

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 23, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2919 by Raney (Relating to an energy efficiency pilot program for state-owned buildings operated by the Texas Facilities Commission.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would create an energy efficiency pilot program for state-owned buildings. The Energy Systems Laboratory at the Texas A&M Engineering Experiment Station, in consultation with Texas Facilities Commission (TFC) and the State Energy Conservation Office (SECO) of the Comptroller's Office, would establish and implement the program in which SECO makes or guarantees loans to finance energy efficiency improvements and the utility savings from those improvements generate a 30 percent return on the cost of those improvements. Texas A&M Engineering Experiment Station, TFC, and SECO indicated that the provisions of the bill could be implemented within existing resources.

According to SECO, funding for the program would be provided through the LoanSTAR (Saving Taxes and Resources) revolving loan program. Utility savings would vary on a project-by-project basis and would be used to pay back the LoanSTAR loan. Utility savings after the loan is repaid could only be appropriated to the governmental entity that owns the building and cannot be estimated, as it would be project dependent. The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house. Otherwise, the bill takes effect September 1, 2015.

Local Government Impact

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

Source Agencies: 303 Facilities Commission, 304 Comptroller of Public Accounts, 712 Texas A&M Engineering Experiment Station

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