

REFERENCE TITLE: schools; energy savings loan fund

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

HB 2618

Introduced by
Representative Mason, Senator Allen

AN ACT

AMENDING TITLE 15, CHAPTER 16, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 10; MAKING AN APPROPRIATION; RELATING TO THE SCHOOL FACILITIES BOARD.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 15, chapter 16, Arizona Revised Statutes, is amended
3 by adding article 10, to read:

4 ARTICLE 10. ARIZONA ENERGY AND WATER SAVINGS LOAN FUND

5 15-2141. Definitions

6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 1. "ELIGIBLE PROJECT" MEANS A PROJECT IN A SCHOOL FACILITY THAT SAVES
8 ELECTRICITY, NATURAL GAS, OTHER ENERGY FUELS OR WATER THROUGH:

9 (a) IMPROVEMENTS IN THE EFFICIENCY OF ENERGY OR WATER USE, ON-SITE
10 PRODUCTION AND USE OF ELECTRICITY AND USEFUL THERMAL ENERGY.

11 (b) BETTER OPERATION OF BUILDINGS AND ENERGY-CONSUMING OR WATER-USING
12 EQUIPMENT IN BUILDINGS.

13 2. "LOAN FUND" MEANS THE ARIZONA ENERGY AND WATER SAVINGS LOAN FUND
14 THAT IS ESTABLISHED BY THIS ARTICLE.

15 3. "LOAN PROGRAM" MEANS THE ARIZONA STATE FACILITY ENERGY AND WATER
16 SAVINGS PROGRAM THAT IS ESTABLISHED BY THIS ARTICLE IN ORDER TO FUND ELIGIBLE
17 PROJECTS IN STATE FACILITIES.

18 4. "SCHOOL FACILITY" MEANS A FACILITY THAT IS OWNED OR LEASED BY A
19 SCHOOL DISTRICT IN THIS STATE.

20 5. "TECHNICAL ASSISTANCE" MEANS ASSISTING OWNERS OR OPERATORS OF
21 SCHOOL FACILITIES BY CONDUCTING OR ASSISTING WITH ENERGY OR WATER AUDITS,
22 ASSISTING WITH PREPARATION OF LOAN APPLICATIONS, ASSISTING WITH PROJECT
23 IMPLEMENTATION, ASSISTING WITH THE COMMISSIONING OF BUILDING ENERGY
24 MANAGEMENT AND CONTROL SYSTEMS AND OTHER ACTIVITIES THAT AID IN THE DESIGN,
25 FINANCING AND IMPLEMENTATION OF ELIGIBLE PROJECTS.

26 15-2142. Arizona energy and water savings loan fund

27 A. THE ARIZONA ENERGY AND WATER SAVINGS LOAN FUND IS ESTABLISHED
28 CONSISTING OF APPROPRIATIONS, LOAN REPAYMENTS AND INTEREST AND OTHER INCOME
29 RECEIVED ON UNOBLIGATED MONIES IN THE FUND. MONIES IN THE FUND ARE
30 CONTINUOUSLY APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF SECTION
31 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

32 B. THE SCHOOL FACILITIES BOARD SHALL ADMINISTER AND MANAGE THE FUND.
33 THE SCHOOL FACILITIES BOARD MAY SPEND MONIES FROM THE FUND FOR THE FOLLOWING
34 PURPOSES:

35 1. AWARDED LOANS UNDER THE LOAN PROGRAM.

36 2. PROVIDING TECHNICAL ASSISTANCE UNDER THE LOAN PROGRAM.

37 3. ADMINISTERING THE FUND AND LOAN PROGRAM, WHICH INCLUDES REVIEWING
38 LOAN APPLICATIONS, PRIORITIZING ELIGIBLE PROJECTS, ISSUING LOANS, CONDUCTING
39 PROJECT INSPECTIONS, RECEIVING AND MONITORING LOAN REPAYMENTS, PUBLICIZING
40 LOAN AND TECHNICAL ASSISTANCE PROGRAMS AND OTHER ACTIVITIES NECESSARY FOR THE
41 EFFECTIVE ADMINISTRATION OF THE FUND AND LOAN PROGRAM.

42 C. THE SCHOOL FACILITIES BOARD MAY SPEND UP TO TWO HUNDRED FIFTY
43 THOUSAND DOLLARS ANNUALLY FOR THE PURPOSES PRESCRIBED IN SUBSECTION B. THE
44 SCHOOL FACILITIES BOARD SHALL USE THE OTHER MONIES REMAINING IN THE FUND TO

1 PROVIDE LOANS TO SCHOOL DISTRICTS FOR ELIGIBLE PROJECTS THROUGH THE LOAN
2 PROGRAM.

3 15-2143. Loan program; terms; criteria; term; repayment

4 A. THE SCHOOL FACILITIES BOARD SHALL DETERMINE THE TERMS UNDER WHICH
5 LOANS WILL BE MADE AND SHALL PRESCRIBE THE INTEREST RATE FOR LOANS.

6 B. THE SCHOOL FACILITIES BOARD SHALL PROVIDE LOANS ON A COMPETITIVE
7 BASIS BASED ON THE MERITS OF PROPOSED PROJECTS AND CRITERIA THAT INCLUDE:

8 1. THE ANNUAL ENERGY AND WATER COST SAVINGS THAT ARE ATTRIBUTABLE TO
9 AN ELIGIBLE PROJECT.

10 2. THE FINANCIAL NEED OF THE OWNER OR OPERATOR OF THE SCHOOL FACILITY.

11 3. THE ENVIRONMENTAL AND OTHER BENEFITS TO THIS STATE AND THE LOCAL
12 COMMUNITY THAT ARE ATTRIBUTABLE TO AN ELIGIBLE PROJECT.

13 4. THE PROJECTED ENERGY AND WATER COST PAYBACK OF AN ELIGIBLE PROJECT.

14 5. OTHER FACTORS AS DETERMINED BY THE SCHOOL FACILITIES BOARD.

15 C. THE SCHOOL FACILITIES BOARD SHALL PRESCRIBE THE LOAN TERM FOR EACH
16 LOAN MADE UNDER THIS SECTION. THE LOAN TERM SHALL BE AT LEAST TWO YEARS BUT
17 NOT MORE THAN TWENTY-FIVE YEARS OR THE EXPECTED LIFE OF THE INSTALLED
18 PROJECT, WHICHEVER IS SHORTER. THE SCHOOL FACILITIES BOARD SHALL PRESCRIBE
19 THE LOAN TERM SO THAT SCHEDULED LOAN REPAYMENTS IN A YEAR SHALL NOT BE
20 GREATER THAN THE EXPECTED ENERGY, WATER AND OTHER COST SAVINGS ATTRIBUTABLE
21 TO THE ELIGIBLE PROJECT DURING THAT YEAR.

22 D. THE SCHOOL FACILITIES BOARD SHALL PROVIDE LOANS FOR ELIGIBLE
23 PROJECTS, INCLUDING:

24 1. RETROFITS OR IMPROVEMENTS TO AN EXISTING SCHOOL FACILITY.

25 2. ENERGY OR WATER EFFICIENCY UPGRADES IN NEW SCHOOL FACILITY IF THE
26 LOAN PAYS ALL OR A PORTION OF THE INCREMENTAL COST TO IMPROVE THE EFFICIENCY
27 OF THE BUILDING ABOVE STANDARD PRACTICE AND IS LIMITED TO THREE PER CENT OF
28 THE TOTAL BUILDING COST.

29 E. AN OWNER OR OPERATOR OF A SCHOOL FACILITY THAT RECEIVES A LOAN
30 UNDER THIS SECTION SHALL REPAY THE PRINCIPAL AND INTEREST ON THE LOAN.

31 F. THE OWNER OR OPERATOR OF A SCHOOL FACILITY MAY RETAIN UP TO TWENTY
32 PER CENT OF THE ANNUAL ENERGY AND WATER COST SAVINGS FOR UP TO FIVE FISCAL
33 YEARS OR THE TERM OF THE LOAN, WHICHEVER IS SHORTER, IF THE BALANCE OF THE
34 ANNUAL ENERGY AND WATER COST SAVINGS IS SUFFICIENT TO REPAY THE LOAN.

35 G. THE SCHOOL FACILITIES BOARD SHALL MAKE MONIES FROM REPAYMENT OF
36 LOANS THAT ARE DEPOSITED IN THE FUND AVAILABLE FOR ADDITIONAL ELIGIBLE
37 PROJECTS IN SCHOOL FACILITIES.

38 H. ANY INTEREST OR OTHER INCOME RECEIVED BY THE SCHOOL FACILITIES
39 BOARD ON UNOBLIGATED MONIES IN THE LOAN FUND REMAIN IN THE FUND.

40 15-2144. Technical assistance

41 A. THE SCHOOL FACILITIES BOARD MAY CONTRACT WITH A QUALIFIED PRIVATE
42 FIRM TO PERFORM TECHNICAL ASSISTANCE.

43 B. THE SCHOOL FACILITIES BOARD SHALL ISSUE GUIDELINES FOR ENERGY OR
44 WATER AUDITS AND ENSURE THAT ENERGY AUDITS USED TO IDENTIFY ELIGIBLE PROJECTS
45 ARE OF ACCEPTABLE QUALITY.

