

BILL ANALYSIS

Senate Research Center

S.B. 783
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Business & Commerce
6/5/2025
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 783 is a cleanup bill that will allow the State Energy Conservation Office (SECO) to move forward with future rulemaking. SECO has full authority to adopt energy, water and high performance building code standards for state-funded buildings, and the ability to adopt the latest energy codes of the International Code Council. Currently, SECO has adopted the 2015 International Energy Conservation Code (IECC) and the Energy Chapter of the 2015 International Residential Code (IRC) as a result of both this authority and a bill approved by the legislature in 2015. Additionally, SECO and universities have the authority to adopt high performance standards and specific water and energy conservation standards for state-funded buildings.

While SECO began a rulemaking process to adopt the 2021 IECC and the energy chapter of the 2021 IRC, a legal interpretation of a bill from 2019 has prevented SECO from moving forward. The 2021 energy code has been found to be approximately 5 to 10 percent more energy efficient than the 2015 code, the current statewide standard. Moreover, several large cities, including Austin, Houston, Dallas, and San Antonio have all moved forward with adoption of the 2021 standards. S.B. 783 is a refile of S.B. 2453 (88(R)), which was vetoed.

Solution:

S.B. 783 will cure this issue by adding three exceptions to the list of those already contained in the statute added by the 2019 bill. Those three exceptions are:

- (15) an energy code as adopted by the State Energy Conservation Office under Section 388.003(a) or (b), Health and Safety Code;
- (16) an energy and water conservation design standard established by the State Energy Conservation Office under Section 447.004; and
- (17) a high-performance building standard approved by a board of regents under Section 55.115, Education Code.

This bill will also:

- Allow SECO to adopt an amended edition of the IECC and IRC.
- Ensures that prior to amending or adopting the edition of IECC or IRC, SECO must establish an analysis that measures the impact on housing attainability in the State and cost-effectiveness on the proposed amendment or adoption. The analysis must also calculate the payback period for any required products.

Allowing SECO to move forward will assure that new construction will be more efficient, save consumers money, and place less strain on the grid. Additionally, SECO may only adopt those standards after public notice and input and a stakeholder process.

(Original Author's/Sponsor's Statement of Intent)

S.B. 783 amends current law relating to certain regulations adopted by governmental entities for the construction or alteration of residential or commercial buildings.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the State Energy Conservation Office is modified in SECTION 2 (Section 388.003, Health and Safety Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 3000.002(c), Government Code, as follows:

(c) Provides that Section 3000.02 (Certain Regulations Regarding Building Products, Materials, or Methods Prohibited) does not apply to:

(1)-(12) makes no changes to these subdivisions;

(13)-(14) makes nonsubstantive changes to these subdivisions;

(15) an energy code as adopted by the State Energy Conservation Office (SECO) under Section 388.003(a) or (b), Health and Safety Code;

(16) an energy and water conservation design standard established by SECO under Section 447.004 (Design Standards); and

(17) a high-performance building standard approved by a board of regents under Section 55.115 (High-Performance, Sustainable, Design, Construction, and Renovation Standards for Certain Facilities), Education Code.

SECTION 2. Amends Section 388.003, Health and Safety Code, by amending Subsections (a), (b), and (b-2) and adding Subsections (a-1) and (a-2), as follows:

(a) Provides that SECO is:

(1) prohibited from amending or adopting the latest published edition of the energy efficiency chapter of the International Residential Code under this subsection more often than once every six years;

(2) makes a nonsubstantive change to this subdivision; and

(3) authorized to amend an adopted or published edition.

Makes a nonsubstantive change to this subsection.

(a-1) Requires SECO, before amending or adopting an edition of the energy efficiency chapter of the International Residential Code under Subsection (a), to conduct an analysis that:

(1) measures the impact of the amendment or adoption on housing attainability in this state; and

(2) quantifies the incremental construction cost and energy use cost savings associated with construction to evaluate the cost-effectiveness of the proposed amendment or adoption.

(a-2) Requires that the analysis under Subsection (a-1)(2) calculate the payback period for any required products or minimum standards or requirements that are more stringent than the energy code in effect on the date immediately before the date the amendment or adoption would take effect.

(b) Provides that SECO is:

(1) creates this subdivision from existing text and makes a nonsubstantive change; and

(2) authorized to amend an adopted or published edition of the latest published edition of the energy efficiency chapter of the International Residential Code.

(b-2) Requires SECO by rule to establish a procedure for persons who have an interest in the amendment or adoption of energy codes under Subsection (a) or (b) to have an opportunity to comment on the codes under consideration. Requires SECO to consider certain persons and entities who have an interest in adoption of those codes, including electric, gas, and water utilities operated by a public or private entity. Makes a nonsubstantive change.

SECTION 3. Effective date: September 1, 2025.