

## **BILL ANALYSIS**

Senate Research Center

H.B. 1571  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, local governmental entities and schools can enter into a performance contract to install more efficient systems or equipment that will result in long-term savings in energy, water, or other costs. Under these contracts, local governments can obtain financing to fund construction based on a guarantee of future savings. Interested parties assert that future cost savings from maintenance and ongoing operations should be considered in implementing performance contracting. This will allow local governments to save more money over time by investing in cost-saving efficiency measures.

H.B. 1571 amends current law relating to energy savings performance contracts.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 44.901(a) and (f-1), Education Code, as follows:

(a) Redefines "energy savings performance contract."

(f-1) Authorizes the State Board of Education (SBOE) to use any available money to pay the provider of the energy or water conservation measures, rather than to use any available money other than money borrowed from this state.

SECTION 2. Amends Sections 51.927(a) and (g-1), Education Code, as follows:

(a) Redefines "energy savings performance contract."

(g-1) Authorizes SBOE to use any available money to pay the provider of the energy or water conservation measures, rather than to use any available money other than money borrowed from this state.

SECTION 3. Amends Sections 2166.406(a) and (f-1), Government Code, as follows:

(a) Redefines "energy savings performance contract."

(f-1) Authorizes a state agency to use any available money to pay the provider of the energy or water conservation measures, rather than to use any available money other than money borrowed from this state.

SECTION 4. Amends Sections 302.001(1), (3), and (4), Local Government Code, to redefine "baseline," "energy savings," and "energy savings performance contract."

SECTION 5. Amends Sections 302.004(a-1), Local Government Code, to authorize the governing body of a local government to use any available money, rather than any available

money other than money borrowed from this state, to pay the provider of the energy or water conservation measures.

SECTION 6. Effective date: upon passage or September 1, 2017.