

1                                   **REVOLVING LOAN FUND FOR CERTAIN**  
2                                   **ENERGY EFFICIENT PROJECTS**

3                                   2007 GENERAL SESSION

4                                   STATE OF UTAH

5                                   **Chief Sponsor: Roger E. Barrus**

6                                   Senate Sponsor: Dan R. Eastman

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8 **LONG TITLE**

9 **General Description:**

10                   This bill creates a revolving loan fund for use by school districts to improve energy  
11 efficiency in school district buildings.

12 **Highlighted Provisions:**

13                   This bill:

- 14                   ▶ establishes a revolving loan fund to fund energy efficiency projects in buildings in  
15 school districts;
- 16                   ▶ establishes the revenue and use of the fund;
- 17                   ▶ authorizes the Board of Utah Geologic Survey to make rules establishing eligibility  
18 and prioritization criteria for disbursing monies from the fund;
- 19                   ▶ grants the board other powers and directions regarding making loans from the fund;  
20 and
- 21                   ▶ adds the new fund to the list of revolving loan funds for which the Division of  
22 Finance exercises some oversight and jurisdiction.

23 **Monies Appropriated in this Bill:**

24                   This bill appropriates:

- 25                   ▶ \$5,000,000 for fiscal year 2007-2008 only, to the Energy Efficiency Fund.

26 **Other Special Clauses:**

27                   None

28 **Utah Code Sections Affected:**

29 AMENDS:

30 **63A-3-205**, as last amended by Chapter 294, Laws of Utah 2005

31 ENACTS:

32 **53A-20b-101**, Utah Code Annotated 1953

33 **53A-20b-102**, Utah Code Annotated 1953



35 *Be it enacted by the Legislature of the state of Utah:*

36 Section 1. Section **53A-20b-101** is enacted to read:

37 **CHAPTER 20b. LOAN PROGRAMS**

38 **Part 1. Loan Program for Energy Efficiency**

39 **53A-20b-101. Title.**

40 This chapter is known as "Loan Programs."

41 Section 2. Section **53A-20b-102** is enacted to read:

42 **53A-20b-102. Energy Efficiency Fund -- Contents -- Use of fund monies.**

43 (1) As used in this section:

44 (a) "Board" means the Board of the Utah Geological Survey.

45 (b) "Energy code" means the energy efficiency code adopted by the Division of  
46 Occupational and Professional Licensing under Section 58-56-4.

47 (c) "Energy efficiency project" means:

48 (i) for existing buildings, a retrofit to improve energy efficiency; or

49 (ii) for new buildings, an enhancement to improve energy efficiency beyond the  
50 minimum required by the energy code.

51 (d) "Fund" means the Energy Efficiency Fund created by this part.

52 (2) There is created a revolving loan fund known as the Energy Efficiency Fund.

53 (3) The fund shall consist of:

54 (a) monies appropriated to it by the Legislature;

55 (b) monies received for the repayment of loans made from the fund;

56 (c) monies made available to the state for energy efficiency from any source; and

57 (d) interest earned on the fund.

58           (4) (a) The board shall make loans from the fund only to school districts to finance  
59 energy efficiency projects in school district buildings, including paying the costs of  
60 construction, engineering, investigation, inspection, and other related expenses.

61           (b) The board may not:

62           (i) make loans from the fund to finance a school district's compliance with the energy  
63 code in the construction of a new building;

64           (ii) make a loan from the fund with a term of less than two years or more than 12 years;

65 or

66           (iii) make loans from the fund to any entity other than a school district.

67           (5) (a) (i) Each school district seeking a loan shall submit an application to the board in  
68 the form and containing the information that the board requires, which shall include the plans  
69 and specifications for the proposed energy efficiency project.

70           (ii) In the application, the school district may request a loan to cover all or part of the  
71 cost of an energy efficiency project.

72           (b) If an application is rejected, the board shall notify the applicant stating the reasons  
73 for the rejection.

74           (6) (a) By following the procedures and requirements of Title 63, Chapter 46a, Utah  
75 Administrative Rulemaking Act, the board shall make rules establishing criteria for:

76           (i) determining eligibility for loans; and

77           (ii) determining appropriate priorities among projects.

78           (b) In making rules governing determining priorities for eligible projects, the board  
79 may consider:

80           (i) possible additional sources of revenue;

81           (ii) the feasibility and practicality of the project;

82           (iii) the energy savings attributable to an eligible energy efficiency project;

83           (iv) the annual energy cost savings attributable to an eligible energy efficiency project;

84           (v) the projected energy cost payback of an eligible energy efficiency project;

85           (vi) the financial need of the public facility owner;

86 (vii) the environmental and other benefits to the state and local community attributable  
87 to an eligible energy efficiency project; and

88 (viii) the availability of federal funds for the project.

89 (7) (a) In approving a project, the board shall:

90 (i) review the loan application and the plans and specifications for the project;

91 (ii) determine whether or not to grant the loan by applying its eligibility criteria; and

92 (iii) if the loan is granted, prioritize the project by applying its priority criteria.

93 (b) The board may condition approval of a loan request and the availability of funds on  
94 assurances from the school district that the board considers necessary to ensure that:

95 (i) the proceeds of the loan will be used to pay the cost of the project; and

96 (ii) the project will be completed.

97 (8) Employees of the state energy program shall serve as staff to the board when it  
98 performs the duties established in this section.

99 Section 3. Section **63A-3-205** is amended to read:

100 **63A-3-205. Revolving loan funds -- Standards and procedures -- Annual report.**

101 (1) As used in this section, "revolving loan fund" means:

102 (a) the Water Resources Conservation and Development Fund, created in Section  
103 73-10-24;

104 (b) the Water Resources Construction Fund, created in Section 73-10-8;

105 (c) the Water Resources Cities Water Loan Fund, created in Section 73-10-22;

106 (d) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean  
107 Fuels [~~Conversion~~] and Vehicle Technology Program Act;

108 (e) the Water Development Security [~~Account~~] Fund and its subaccounts created in  
109 Section 73-10c-5;

110 (f) the Agriculture Resource Development Fund, created in Section 4-18-6;

111 (g) the Utah Rural Rehabilitation Fund, created in Section 4-19-4;

112 (h) the Permanent Community Impact Fund, created in Section 9-4-303;

113 (i) the Petroleum Storage Tank Loan Fund, created in Section 19-6-405.3;

- 114 (j) the Uintah Basin Revitalization Fund, created in Section 9-10-102; [~~and~~]
- 115 (k) the Navajo Revitalization Fund, created in Section 9-11-104[-]; and
- 116 (l) the Energy Efficiency Fund created in Section 53A-20b-102.
- 117 (2) The division shall for each revolving loan fund:
- 118 (a) make rules establishing standards and procedures governing:
- 119 (i) payment schedules and due dates;
- 120 (ii) interest rate effective dates;
- 121 (iii) loan documentation requirements; and
- 122 (iv) interest rate calculation requirements; and
- 123 (b) make an annual report to the Legislature containing:
- 124 (i) the total dollars loaned by that fund during the last fiscal year;
- 125 (ii) a listing of each loan currently more than 90 days delinquent, in default, or that was
- 126 restructured during the last fiscal year;
- 127 (iii) a description of each project that received money from that revolving loan fund;
- 128 (iv) the amount of each loan made to that project;
- 129 (v) the specific purpose for which the proceeds of the loan were to be used, if any;
- 130 (vi) any restrictions on the use of the loan proceeds;
- 131 (vii) the present value of each loan at the end of the fiscal year calculated using the
- 132 interest rate paid by the state on the bonds providing the revenue on which the loan is based or,
- 133 if that is unknown, on the average interest rate paid by the state on general obligation bonds
- 134 issued during the most recent fiscal year in which bonds were sold; and
- 135 (viii) the financial position of each revolving loan fund, including the fund's cash
- 136 investments, cash forecasts, and equity position.

137 **Section 4. Appropriation.**

138 There is appropriated from the Uniform School Fund for fiscal year 2007-08 only,  
139 \$5,000,000 to the Energy Efficiency Fund to capitalize the fund.