

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 22, 2015

TO: Honorable Kevin Eltife, Chair, Senate Committee on Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2392 by Anchia (Relating to the establishment of a residential energy efficiency loan program.), **As Engrossed**

Creation of the loan program could result in an indeterminate negative fiscal impact. As the overall demand for the program is unknown, the fiscal implications of the bill cannot be determined at this time.

The bill would amend the Health and Safety Code to direct the Comptroller and the State Energy Conservation Office (SECO) to establish and administer a self-sustaining program that issues loans for improvements that increase the energy efficiency of existing residences. SECO would establish eligibility requirements and annually evaluate the effectiveness of the program.

SECO anticipates that additional funds would be required to fund the loan program. The bill would prohibit money from the General Revenue Fund to be appropriated for the purpose of implementing the program. According to SECO, the use of federal funding must be authorized by the U.S. Department of Energy through the state's energy plan and, if authorized, would reduce loan availability annually to governmental entities. SECO does not currently have DOE authority to use funds in this manner and it is unknown if the state would receive approval to modify the use of funds in this way. As the overall demand for the program is unknown, the fiscal implications of the bill cannot be determined at this time.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2015.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 582 Commission on Environmental Quality, 712 Texas A&M Engineering Experiment Station

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