

1 **STATE FACILITY ENERGY EFFICIENCY FUND**

2 **AMENDMENTS**

3 2016 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Scott K. Jenkins**

6 House Sponsor: Jack R. Draxler

7

8 **LONG TITLE**

9 **Committee Note:**

10 The Government Operations Interim Committee recommended this bill.

11 **General Description:**

12 This bill modifies provisions relating to the State Facility Energy Efficiency Fund.

13 **Highlighted Provisions:**

14 This bill:

- 15 ▶ requires the state building board to make rules establishing a method of monitoring
- 16 actual savings resulting from energy efficiency measures implemented using loan
- 17 money from the State Facility Energy Efficiency Fund;
- 18 ▶ requires the Division of Facilities Construction and Management to report annually
- 19 to the Government Operations Interim Committee on those actual savings; and
- 20 ▶ extends the repeal date of the State Facility Energy Efficiency Fund.

21 **Money Appropriated in this Bill:**

22 None

23 **Other Special Clauses:**

24 None

25 **Utah Code Sections Affected:**

26 AMENDS:

27 **63A-5-603**, as enacted by Laws of Utah 2008, Chapter 334



28 **63I-1-263**, as last amended by Laws of Utah 2015, Chapters 182, 226, 278, 283, 409,
29 and 424



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

32 Section 1. Section **63A-5-603** is amended to read:

33 **63A-5-603. State Facility Energy Efficiency Fund -- Contents -- Use of fund**
34 **money.**

35 (1) As used in this section:

36 (a) "Board" means the State Building Board.

37 (b) "Division" means the Division of Facilities Construction and Management.

38 (c) "Fund" means the State Facility Energy Efficiency Fund created by this section.

39 (2) There is created a revolving loan fund known as the "State Facility Energy
40 Efficiency Fund."

41 (3) To capitalize the fund, the Division of Finance shall, at the end of fiscal year
42 2007-08, transfer \$3,650,000 from the Stripper Well-Petroleum Violation Escrow Fund to the
43 fund.

44 (4) The fund shall consist of:

45 (a) money transferred under Subsection (3);

46 (b) money appropriated by the Legislature;

47 (c) money received for the repayment of loans made from the fund; and

48 (d) interest earned on the fund.

49 (5) The board shall make a loan from the fund to a state agency to, wholly or in part,
50 finance energy efficiency measures.

51 (6) (a) (i) A state agency requesting a loan shall submit an application to the board in
52 the form and containing the information that the board requires, including plans and
53 specifications for the proposed energy efficiency measures.

54 (ii) A state agency may request a loan to fund all or part of the cost of energy efficiency
55 measures.

56 (b) If the board rejects the application, the board shall notify the applicant stating the
57 reasons for the rejection.

58 (7) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,

59 the board shall make rules establishing:

60 (i) criteria to determine:

61 [(i)] (A) loan eligibility;

62 [(ii)] (B) energy efficiency measures priority; and

63 [(iii)] (C) ways to measure energy savings that take into account fluctuations in energy
64 costs and temperature[-]; and

65 (ii) a method of monitoring actual savings resulting from energy efficiency measures
66 implemented using loan money from the fund, using objective and verifiable post-construction
67 measures, if available.

68 (b) In making rules that establish prioritization criteria for energy efficiency measures,
69 the board may consider:

70 (i) possible additional sources of revenue;

71 (ii) the feasibility and practicality of the energy efficiency measures;

72 (iii) the energy savings attributable to eligible energy efficiency measures;

73 (iv) the annual energy savings;

74 (v) the projected energy cost payback of eligible energy efficiency measures;

75 (vi) other benefits to the state attributable to eligible energy efficiency measures;

76 (vii) the availability of federal funds for the energy efficiency measures; and

77 (viii) whether to require a state agency to provide matching funds for the energy
78 efficiency measures.

79 (8) (a) In reviewing energy efficiency measures for possible funding, the board shall:

80 (i) review the loan application and the plans and specifications for the energy
81 efficiency measures;

82 (ii) determine whether to grant the loan by applying the loan eligibility criteria; and

83 (iii) if the loan is granted, prioritize funding of the energy efficiency measures by
84 applying the prioritization criteria.

85 (b) The board may condition approval of a loan application and the availability of
86 funds on assurances from the state agency that the board considers necessary to ensure that the
87 state agency:

88 (i) uses the proceeds to pay the cost of the energy efficiency measures; and

89 (ii) implements the energy efficiency measures.

90 (9) The division shall annually report to the Government Operations Interim
91 Committee of the Legislature the actual savings resulting from energy efficiency measures
92 implemented using loan money from the fund, as monitored pursuant to rules adopted under
93 Subsection (7)(a)(ii).

94 ~~[(9)]~~ (10) The State Building Energy Efficiency Program shall provide staff support
95 when the board performs the duties established in this section.

96 Section 2. Section **63I-1-263** is amended to read:

97 **63I-1-263. Repeal dates, Titles 63A to 63M.**

98 (1) Section **63A-4-204**, authorizing the Risk Management Fund to provide coverage to
99 any public school district which chooses to participate, is repealed July 1, 2016.

100 (2) Subsection **63A-5-104**(4)(h) is repealed on July 1, 2024.

101 (3) Section **63A-5-603**, State Facility Energy Efficiency Fund, is repealed July 1,
102 ~~[2016]~~ 2023.

103 (4) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July
104 1, 2018.

105 (5) Title 63C, Chapter 16, Prison Development Commission Act, is repealed July 1,
106 2020.

107 (6) Subsection **63G-6a-1402**(7) authorizing certain transportation agencies to award a
108 contract for a design-build transportation project in certain circumstances, is repealed July 1,
109 2015.

110 (7) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed July 1,
111 2020.

112 (8) Title 63H, Chapter 8, Utah Housing Corporation Act, is repealed July 1, 2016.

113 (9) On July 1, 2025:

114 (a) in Subsection **17-27a-404**(3)(c)(ii), the language that states "the Resource
115 Development Coordinating Committee," is repealed;

116 (b) Subsection **23-14-21**(2)(c) is amended to read "(c) provide notification of proposed
117 sites for the transplant of species to local government officials having jurisdiction over areas
118 that may be affected by a transplant.";

119 (c) in Subsection **23-14-21**(3), the language that states "and the Resource Development
120 Coordinating Committee" is repealed;

- 121 (d) in Subsection 23-21-2.3(1), the language that states "the Resource Development
122 Coordinating Committee created in Section 63J-4-501 and" is repealed;
- 123 (e) in Subsection 23-21-2.3(2), the language that states "the Resource Development
124 Coordinating Committee and" is repealed;
- 125 (f) Subsection 63J-4-102(1) is repealed and the remaining subsections are renumbered
126 accordingly;
- 127 (g) Subsections 63J-4-401(5)(a) and (c) are repealed;
- 128 (h) Subsection 63J-4-401(5)(b) is renumbered to Subsection 63J-4-401(5)(a) and the
129 word "and" is inserted immediately after the semicolon;
- 130 (i) Subsection 63J-4-401(5)(d) is renumbered to Subsection 63J-4-401(5)(b);
- 131 (j) Sections 63J-4-501, 63J-4-502, 63J-4-503, 63J-4-504, and 63J-4-505 are repealed;
132 and
- 133 (k) Subsection 63J-4-603(1)(e)(iv) is repealed and the remaining subsections are
134 renumbered accordingly.
- 135 (10) The Crime Victim Reparations and Assistance Board, created in Section
136 63M-7-504, is repealed July 1, 2017.
- 137 (11) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1, 2017.
- 138 (12) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2018.
- 139 (13) (a) Title 63N, Chapter 2, Part 4, Recycling Market Development Zone Act, is
140 repealed January 1, 2021.
- 141 (b) Subject to Subsection (13)(c), Sections 59-7-610 and 59-10-1007 regarding tax
142 credits for certain persons in recycling market development zones, are repealed for taxable
143 years beginning on or after January 1, 2021.
- 144 (c) A person may not claim a tax credit under Section 59-7-610 or 59-10-1007:
- 145 (i) for the purchase price of machinery or equipment described in Section 59-7-610 or
146 59-10-1007, if the machinery or equipment is purchased on or after January 1, 2021; or
- 147 (ii) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), if
148 the expenditure is made on or after January 1, 2021.
- 149 (d) Notwithstanding Subsections (13)(b) and (c), a person may carry forward a tax
150 credit in accordance with Section 59-7-610 or 59-10-1007 if:
- 151 (i) the person is entitled to a tax credit under Section 59-7-610 or 59-10-1007; and

152 (ii) (A) for the purchase price of machinery or equipment described in Section
153 59-7-610 or 59-10-1007, the machinery or equipment is purchased on or before December 31,
154 2020; or

155 (B) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), the
156 expenditure is made on or before December 31, 2020.

157 (14) Section 63N-2-512 is repealed on July 1, 2021.

158 (15) (a) Title 63N, Chapter 2, Part 6, Utah Small Business Jobs Act, is repealed
159 January 1, 2021.

160 (b) Section 59-9-107 regarding tax credits against premium taxes is repealed for
161 calendar years beginning on or after January 1, 2021.

162 (c) Notwithstanding Subsection (15)(b), an entity may carry forward a tax credit in
163 accordance with Section 59-9-107 if:

164 (i) the person is entitled to a tax credit under Section 59-9-107 on or before December
165 31, 2020; and

166 (ii) the qualified equity investment that is the basis of the tax credit is certified under
167 Section 63N-2-603 on or before December 31, 2023.

168 (16) Title 63N, Chapter 12, Part 3, Utah Broadband Outreach Center, is repealed July
169 1, 2018.

Legislative Review Note
Office of Legislative Research and General Counsel