loans to individuals, places of worship, and small  
18 businesses to promote the use of energy efficiency measures and  
19 renewable energy technology in the:

20                   (1) residential dwellings owned by the individuals;  
21 and

22                   (2) buildings owned or operated by the places of  
23 worship or small businesses.

24           (c) The State Energy Conservation Office shall ensure that  
25 the program is designed and administered in accordance with the  
26 applicable provisions of the American Recovery and Reinvestment Act  
27 of 2009 (Pub. L. No. 111-5) and any other applicable federal law.

1 (d) A loan made under the program:

2 (1) may not have a term that exceeds the earlier of:

3 (A) 20 years after the date the energy efficiency  
4 measure or renewable energy technology is installed; or

5 (B) the average useful life of the energy  
6 efficiency measure or renewable energy technology to be implemented  
7 by the loan recipient;

8 (2) may be secured by a lien on the real property;

9 (3) may be made with respect to a new or existing  
10 structure; and

11 (4) may not be made to fund a renewable energy  
12 technology that has an electric generating capacity of:

13 (A) more than 10 kilowatts if the loan is related  
14 to a residential dwelling; and

15 (B) more than 30 kilowatts if the loan is related  
16 to a building owned or operated by a place of worship or small  
17 business.

18 (e) To be eligible to receive a loan under the program, a  
19 person must:

20 (1) apply to the State Energy Conservation Office on a  
21 form prescribed by the office; and

22 (2) meet any additional eligibility requirements  
23 established by rule by the office.

24 (f) The State Energy Conservation Office may:

25 (1) contract with one or more lending institutions to  
26 assist the office with qualifying applicants and servicing loans  
27 under the program; and

1           (2) charge applicants a reasonable fee in an amount  
2 necessary to recover the costs associated with processing  
3 applications, qualifying applicants, and servicing loans under the  
4 program.

5           (g) The State Energy Conservation Office shall adopt rules  
6 as necessary to implement this section, including rules regarding:

7           (1) the types of renewable energy technologies or  
8 energy efficiency measures that are eligible for loan funding under  
9 the program;

10           (2) the maximum amount of any loan made under the  
11 program;

12           (3) the manner in which loans are to be repaid to the  
13 office;

14           (4) the terms that are required to be included in a  
15 contract entered into under Subsection (f)(1), including the fees  
16 payable to and duties imposed on a lending institution under the  
17 contract;

18           (5) the types of energy efficiency measures or  
19 renewable energy technologies that will require a loan applicant to  
20 undergo an energy efficiency audit or other energy assessment  
21 before the making of a loan under the program; and

22           (6) the creation of a registry of providers that:

23           (A) lists providers who are eligible to provide  
24 installation services under the loan program; and

25           (B) is routinely reviewed and updated by the  
26 office to assess provider performance and customer satisfaction and  
27 to ensure that providers meet required standards.

1       (h) To be eligible to provide installation services under  
2 the loan program, a provider must meet standards established by the  
3 State Energy Conservation Office that may be based on the types of  
4 certification held by the provider.

5       (i) The State Energy Conservation Office shall retain  
6 outside of the state treasury and use the proceeds of loan payments  
7 received under the program to administer and make loans under the  
8 program without the necessity of a legislative appropriation.

9       (j) Not later than January 1 of each year, the State Energy  
10 Conservation Office shall submit a report to the legislature that  
11 includes:

12               (1) a brief description of:

13                       (A) the implementation and status of the program;

14                       (B) the energy efficiency measures or renewable  
15 energy technologies financed under the program; and

16                       (C) the energy saved and clean energy produced as  
17 a result of implementing energy efficiency measures or renewable  
18 energy technologies financed under the program; and

19               (2) any additional information the office determines  
20 necessary.

21       (k) For purposes of preparing the report described by  
22 Subsection (j) or for purposes of meeting any federal reporting  
23 requirement, the State Energy Conservation Office shall monitor a  
24 statistically relevant percentage of residential dwellings or  
25 buildings for which a loan is made under the program using a device  
26 that is installed on the structure and that transmits, in real time,  
27 energy consumption and production data into a centralized database

1 to be accessed:

2 (1) by the office; and

3 (2) in a more limited and relevant format over an  
4 Internet website, by applicable loan recipients.

5 SECTION 2. Subject to Section 447.014(b), Government Code,  
6 as added by this Act, the State Energy Conservation Office shall  
7 establish the loan program to promote energy efficiency measures  
8 and renewable energy technology under Section 447.014, Government  
9 Code, as added by this Act, not later than December 1, 2009.

10 SECTION 3. This Act takes effect immediately if it receives  
11 a vote of two-thirds of all the members elected to each house, as  
12 provided by Section 39, Article III, Texas Constitution. If this  
13 Act does not receive the vote necessary for immediate effect, this  
14 Act takes effect September 1, 2009.