

BILL ANALYSIS

Senate Research Center
76R9097 ESH-F

H.B. 2492
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State Affairs
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Engrossed

DIGEST

Currently, an institution of higher education, school district, state agency, or local government is authorized to enter into a contract for energy conservation measures, or Energy Savings Performance Contracting (ESPC). H.B. 2492 would modify language of the four sections of law which govern ESPC funding options and specifying when the term of ESPC begins.

PURPOSE

As proposed, H.B. 2492 modifies language regarding Energy Savings Performance Contracting.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 44.901, Education Code, by amending Subsections (f)-(h) and adding Subsection (i), as follows:

(f) Authorizes energy conservation measures with respect to existing buildings or facilities, to be financed under a lease/purchase contract that has a term not to exceed 15 years, rather than 10, from the final date of installation and that meets federal tax requirements for tax-free municipal leasing or long-term financing; with the proceeds of bonds; or under a contract with the provider of the energy conservation measures that has a term not to exceed 15 years from the final date of installation.

(g) Requires a contract for energy conservation measures to contain provisions pursuant to which the provider of the energy conservation measures guarantees the amount of the savings to be realized by the school district under the contract. Prohibits the school district's contractual obligations in any one year during the term of the contract beginning after the final date of installation from exceeding total energy and operating cost savings, if the term of a contract for energy conservation measures exceeds one year.

(h)-(i) Makes conforming changes.

SECTION 2. Amends Section 51.927, Education Code, as amended by Chapters 627 and 1142, Acts of the 75th Legislature, Regular Session, 1997, by reenacting and amending Subsections (f)-(k) and adding Subsection (l), as follows:

(f) Authorizes the Master Equipment Lease Purchase Program operated by the Texas Public Finance Authority to be utilized by an institution to fund a contract for energy conservation measures as described in Subsection (f), rather than (e), beginning after the final date of installation. Makes a conforming change.

(g)-(j) Makes conforming changes.

(k) Requires proposals to be opened in a manner that avoids disclosure of the contents to competing offerors, if provided in a request for proposals under Subsection (i). Makes a conforming change.

(l) Makes a conforming change.

SECTION 3. Amends Section 2166.406, Government Code, by amending Subsections (b) and (f)-(l) and adding Subsection (m), as follows:

(b) Provides that a contract authorized under this section, rather than chapter, includes a contract for the installation of certain items.

(f)-(m) Makes conforming changes.

SECTION 4. Amends Section 302.004, Local Government Code, as follows:

Sec. 302.004. New heading: METHOD OF FINANCING; TERMS OF CONTRACT. Makes conforming changes.

SECTION 5. Provides that to the extent of any conflict, this Act prevails over another Act of the 76th Legislature, Regular Session, 1999, relating to nonsubstantive additions and corrections in enacted code, including H.B. No. 3156 or S.B. 1368.

SECTION 6. Effective date: September 1, 1999.

SECTION 7. Emergency clause.