

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

8 **LONG TITLE**

9 **General Description:**

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

11 **Highlighted Provisions:**

12 This bill:

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

19 **Money Appropriated in this Bill:**

20 None

21 **Other Special Clauses:**

22 None

23 **Utah Code Sections Affected:**

24 AMENDS:

25 **63A-5-603**, as enacted by Laws of Utah 2008, Chapter 334

26 **63I-1-263**, as last amended by Laws of Utah 2015, Chapters 182, 226, 278, 283, 409,
27 and 424

28
29 *Be it enacted by the Legislature of the state of Utah:*

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

31 **63A-5-603. State Facility Energy Efficiency Fund -- Contents -- Use of fund**
32 **money.**

33 (1) As used in this section:

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

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

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

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

39 (3) To capitalize the fund, the Division of Finance shall, at the end of fiscal year
40 2007-08, transfer \$3,650,000 from the Stripper Well-Petroleum Violation Escrow Fund to the
41 fund.

42 (4) The fund shall consist of:

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

44 (b) money appropriated by the Legislature;

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

46 (d) interest earned on the fund.

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

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

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

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

56 (7) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
57 the board shall make rules establishing:

58 (i) criteria to determine:
59 [(†)] (A) loan eligibility;
60 [(††)] (B) energy efficiency measures priority; and
61 [(†††)] (C) ways to measure energy savings that take into account fluctuations in energy
62 costs and temperature[-]; and

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

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

- 68 (i) possible additional sources of revenue;
- 69 (ii) the feasibility and practicality of the energy efficiency measures;
- 70 (iii) the energy savings attributable to eligible energy efficiency measures;
- 71 (iv) the annual energy savings;
- 72 (v) the projected energy cost payback of eligible energy efficiency measures;
- 73 (vi) other benefits to the state attributable to eligible energy efficiency measures;
- 74 (vii) the availability of federal funds for the energy efficiency measures; and
- 75 (viii) whether to require a state agency to provide matching funds for the energy
76 efficiency measures.

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

- 78 (i) review the loan application and the plans and specifications for the energy
79 efficiency measures;
- 80 (ii) determine whether to grant the loan by applying the loan eligibility criteria; and
- 81 (iii) if the loan is granted, prioritize funding of the energy efficiency measures by
82 applying the prioritization criteria.

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

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

87 (ii) implements the energy efficiency measures.

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

92 [~~9~~] (10) The State Building Energy Efficiency Program shall provide staff support
93 when the board performs the duties established in this section.

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

95 **63I-1-263. Repeal dates, Titles 63A to 63M.**

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

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

99 (3) Section **63A-5-603**, State Facility Energy Efficiency Fund, is repealed July 1,
100 [~~2016~~] 2023.

101 (4) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July
102 1, 2018.

103 (5) Title 63C, Chapter 16, Prison Development Commission Act, is repealed July 1,
104 2020.

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

108 (7) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed July 1,
109 2020.

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

111 (9) On July 1, 2025:

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

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

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

119 (d) in Subsection 23-21-2.3(1), the language that states "the Resource Development
120 Coordinating Committee created in Section 63J-4-501 and" is repealed;

121 (e) in Subsection 23-21-2.3(2), the language that states "the Resource Development
122 Coordinating Committee and" is repealed;

123 (f) Subsection 63J-4-102(1) is repealed and the remaining subsections are renumbered
124 accordingly;

125 (g) Subsections 63J-4-401(5)(a) and (c) are repealed;

126 (h) Subsection 63J-4-401(5)(b) is renumbered to Subsection 63J-4-401(5)(a) and the
127 word "and" is inserted immediately after the semicolon;

128 (i) Subsection 63J-4-401(5)(d) is renumbered to Subsection 63J-4-401(5)(b);

129 (j) Sections 63J-4-501, 63J-4-502, 63J-4-503, 63J-4-504, and 63J-4-505 are repealed;
130 and

131 (k) Subsection 63J-4-603(1)(e)(iv) is repealed and the remaining subsections are
132 renumbered accordingly.

133 (10) The Crime Victim Reparations and Assistance Board, created in Section
134 63M-7-504, is repealed July 1, 2017.

135 (11) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1, 2017.

136 (12) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2018.

137 (13) (a) Title 63N, Chapter 2, Part 4, Recycling Market Development Zone Act, is
138 repealed January 1, 2021.

139 (b) Subject to Subsection (13)(c), Sections 59-7-610 and 59-10-1007 regarding tax
140 credits for certain persons in recycling market development zones, are repealed for taxable
141 years beginning on or after January 1, 2021.

142 (c) A person may not claim a tax credit under Section 59-7-610 or 59-10-1007:

143 (i) for the purchase price of machinery or equipment described in Section 59-7-610 or
144 59-10-1007, if the machinery or equipment is purchased on or after January 1, 2021; or

145 (ii) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), if
146 the expenditure is made on or after January 1, 2021.

147 (d) Notwithstanding Subsections (13)(b) and (c), a person may carry forward a tax
148 credit in accordance with Section 59-7-610 or 59-10-1007 if:

149 (i) the person is entitled to a tax credit under Section 59-7-610 or 59-10-1007; and

150 (ii) (A) for the purchase price of machinery or equipment described in Section
151 59-7-610 or 59-10-1007, the machinery or equipment is purchased on or before December 31,
152 2020; or

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

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

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

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

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

162 (i) the person is entitled to a tax credit under Section 59-9-107 on or before December
163 31, 2020; and

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

166 (16) Title 63N, Chapter 12, Part 3, Utah Broadband Outreach Center, is repealed July
167 1, 2018.